

2018 Annual Results Presentation

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Splitit

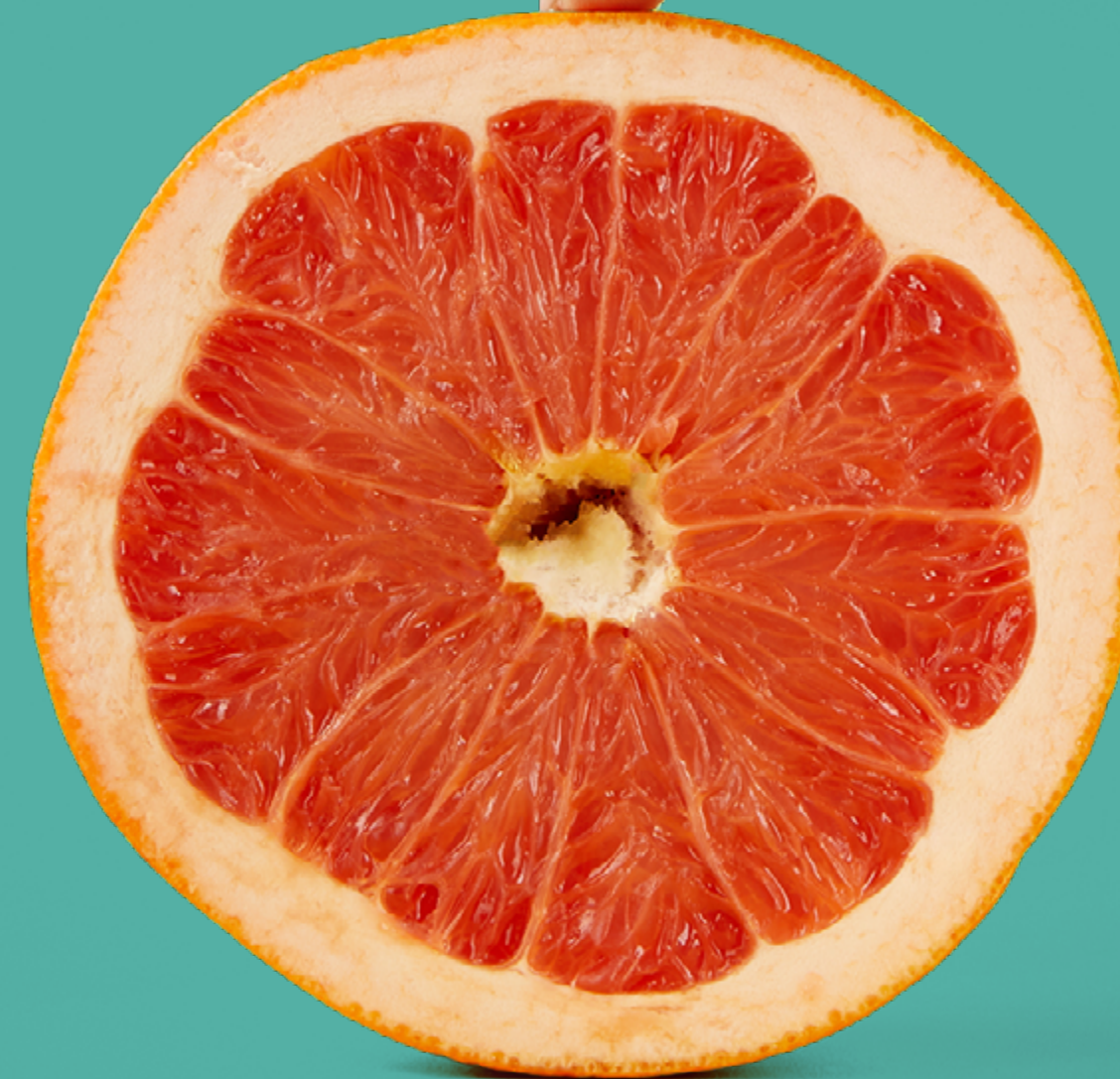
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March 2019

Our Mission

Empowering shoppers to have better control over their money

We help shoppers manage their cashflow, budget for the long term and avoid increasing their personal debt through smarter utilisation of their existing credit card limits.

