



# Investor Update

H1 FY21 Results



# DISCLAIMER

*This presentation has been prepared by Splitit Payments Ltd (Splitit). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in Splitit. You should not treat the contents of this presentation, or any information provided in connection with it, as financial product advice or advice relating to legal, taxation or investment matters.*

*This presentation and the information contained herein and all electronic and/or hard copy documentation which comprise it are being provided to you solely for your information and may not be copied, reproduced, distributed, disclosed or published, in whole or in part, to any other person for any purpose whatsoever at any time without the prior written consent of Splitit. This presentation is not an offer to any person nor is it a prospectus.*

*Splitit has prepared this document based on information available to it at the time of preparation. No representation or warranty (whether express or implied) is made by Splitit or any of their officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecast or projections set out in this presentation.*

*This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. The information contained in this presentation has been prepared without taking into account the objectives, financial situation or needs of individuals.*

*This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of Splitit. Splitit reserves the right to update, amend or supplement the information at any time in their absolute discretion (without incurring any obligation to do so). Splitit, nor their related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001 (Cth), competition and any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded.*

*Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in Splitit.*

*This presentation contains reference to certain intentions, expectations, future plans, strategy and prospects of Splitit. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of Splitit may be influenced by a number of factors, many of which are outside the control of Splitit. No representation or warranty, express or implied, is made by Splitit, or any of their directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause Splitit actual future results, performance or achievements to be materially different from those expected, planned or intended, recipient's should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. Splitit does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.*

*This document does not constitute any part of any offer to sell, or the solicitation of any offer to buy, any securities in the United States or to, or for the account or benefit of any "US person" as defined in Regulations under the US Securities Act of 1993 (Securities Act). Splitit shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including any exemption for qualified institutional buyers.*

# H1 FY21 HIGHLIGHTS

- Merchant Sales Volume (MSV) of US\$172M up 94% YoY
- Total Merchants reached 2.8K up 167% YoY and Total Shoppers grew to 566K up 83% YoY
- Innovation via *SplititPlus* to improve both the speed to convert, and amount of merchants converted, plus new partnerships with Google Japan, UnionPay, Green Feather and ChargeAfter
- White-label offering for BNPL providers to extend Splitit's functionality and reach
- US\$150M Goldman Sachs credit facility to support US\$650M<sup>1</sup> of annual MSV, and drive improved margins throughout H2

# WE DELIVER **BUY NOW,** **PAY LATER DIFFERENTLY...**

- Consumers with credit cards **don't want new debt** at point-of-sale
- They want **a smarter way to pay** over time
- Splitit pioneered a new way to pay, **empowering consumers** to use their **existing credit card** to spread payments over time
- **No applications, no fees, no hassle!**

*Splitit puts consumers' credit  
to work...on their terms.*



# NO NEW CONSUMER DEBT

**Splitit is the only point of sale instalment solution that does not issue new consumer debt.**

The credit card market is **5.4 times larger** than the point of sale finance market.

The US credit card market is expected to grow to **US\$990 BN by 2023**<sup>1</sup>

The US point of sale financing market is expected to grow to **US\$182 BN by 2023**<sup>1</sup>

1) Reflects estimated outstanding lending balances

Source: McKinsey & Company *Buy now, pay later: Five business models to compete*, July 2021

## US\$990 BN<sup>1</sup>

Credit Card Market

affirm | PayPal  
zip | Klarna.  
sezzle | afterpay

**US\$182 BN<sup>1</sup>**  
POS Financing  
Market

The Splitit logo features a stylized 'S' composed of two overlapping circles, one light blue and one light purple, followed by the word 'splitit' in a lowercase, sans-serif font.

Splitit plays in  
both markets

# Operational Progress



## NEW PARTNERSHIPS



First instalment payment  
solution in Japan



'Platform as a Service'  
White-Label approach for  
'powered by Splitit'



World's largest card network  
with 9BN cardholders globally



Professional Services  
expansion into Healthcare



Global point-of-sale consumer  
financing portfolio.

