



ASX ANNOUNCEMENT

11 September 2020

Splitit Investor Presentation

Splitit Payments Ltd (ASX:SPT) (**Splitit** or the **Company**), a global payment solutions provider, provides an updated corporate presentation for investors.

Slides from the presentation will be delivered by CEO Brad Paterson at two upcoming investor events:

1. The **ShareCafé Small Cap “Hidden Gems” webinar** series to be held on Friday 11 September 2020 from 12:30pm AEST. To access the free event, please register [here](#).

A replay of the webinar will be made available following the event via the Sharecafe website.

2. The **E&P technology and payments virtual meeting series** on Thursday 17 September 2020.

This announcement has been approved and authorised to be given to ASX by Brad Paterson, CEO and Managing Director of Splitit.

About Splitit

Splitit is a payment method solution enabling customers to pay for purchases with an existing debit or credit card by splitting the cost into interest and fee free monthly payments, without additional registrations or applications. Splitit enables merchants to offer their customers an easy way to pay for purchases in monthly instalments with instant approval, decreasing cart abandonment rates and increasing revenue. Serving many of Internet Retailer's top 500 merchants, Splitit's global footprint extends to hundreds of merchants in countries around the world. Headquartered in New York, Splitit has an R&D centre in Israel and offices in London and Australia.

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Investor Presentation

September 2020



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Recap: Springboard for Rapid Growth

- Approaching an inflection point with Merchant Sales Volume (MSV) growing +260% in Q2
- Customer growth accelerating with Total Merchants +100% and Total Shoppers +85% in Q2
- Q3 growth continues with significant new brands added
- Foundational partnerships with Mastercard, Visa and Stripe will enable scale and innovation
- Uniquely positioned in market and well capitalized to fuel growth with AU\$90m placement and AU\$10m SPP