Splitit

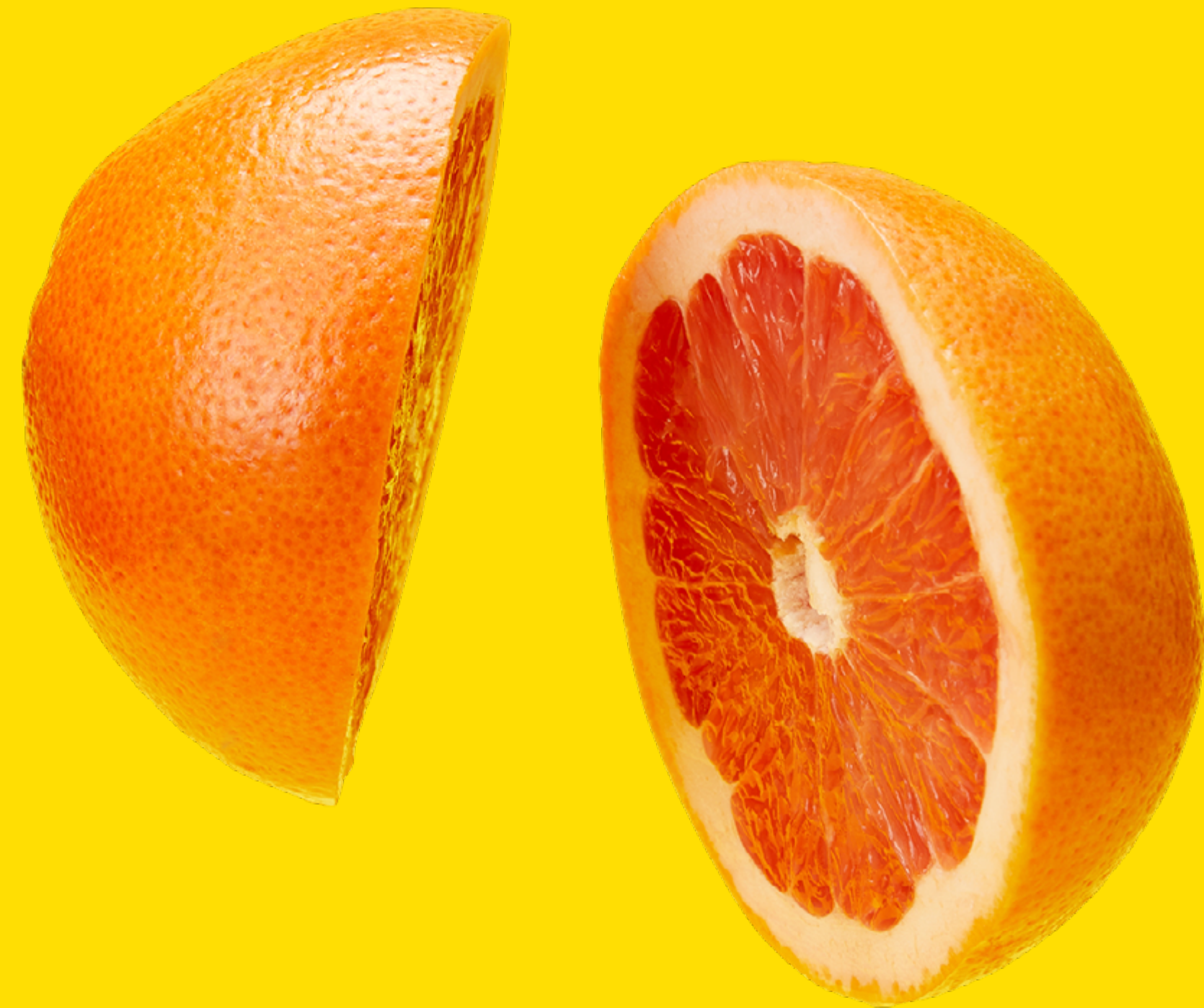


Our Goal

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To be the **world's leading** instalment payment solution

We are the only global card agnostic instalment payment solution that is deployed at the merchants point of sale and checkout.

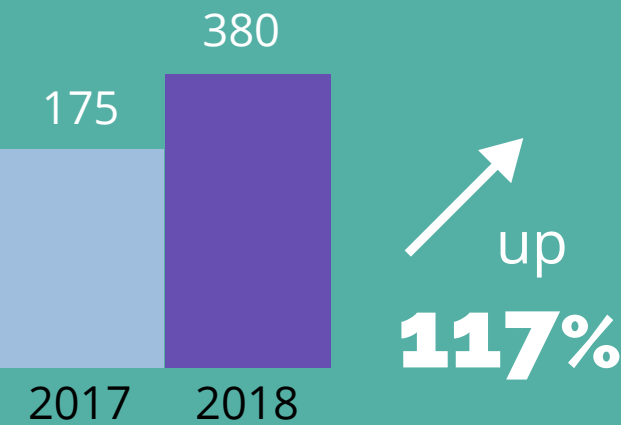


FY 2018 Key Highlights

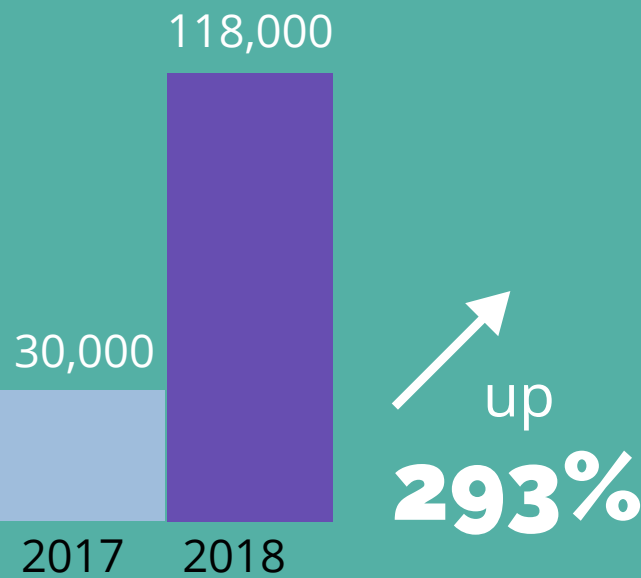
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Splitit saw **significant growth** in key performance metrics