# ACCEPTED BY THOUSANDS OF BRANDS AROUND THE WORLD

LA Z BOY  
FURNITURE GALLERIES®

rare carat  
America's #1 Ring Marketplace

Google



KEF

tabby\*

CANYON



purple®

ECHELON®



Ableton

VMEDIA

Hästens

Gem Shopping  
Network

DREAMCLOUD

77 DIAMONDS  
LONDON | BERLIN

rotimatic

SUPER73®

FABERGÉ

NOMOS  
GLASHÜTTE

POLY & BARK

ALTERNATIVE  
AIRLINES



JAMES ALLEN

nectar

THE HUT GROUP®

BICYCLE  
WAREHOUSE

GlassesUSA  
.com

fashionette®

BIANCHI

SOFA Club

SuperJeweler  
NOT JUST ANY JEWELER

Vestiaire Collective

SPECIALIZED

OCM

BRAUN

Joovv

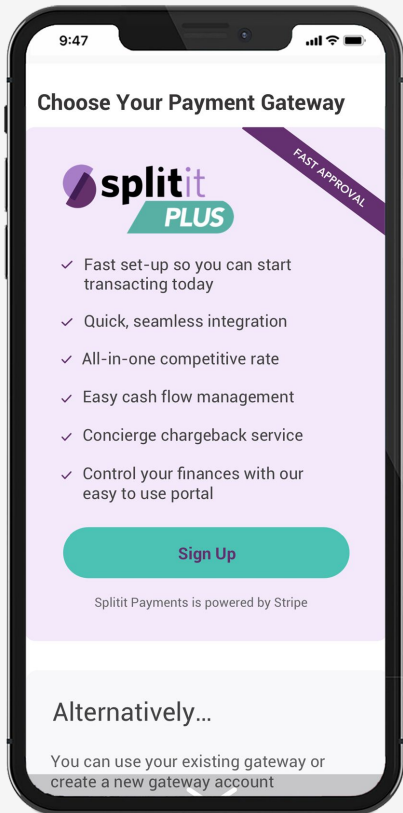
COWBOY.

byte®

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

splitit

# A NEW PAYMENT GATEWAY BUILT FOR INSTALMENT PAYMENTS



- Instalment payment gateway by Splitit
- Begin accepting instalment payments in minutes
- Streamlines integration for merchants
- Expected to accelerate merchant acquisition
- Will accelerate revenue with Splitit charging fees for the entire transaction
- Already available to basic model merchants in US, broader rollout in H2 FY21, including funded model merchants

# PLATFORM AS A SERVICE

White-label implementation  
'powered by Splitit'



Platform capabilities currently being expanded to enable white-label implementations in select categories and markets

Pay in full on  
your credit card

1  
Payment  
\$999  
today

or

Choose the number of Interest-free  
installment payments on your credit card

3  
Payments  
\$396  
per month

6  
Payments  
\$198  
per month

9  
Payments  
\$132  
per month

12  
Payments  
\$99  
per month

Payment Schedule ▼

powered by splitit

[How Splitit Works?](#)

BILLING INFO

Cardholder Email

Cardholder Full Name

Card Information

Card number

MM / YYYY

CVC

# FUNDING FACILITIES TO SUPPORT GROWTH

Goldman  
Sachs

**US\$150M** receivables warehouse facility  
to support **US\$650M<sup>1</sup>** of annual MSV

**Supports growing demand for Splitit's funded model from US and European merchants**

- Three-year facility doubles the size of Splitit's previous credit facilities
- Provides gross margin expansion by reducing the use of previous shorter term, higher cost funding

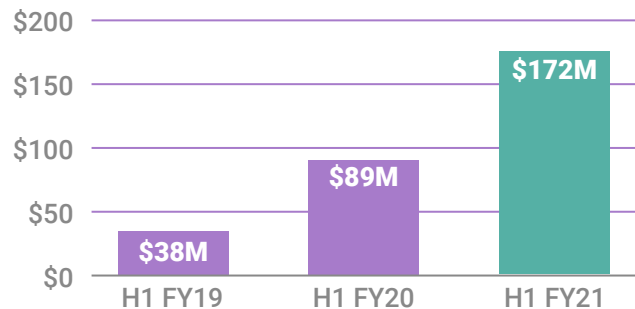
1. Assumes approximate mix of funded/non-funded MSV of 75:25