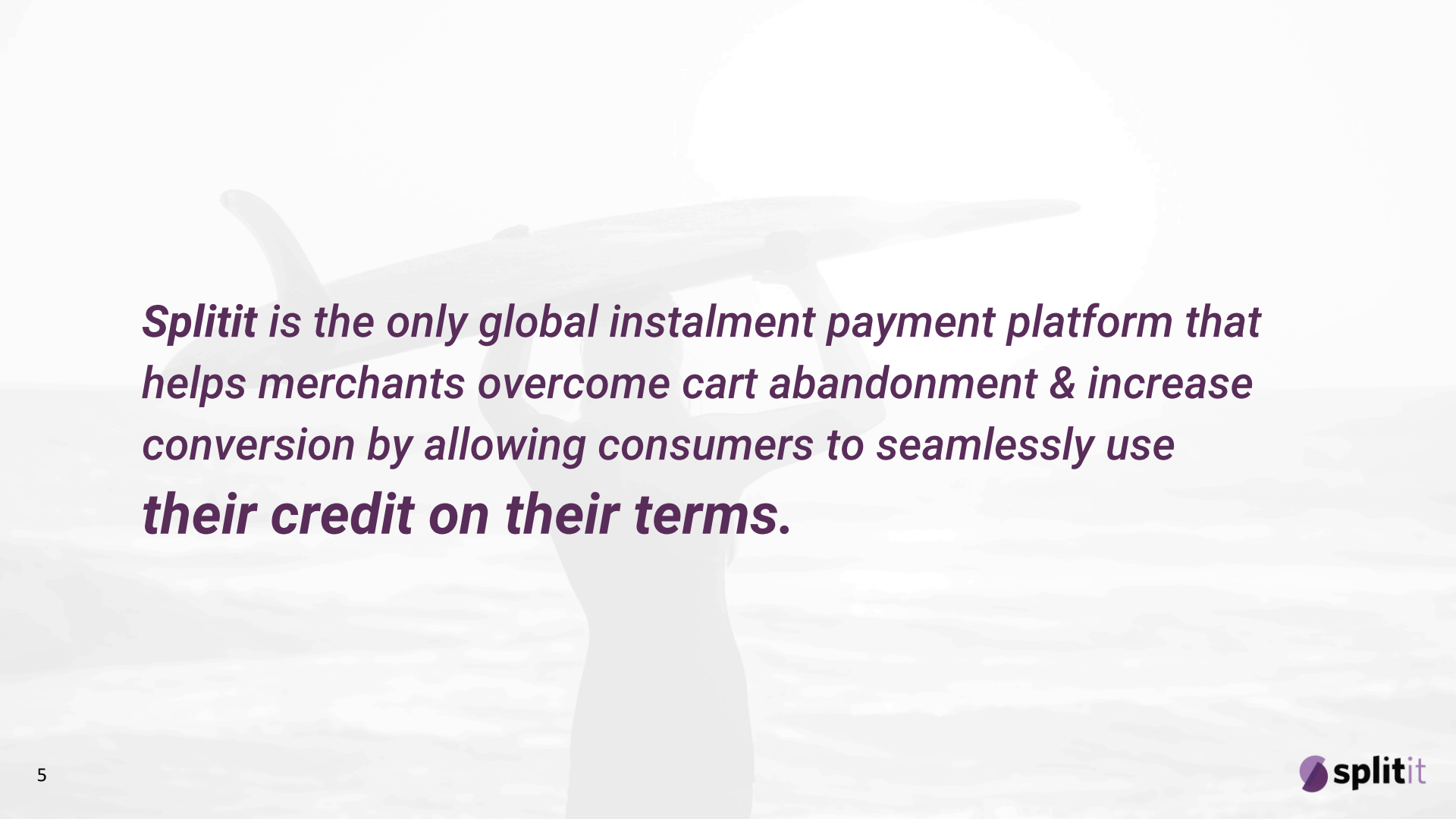
The e-commerce challenge

For Retailers, the single biggest challenge is **overcoming cart abandonment by shoppers (currently ~70%).**

Price is the #1 driver of abandonment.

This translates into **\$4.6 trillion in lost e-commerce sales each year.**

Shoppers need flexibility, control,
zero friction to seamlessly
complete transactions and
buy with confidence.

A person is shown from the waist up, holding a surfboard horizontally above their head with both hands. The person is silhouetted against a bright, hazy sunset or sunrise sky. The background shows the ocean with gentle waves. The overall tone is serene and aspirational.

Splitit is the only global instalment payment platform that helps merchants overcome cart abandonment & increase conversion by allowing consumers to seamlessly use their credit on their terms.

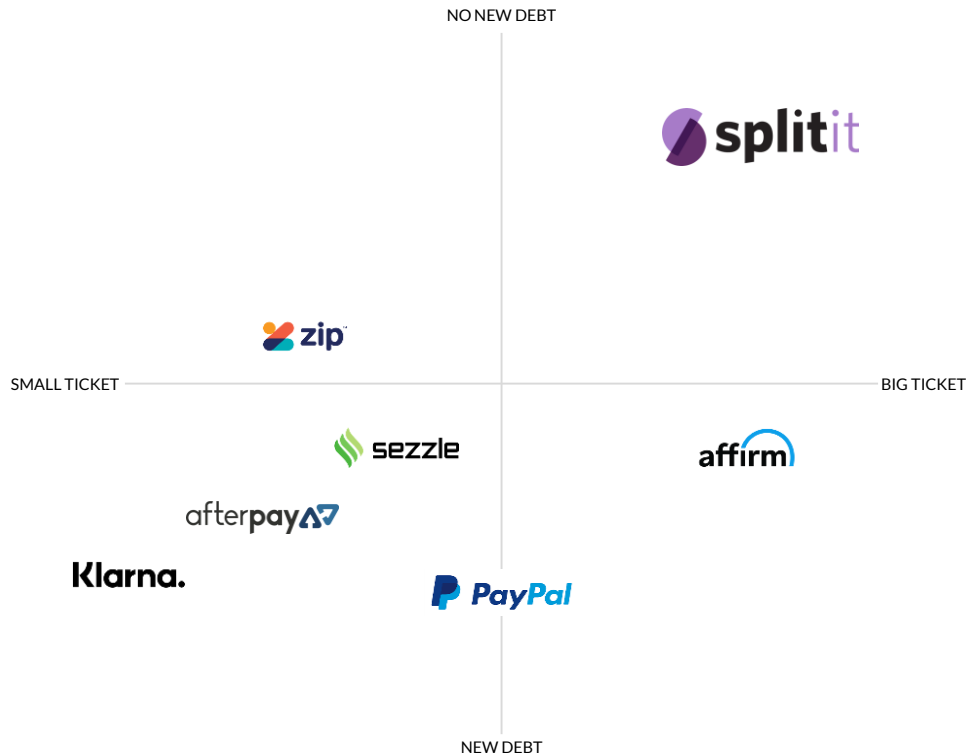
Our Unique Position

CROWDED BNPL SPACE FOR COMPETITORS

- Most BNPL providers issue new debt to shoppers
- Lower Average Order Value merchants
- New entrants help accelerate acceptance of instalments as a payment option around the world