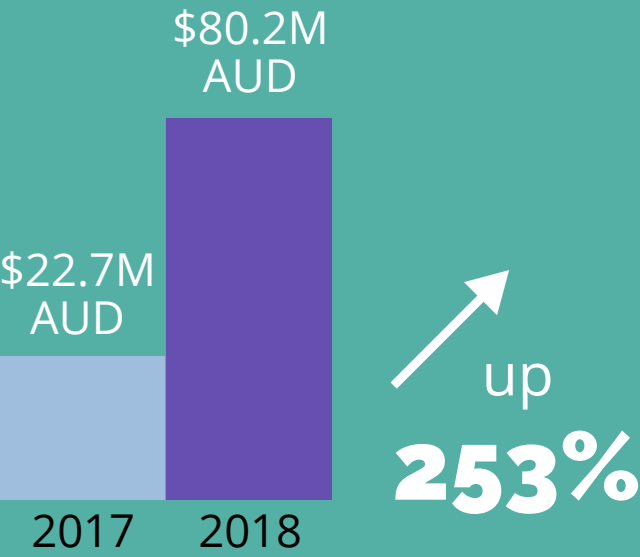
Active Merchants*



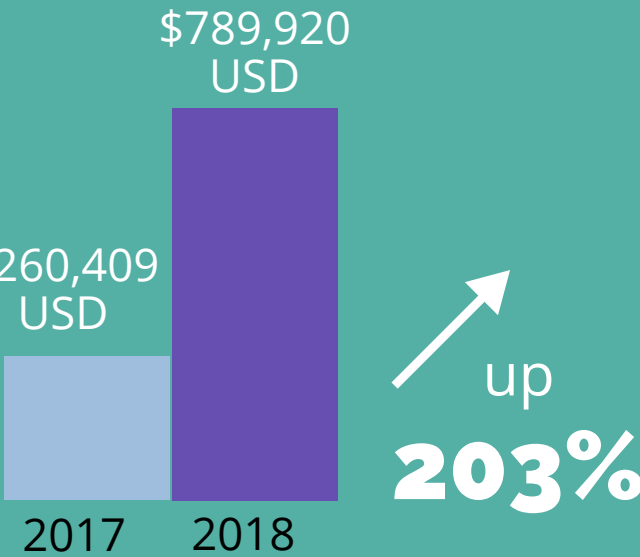
Number of Unique Shoppers*



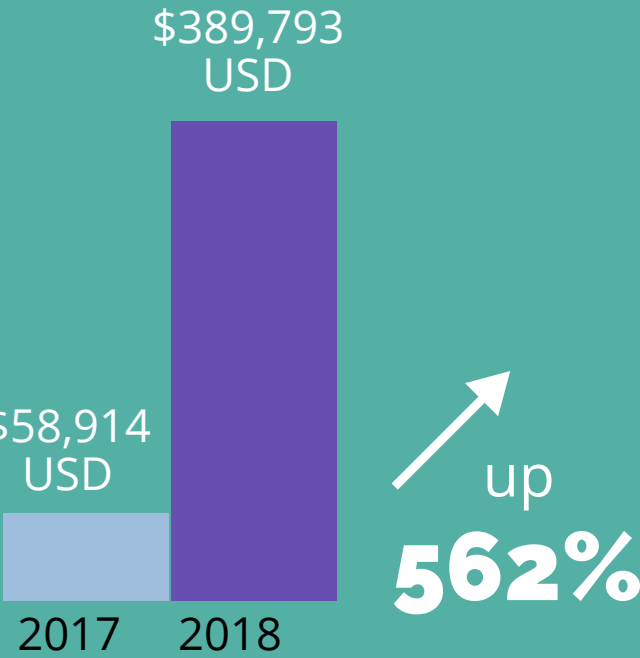
Underlying Merchant Transactions



Revenue from Continuing Operations



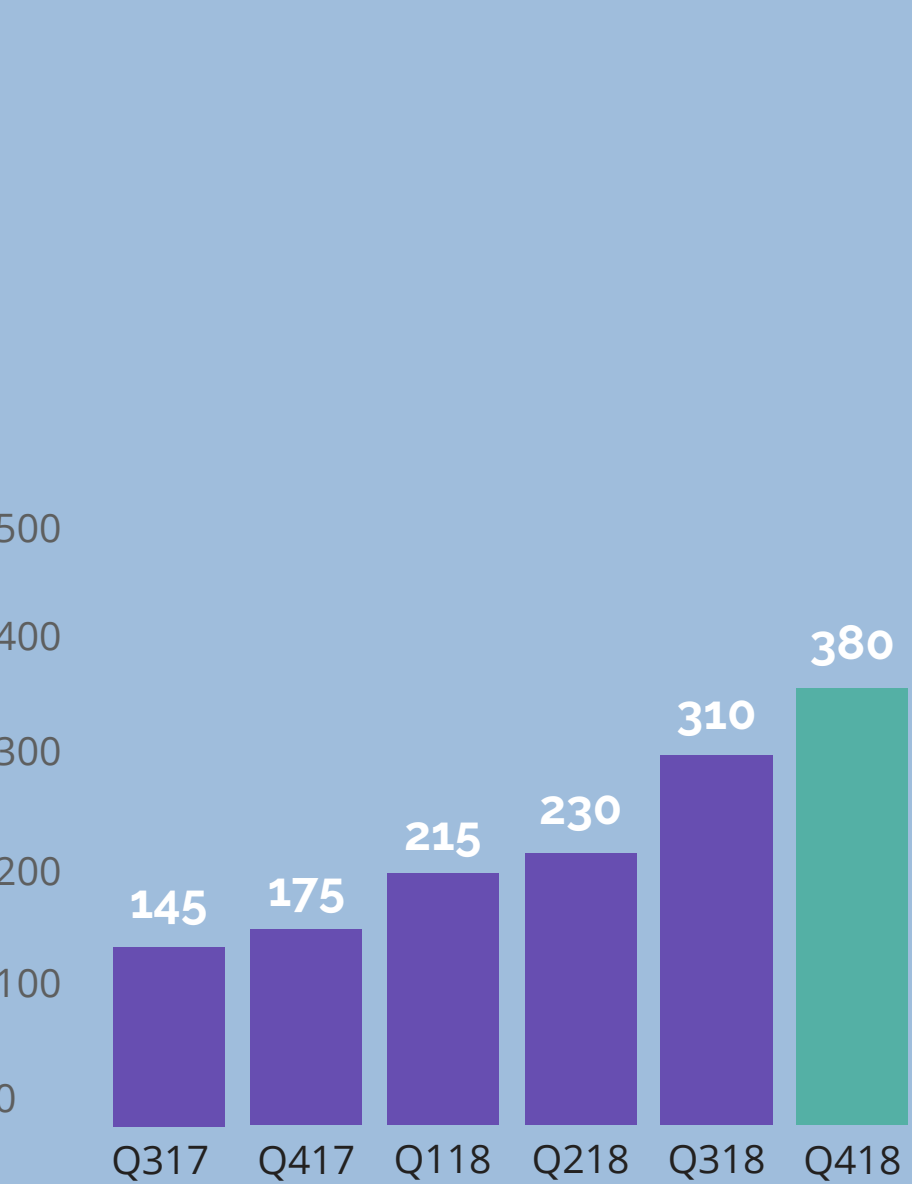