COMPELLING SPLITIT MERCHANT PROPOSITION

- Available to 1.8BN Visa/Mastercard cardholders where 70 percent of credit is underutilised
- No application
- Higher AOV
- Splitit is complementary to existing BNPL options
- Lower default losses than other options



HY FY20 Growth



Record Growth in H1

- **MSV grew rapidly with the execution of a refreshed strategy, H1 growing 133% YoY with Q2 growing 260% YoY**
- **Gross Revenue (Non GAAP) surged to US\$3.1M, H1 growing 244% YoY with Q2 growing 460% YoY**
- **Over \$2BN in addressable online sales added in Q3 via new major brands, including:**

SPECIALIZED 

 **ECHELON**

BRAUN


FREDERIQUE CONSTANT
GENEVE

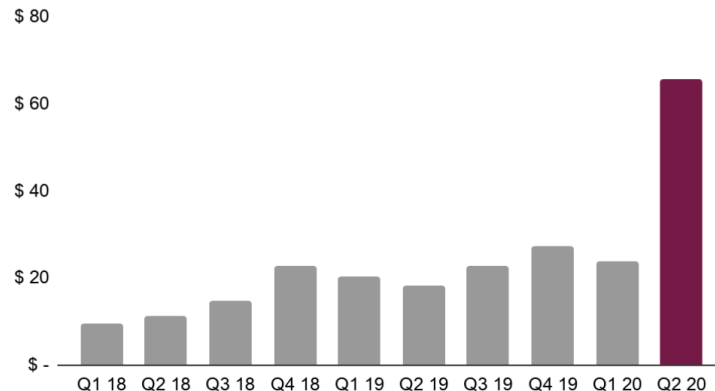
77 DIAMONDS
LONDON | BERLIN

8 **EIGHT SLEEP**


Silentnight


WAVES

Merchant Sales Volume (MSV)



H1 Operating Performance

		YoY*
MSV	US\$89.1M	+133%
GROSS REVENUE (Non GAAP)**	US\$3.1M	+244%
AOV	US\$845	+59%
TOTAL MERCHANTS	>1000	+104%
TOTAL SHOPPERS	309K	+85%
PLANS INITIATED	105K	+46%

*Year over Year percentage growth to prior corresponding period.

** Revenue attributable to MSV, translated to reporting currency at plan activation date. This non-GAAP measure has not been independently audited or reviewed, and will differ from GAAP revenue due to IFRS revenue recognition rules and any potential net impact of payment reversals. It provides useful information for readers to assist in understanding the Company's financial performance, by aligning the full Gross Revenue impact with the MSV generated for the period.



HY FY20 Key Financials

US\$3.1M Gross revenue (non GAAP)

US\$18.3M net cash + merchant receivables - debt payable ¹

US\$58.1M total liquidity ²

Underpinned by:

- Strong revenue growth +244% YoY, Q2 +460% YoY
- Increasing take rate ~4%
- US\$72m total loan facilities for funding merchant growth
- Negligible losses across all authorization models

1. \$25.7m cash balance + \$30.6m merchant funded receivables - \$38m debt payable (net of restricted cash balances available to be applied against loan balance)

2. \$25.7m cash + \$32.4m undrawn loans

Acceptance Growing with World's Leading Brands



purple
BRAUN

nectar



ecosa

SOFA Club

AWARA

redsbaby

SIMBA



8
EIGHT
SLEEP



SPECIALIZED



ECHELON

CANYON



EVOLUTION
BIKES



RAD POWER BIKES

QUIETKAT



77 DIAMONDS
LONDON | BERLIN



JAMES ALLEN

Vestiaire Collective

fashionette

NOMOS
GLASHÜTTE



FREDERIQUE CONSTANT
GENEVE



THEHUTGROUP

viagogo

scorptec



Tatami
fightwear

kugan

GlassesUSA
.com

At time of publication the brands above accept Splitit or have signed and are in the process of integrating



Recent Partnerships

Technology-enabled strategic and distribution partnerships to drive industry innovation and scalable growth



ACCELERATES SPLITIT'S
INSTALLMENT SOLUTION
AROUND THE WORLD



INNOVATING THE
GLOBAL INSTALLMENT PAYMENT
ECOSYSTEM



ACCELERATES MERCHANT
ONBOARDING FROM
WEEKS TO MINUTES

Platform integrations are progressing well. On track to accelerate card-based installment payments, resulting in increased large merchant acceptance and MSV

Phase 1 of integration complete.
Accelerated onboarding now in Beta

Splitit Overview


Strategy and Business Model



THE FASTEST, EASIEST INSTALMENT PAYMENT OPTION

The image displays three sequential mobile app screens for the SplitIt payment process. Each screen has a status bar at the top showing the time as 9:41 and signal/battery icons.

Screen 1: Payment Options

- Progress indicator: 1 — 2 — 3 (Step 1 is active)
- Title: Payment Options
- Options:
 - ☐ Pay with Credit Card
 - ☐ Pay with PayPal
 - ☒ Pay with 
- Next button

Screen 2: Installments

- Progress indicator: 1 — 2 — 3 (Step 2 is active)
- Title: Installments
- Options:
 - ☐ 3 installments
 - ☒ 6 installments
 - ☐ 12 installments
 - ☐ 24 installments
- Next button

Screen 3: Existing Card Info

- Progress indicator: 1 — 2 — 3 (Step 3 is active)
- Title: Existing Card Info
- Form fields:
 - Card Holder: John Smith
 - Card Number: XXXX XXXX XXXX 1234
 - Good Thru: 1/29
 - CCV: 045
- Buy Now button

MASSIVE ADDRESSABLE MARKET

\$3.4T

eCommerce
opportunity globally

1.8B +

credit cards globally with
70% of credit not utilised

457M

credit cards in the US,
+25M past year

3

Retail sales globally

Expand GTM efforts into POS in 2021
Build platform requirements in H2 2020

2

Global eCommerce:

Expand country footprint in H2 2020

1

eCommerce market size in focus
countries:

US | CA | AU | UK

~\$800B

\$3.4T

\$27T

Sources: eMarketer.com, creditcards.com, TransUnion May 2020

EXECUTION OF STRATEGY



**Deliver amazing
customer experiences**

Driving ~30% higher cart conversion¹

Improving shopper confidence



**Global
Partnerships**



**Win with influential brands
in key verticals**



**Record growth in
Q2 2020**

MSV +260% YoY

Revenue +460% YoY

HOW WE'LL WIN



Only provider:

of instalments on credit cards at the point of sale



Responsible use of credit:

Enables existing credit, we do NOT provide customers new credit¹



Scalability:

1.8BN cardholders can use Splitit via integrated merchants
Presence in 30+ countries
Negligible losses²



~30% higher cart conversion:

Card Agnostic: instalments on all cards, at the point of sale



Up to 80% higher AOV:

Customers spend more
(source: Virgin Pure, Fashionette case studies)



Global platform:

Globally relevant. Connected to 80+ payment and commerce partners worldwide

REVENUE MODEL & UNIT ECONOMICS

Revenue is earned from transaction fees from orders placed through the splitit platform

Splitit charges (average take rate, dependent on number of instalments)

4 percent per transaction

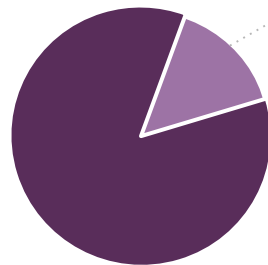
Splitit transactions typically represents