Gross Profit



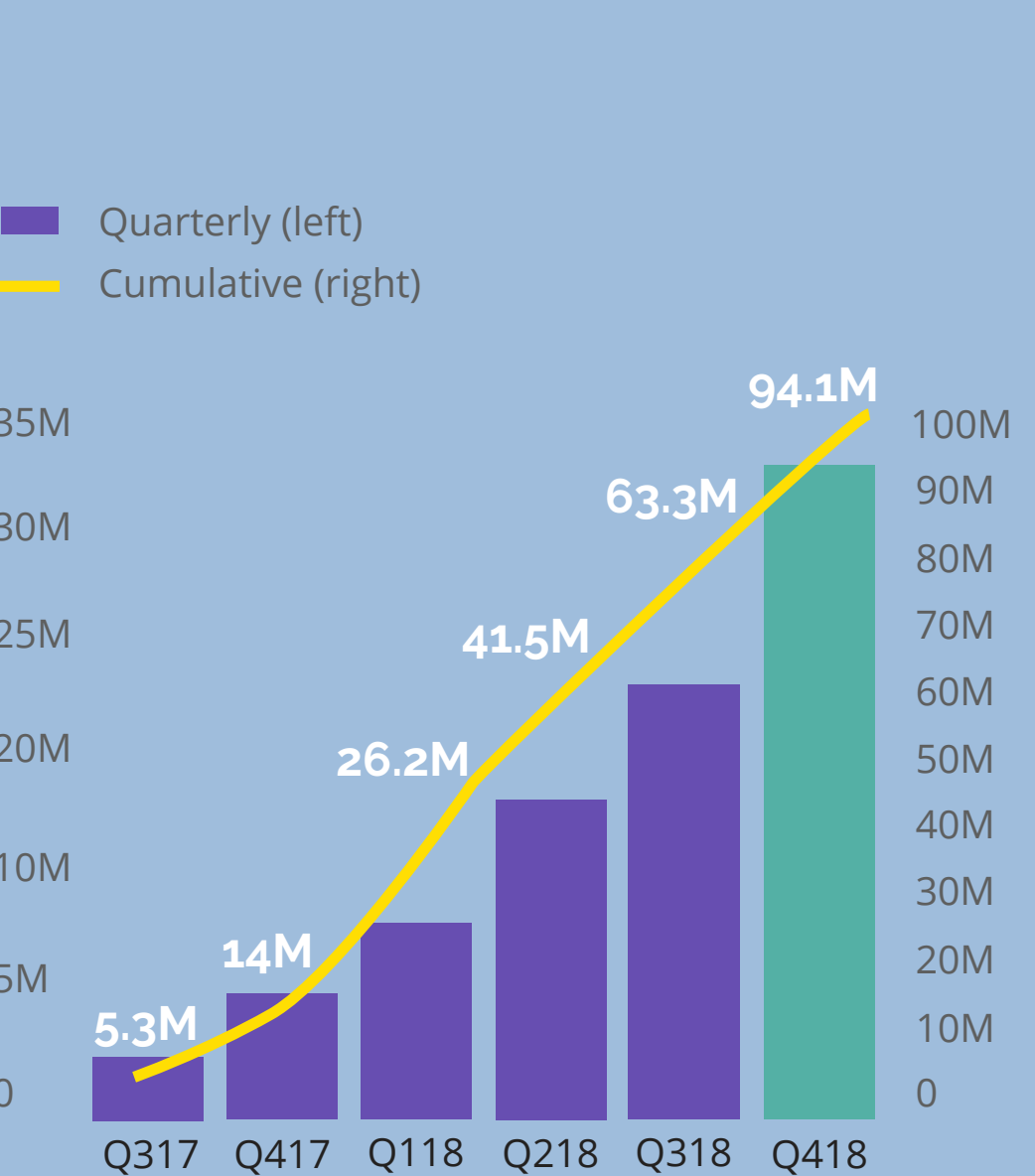
*Approximate figures

Key Metrics by Quarter

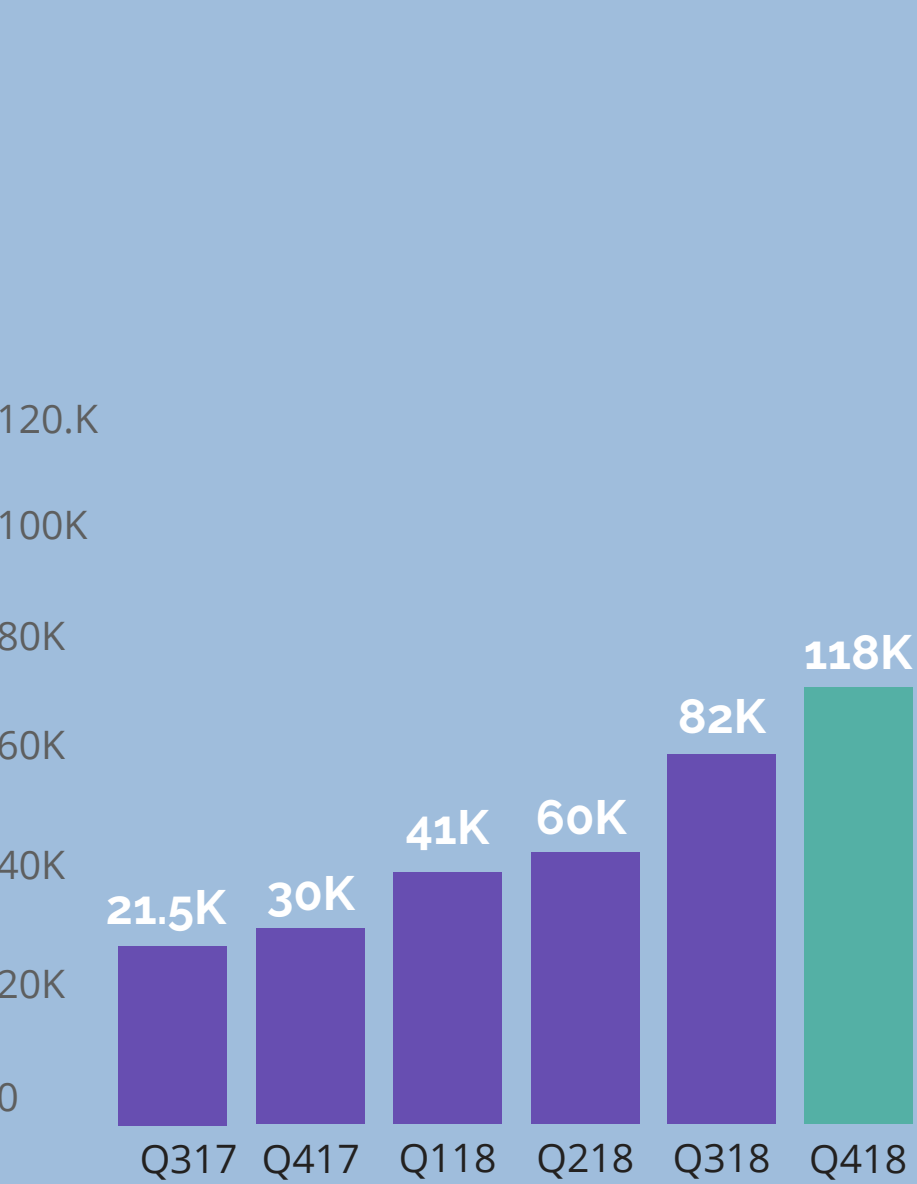
Active Merchants
(*cumulative)



Underlying Merchants Transactions
(AUD)



Unique Shoppers
(*cumulative)



Merchants Fees
(AUD)