5-10 percent

of merchant sales

UNIT ECONOMIC EXAMPLE

A Mid-Size US Merchant
\$400M SALES VOLUME



10% of sales to Splitit
= \$40M MSV

4% fee on \$40M MSV
= \$1.6M revenue

70% Contribution Margin¹
= \$1.1M gross profit

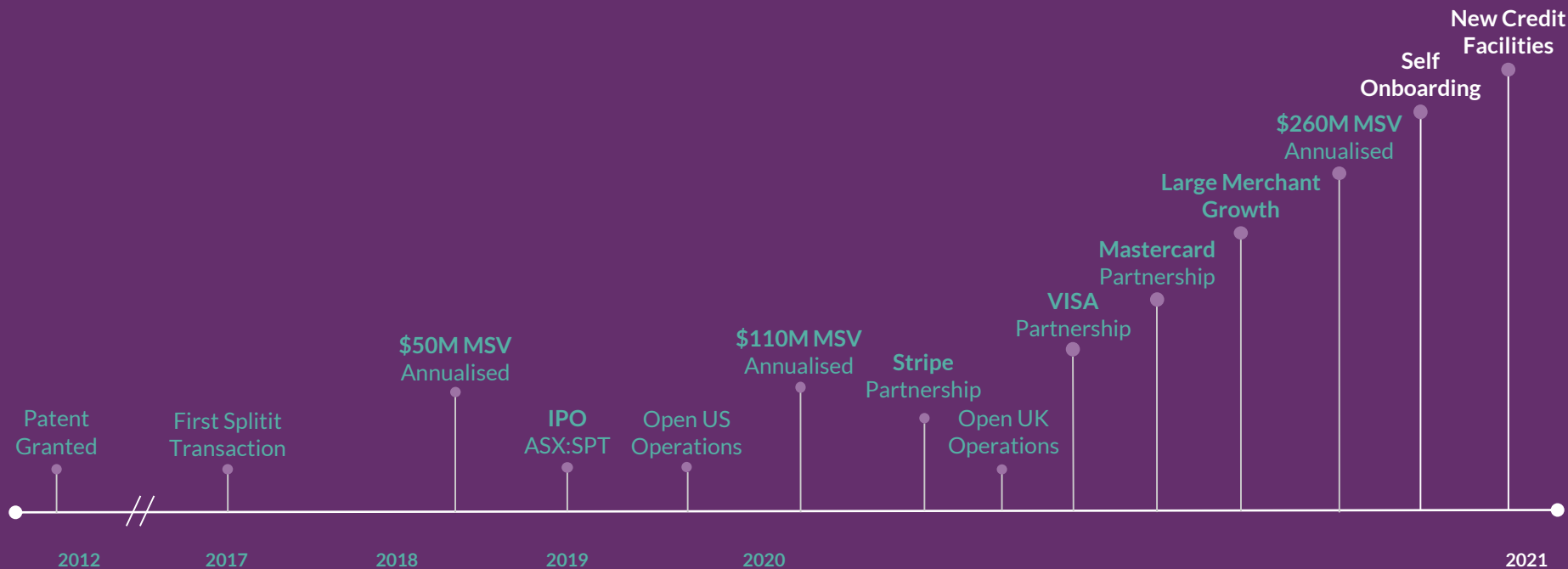


Business Outlook

BUSINESS OUTLOOK

- Beginning of an inflection point in MSV, Revenue and Customer growth - expected to continue
- Focus on large merchant acceptance in target verticals underpins MSV and revenue growth
- Consumer awareness and preference growing: frictionless checkout for all credit cardholders
- Strategic partnerships in place with Visa and Mastercard: expected to accelerate MSV growth
- Stripe integration to accelerate merchant onboarding is on track and now in beta
- Continue to build foundations with new credit facilities and strategic partnerships

2020 AND BEYOND



THANK YOU



Appendix

Operating Metrics - Definitions

- **Merchant Sales Volume (MSV):** underlying sales volume for successful transactions that a merchant fee is charged
- **Plans Initiated:** number of plans initiated in the period
- **Total Merchants:** number of merchants on the Splitit platform
- **12M Active Merchants:** number of merchants that received a successful payment in the previous 12 months
- **12M Active Consumers:** number of shoppers that made a successful purchase in the previous 12 months
- **Average Order Value (AOV):** average value of plans initiated in the period.
- **Repeat Usage:** percent of shoppers that have made a purchase in the current period that had previously made a successful purchase
- **YoY:** Year over Year growth to prior corresponding period
- **PCP:** prior corresponding period