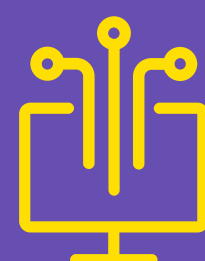


*Approximate figures

Overview



Established in 2012
with product launched
in 2016



Strong patent
protection for both
**technology and
methodology**



Global footprint
established with
380 active merchants
in 27 countries



118k+
unique shoppers
have transacted
as of FY2018



Underlying merchant
sales growth
of +253% for
Q418 vs Q417

Opportunity

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Splitit



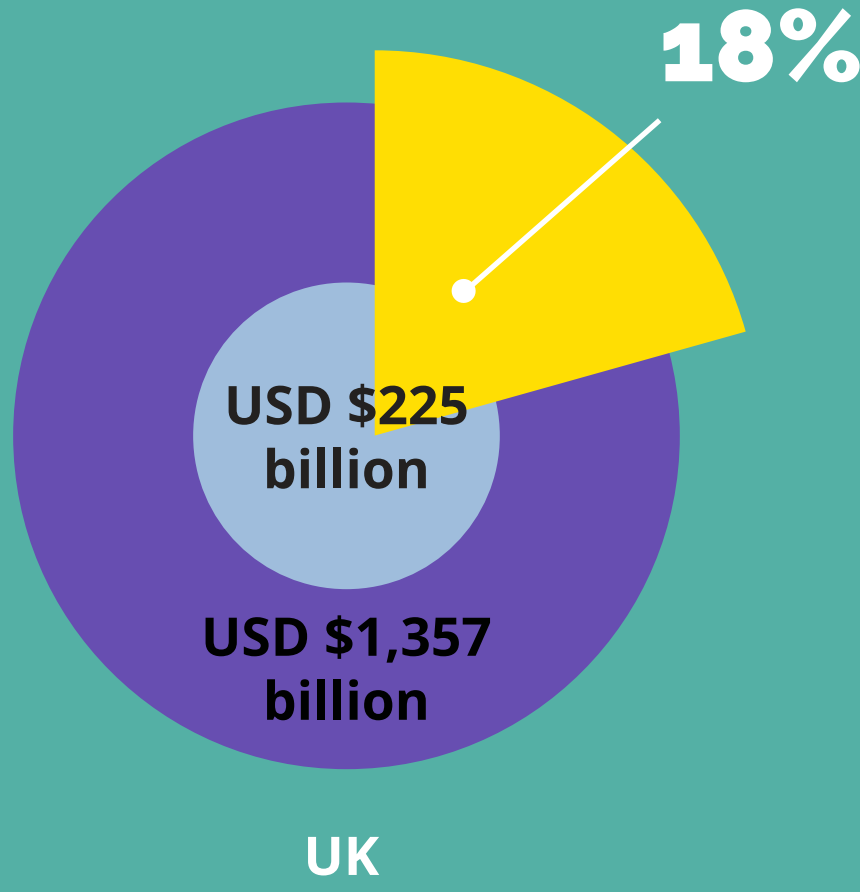
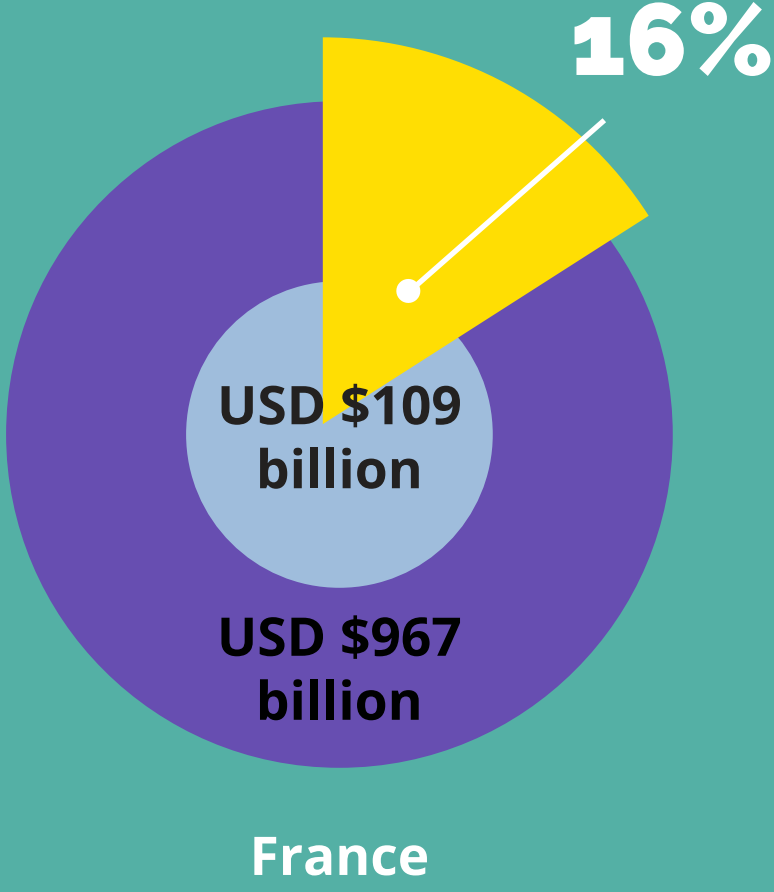
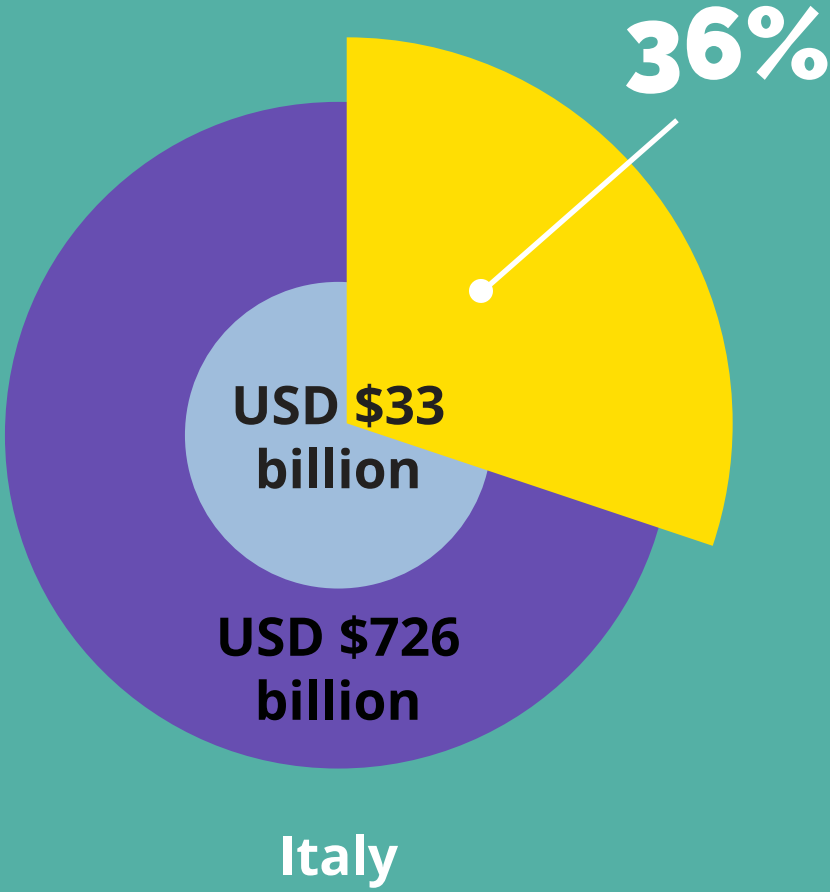
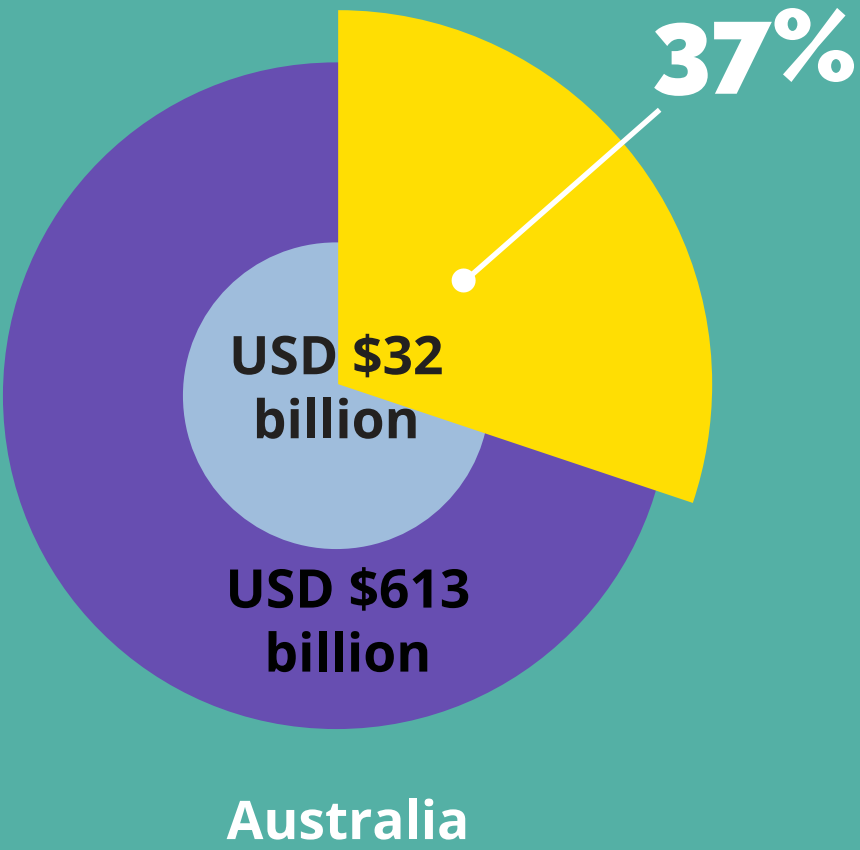
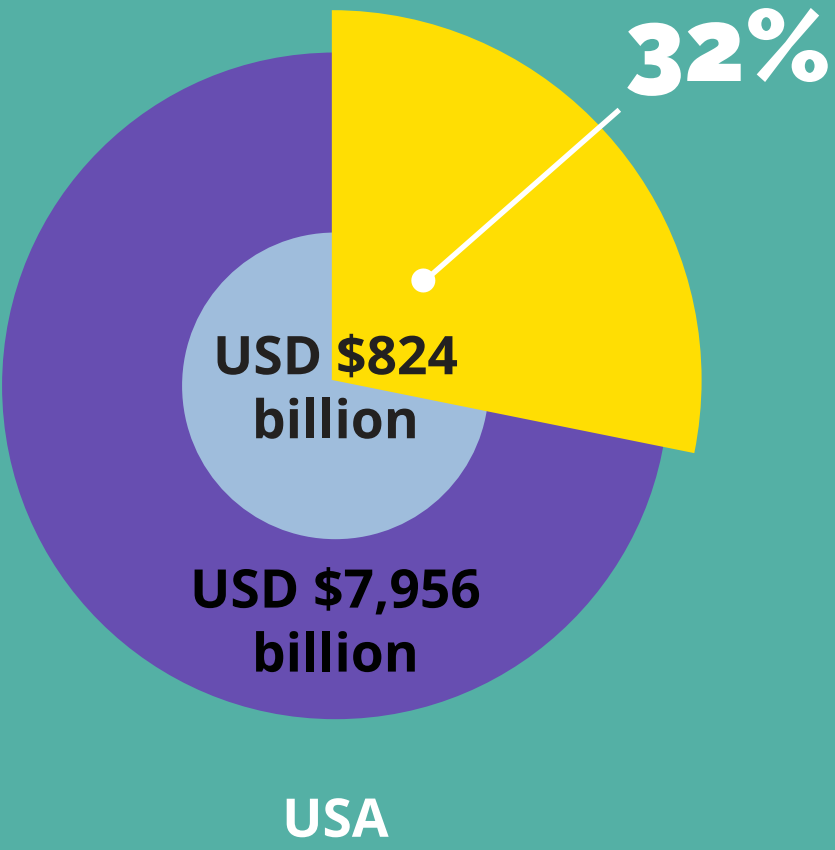
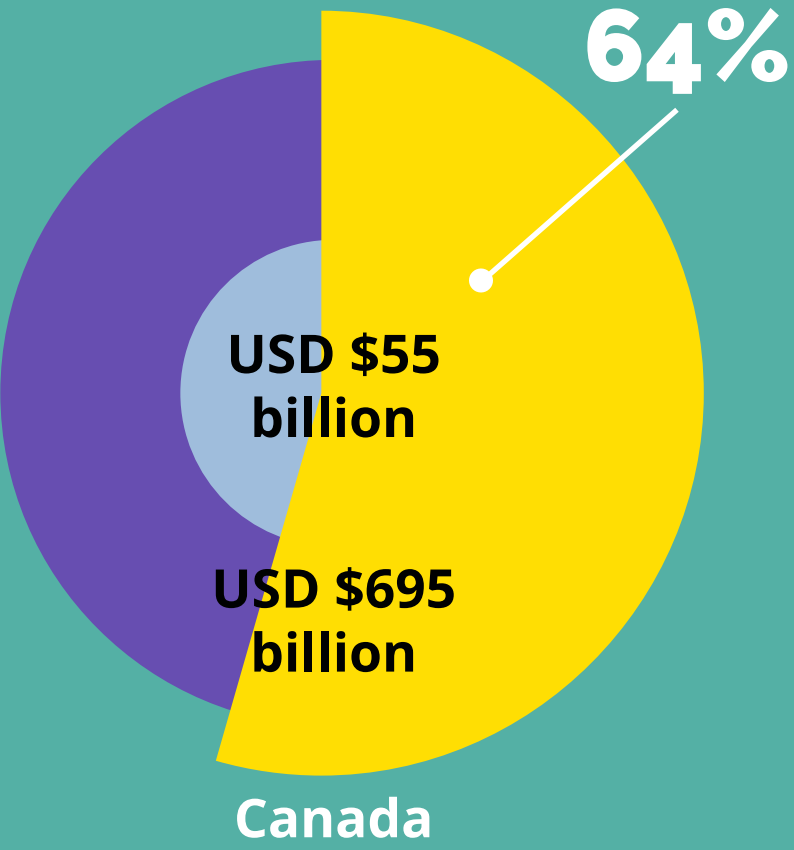
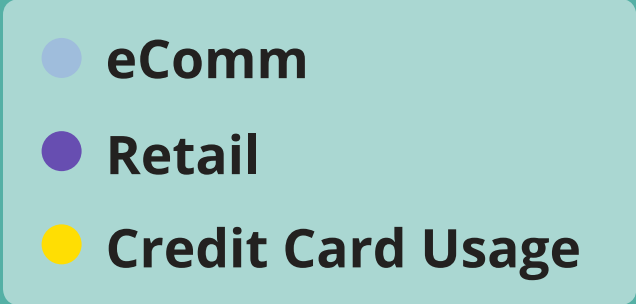
Addressable Opportunity

The addressable opportunity within our key markets is **USD \$4.5 trillion**

*Source: Global Payments Report 2018 by [Worldpay](#)

Splitit

Addressable Opportunity



*Source: Global Payments Report 2018 by [Worldpay](#)

The Power of Splitit

Splitit

“The process was **very smooth and clearly** communicated.”



*February 2019 survey with 118 Splitit shoppers

Company

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The Splitit Difference

Splitit



Global Solution

Cross border,
can work in
200+ countries



Ease of Use

Instant approval,
no credit check and
no applications



Shopper's Incentive

Utilises existing
credit and generates
card rewards and
benefits



Payment Flexibility

2-36 monthly
payments without
interest or late fees



Risk Free For Merchants

Existing loss ratio is
zero; extremely low
risk for merchants

Our Merchants

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During 2018, Splitit established **new merchant relationships** in the USA, United Kingdom, France, Italy, Australia and Singapore among others.



nectar

SIMBA

Compex

FURO
SYSTEMS

IL MAKIAGE
NEW YORK

GlassesUSA
.com

JAMES ALLEN

VESTIAIRE
{COLLECTIVE}

fitphyt

FLX

BricoBravo



CIRCLES.LIFE

The Power of Splitit

Splitit

91%

of shoppers experienced **zero difficulty** with the Splitit payment process

67%

of shoppers **would return** to purchase from a store that offers Splitit over a store that does not

53%

of shoppers said that **Splitit helped** them to purchase higher ticket items

78%

of shoppers were **extremely satisfied** with Splitit

The Power of Splitit

Splitit

—
“Fantastic service, no improvements needed. Just wish every shop could have this buying option!”



*February 2019 survey with 118 Splitit shoppers

Financials

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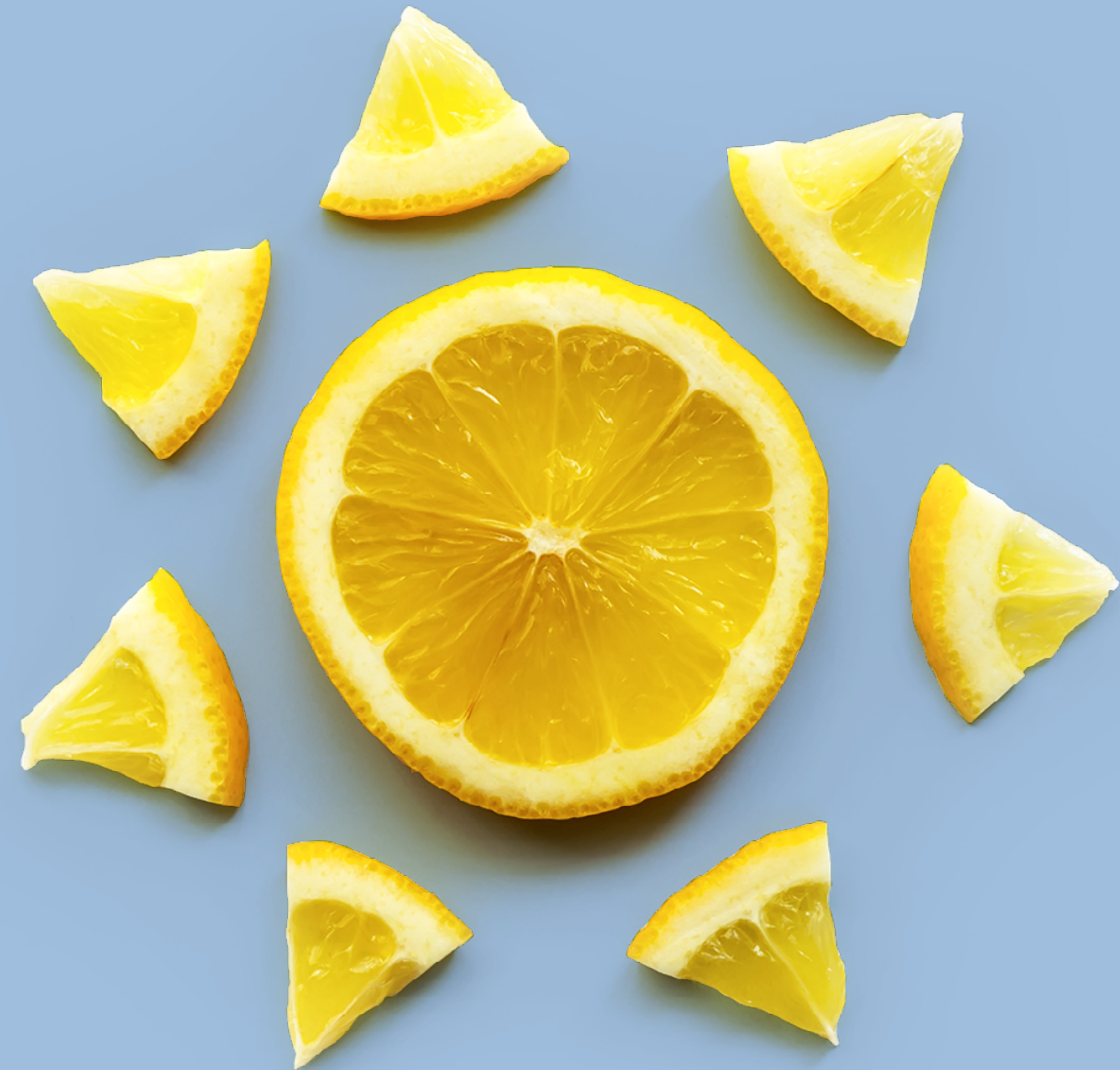
Revenue From Continuing Operations

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The Company's revenues are derived from transaction fees (Merchant fees) in relation to transactions processed through the Splitit Payment Platform.

Merchant fees are generated on each approved order placed via the Splitit Payment Platform and are predominantly based on a percentage of the end-customer order value plus a fixed fee per instalment.

No late fees.
We never charge the shopper.



Revenue From Continuing Operations

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Merchant fees are earned from the following business models:



Funded Model

Under the funded model, merchants receive the full purchase price upfront. The full amount is transferred to the Merchant net of Merchant fees payable to Splitit and financing fees representing the interest cost payable to the funder (third-party financial institution). The funder provides the liquidity to the transaction and receives financing fees in return. Splitit collects amounts owed by the merchant to the funder but bears no credit risk. In case of default by the merchant, the funder will incur the credit losses without consequences to Splitit. Fees collected upfront are recognised on a straight-line basis over the funding period.



Basic Model

Under the basic model, merchants provide the liquidity. The shopper pays directly to the merchant. Splitit will invoice the merchant on a monthly basis. Revenues are recognised on issuance of the monthly invoice.

Funding Update

Splitit

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In January 2019 the company completed an initial public offering in Australia, which resulted in **raising AUD \$12 million.**



Balance Sheet

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Consolidated Statements Of Financial Position (In U.S. dollars)	For the Year ended December 31	
	2018	2017
Assets		
Current assets		
Cash and cash equivalents	\$309,590	\$515,724
Restricted cash	26,698	49,053
Trade receivables	1,614,369	375,216
Other current assets	1,401,791	99,832
Total current assets	3,352,448	1,039,825
Long term deposit	3,635	500
Fixed assets, net	82,568	19,688
Total assets	\$3,438,651	\$1,060,013

Balance Sheet

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Consolidated Statements Of Financial Position (In U.S. dollars)	For the Year ended December 31	
	2018	2017
Liabilities and shareholders' deficiency		
Current liabilities		
Trade payables	\$1,589,609	\$201,530
Short term loan	148,164	197,215
Short term convertible loans	12,786,669	8,478,388
Other current liabilities	2,028,737	1,033,360
Total current liabilities	16,553,179	9,910,493
Commitments and contingent liabilities		
Shareholders' deficiency		
Ordinary shares	163	157
Preferred A shares	221	221
Additional paid-in capital	2,598,605	2,219,684
Accumulated deficit	(15,713,517)	(11,070,542)
Total shareholder's deficiency	(13,114,528)	(8,850,480)
Total liabilities and shareholders' deficiency	\$3,438,651	\$1,060,013

Income Statement

Consolidated Statement Of Income (In U.S. dollars)	For the Year ended December 31	
	2018	2017
Revenues	\$789,920	\$260,409
Cost of revenue	(400,127)	(201,495)
Gross profit	389,793	58,914
Research and development expenses	(1,029,781)	(1,104,053)
Sales and marketing expenses	(1,086,584)	(608,603)
General and administrative expenses	(1,783,022)	(1,299,485)
Operating expenses	(3,899,387)	(3,012,141)
Net loss before financing expenses, net	(3,509,594)	(2,953,227)
Financing expenses, net	(1,131,502)	(468,409)
Net loss before income taxes	(4,641,096)	(3,421,636)
Income taxes	(1,879)	(649)
Net Loss	\$(4,642,975)	\$(3,422,285)

Statements of Cash Flows

Consolidated Statement Of Cash Flows (In U.S. dollars)

For the Year ended December 31

2018

2017

Cash flows - operating activities

Loss for the period according to the statement of profit and loss	\$(4,642,975)	\$(3,422,285)
Adjustments to reconcile cash flows provided by operating activities (Appendix A)	1,291,059	1,077,572
Net cash used in operating activities	(3,351,916)	(2,344,713)

Cash flows - investing activities

Long term deposit	(3,135)	(500)
Purchase of fixed assets	(74,590)	(5,754)
Net cash used in investing activities	(77,725)	(6,254)

Cash flows - financing activities

Short term loan	(49,050)	87,215
Restricted cash	22,355	(21,944)
Exercise of options	6	-
Proceeds from convertible loan	3,250,196	2,753,550

Net cash provided by financing activities	3,223,507	2,818,821
Increase (decrease) in cash and cash equivalents	(206,134)	467,854
Balance of cash and cash equivalents at the beginning of the period	515,724	47,870
Balance of cash and cash equivalents at the end of the period	\$309,590	\$515,724

Outlook

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Outlook for 2019

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Accelerate merchant acquisition strategy

Splitit has identified a number of target countries to focus its sales and marketing efforts, including, the US, Canada, UK, Italy, Singapore and Australia.

Splitit is very strong in, and will focus on the following five key industry verticals:



Medical

Including cosmetic, dentistry, aesthetic and fertility medicine



High-End Fashion

Including luxury clothing brands, jewellery and watches



Sports Equipment

Including electric skateboards, kite surfing, golf equipment and mountain bikes



Homegoods

Including mattresses and furniture



Travel & Leisure

Including airlines and hotels

Outlook for 2019

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Leverage partnerships

Continue to invest and build strong partnership networks with eCommerce platforms, payment processors, technology services and point of sale providers, banks and large multinational corporations.

Invest further in platform innovation

By developing new advanced product features, Splitit will continue to promote financial freedom and responsible spending for every lifestyle.

Expand the Splitit presence globally

Splitit has already recruited some of the available top talent and is in the process of hiring additional sales personnel.

Australia:

Andrew Pipolo, former Managing Director of PayPal

United States:

Nathan Mairs, former Director of Business Development of Klarna

Gil Levy, Former Managing Partner at Ecommerce Partners

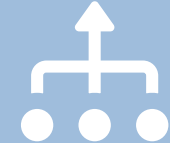


Sales Outlook for 2019

Splitit



Focus on **acquiring market** share
with high ticket merchants



Continue with a **win the customer** first approach



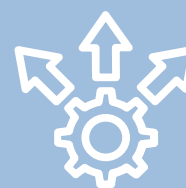
New sales team and structure
to help convert opportunities
to **new sales and momentum**



Verticalise our target market
to **maximize product fit**



Lead generation from events
and establish independent sales
organisations with strong
history of success



Expand activity within our
existing strategic merchants to
spread greater awareness
among industries



Thank You

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Splitit

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