# H1 FY21 Performance

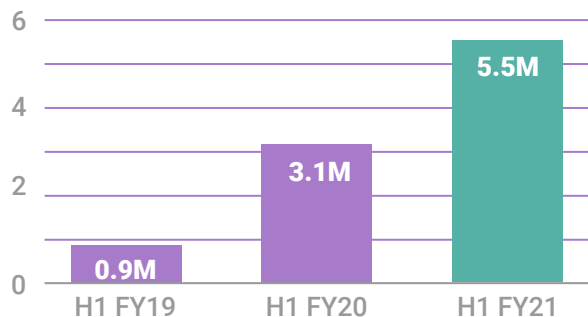


# H1 FY21 GROWTH

## Merchant Sales Volume (MSV) (US\$'million)

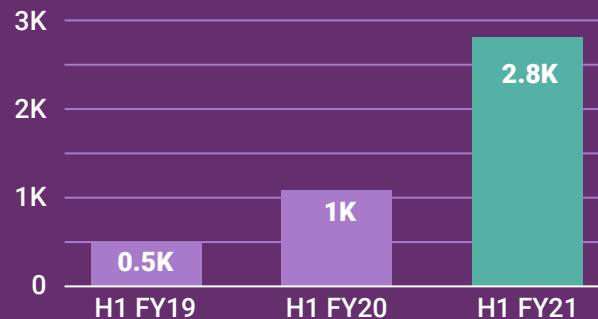


## Gross Revenue (Non GAAP)\* (US\$'million)

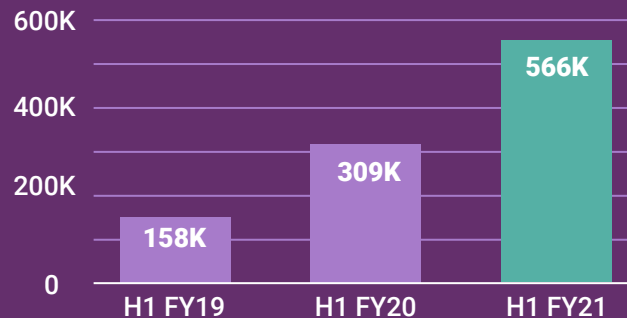


\*Revenue attributable to MSV, translated to reporting currency at plan activation date. This non-GAAP measure has not been independently audited or reviewed, and will differ from GAAP revenue due to IFRS revenue recognition rules and any potential net impact of payment reversals. It provides useful 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. Refer to appendix for statutory results

## Total Merchants



## Total Shoppers



# CAPITAL MANAGEMENT



**US\$57M<sup>1</sup>**

Net Cash +  
Merchant  
Receivables -  
Debt Payable



**US\$178M<sup>2</sup>**

Total  
Liquidity

- Significant reduction in cost of funds and expansion in margins throughout H2
- US\$150M Goldman Sachs warehouse facility alone can support US\$650M in MSV<sup>3</sup>

1. \$66m cash balance + \$54m merchant funded receivables - \$63m debt payable (net of restricted cash balances available to be applied against loan balance)

2. \$66m available cash + \$112m undrawn loans

3. Assumes approximate mix of funded / non funded MSV of 75:25

# Outlook



# BUSINESS OUTLOOK



## Be Accepted

Product innovation via *Splitit Plus* to improve both the speed to convert, and amount of merchants converted



## Be Chosen

Increase share of checkout through streamlined payment forms and marketing



## Be Loved

Drive engagement and NPS with new consumer products



## Be Everywhere

Extend platform with whitelabel capabilities to accelerate expansion globally

Well-funded to execute on strategy with US\$57M<sup>1</sup> net cash  
US\$150M Goldman Sachs warehouse facility to support US\$650M<sup>2</sup> of annual MSV  
Significantly improved margins through FY21 H2 and beyond

# THANK YOU

---



# Appendix

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	30-Jun-21 (\$'000)	30-Jun-20 (\$'000)
Portfolio income	3,865	1,936
Transaction revenue	1,119	614
Other income	16	-
<b>Total income</b>	<b>5,000</b>	<b>2,550</b>
Cost of Sales	(139)	(9)
<b>Gross Profit</b>	<b>4,861</b>	<b>2,541</b>
Depreciation and amortisation expenses	(35)	(89)
Employment expenses	(7,232)	(3,753)
Operating expenses	(8,150)	(6,215)
Receivables impairment expenses	(1,506)	-
Share based payment expenses	(1,223)	(847)
<b>Total expenses</b>	<b>(18,146)</b>	<b>(10,904)</b>
<b>Operating loss</b>	<b>(13,285)</b>	<b>(8,363)</b>

	30-Jun-21 (\$'000)	30-Jun-20 (\$'000)
<b>Operating loss</b>	<b>(13,285)</b>	<b>(8,363)</b>
Finance income	31	4
Warrant expenses	(99)	-
Interest and other finance costs	(5,417)	(617)
<b>Finance costs</b>	<b>(5,516)</b>	<b>(617)</b>
<b>Loss for the period</b>	<b>(18,770)</b>	<b>(8,976)</b>
Income tax expense	-	-
<b>Loss for the period</b>	<b>(18,770)</b>	<b>(8,976)</b>
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)		
Exchange differences on translation of foreign operations	(11)	-
<b>Total comprehensive loss for the period</b>	<b>(19,046)</b>	<b>(8,976)</b>
<b>Loss per share</b>		
Basic and Diluted loss per share (cents)	(4.12)	(2.98)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30-Jun-21 (\$'000)	30-Jun-20 (\$'000)
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	66,443	92,824
Receivables	52,888	51,770
Other financial assets	200	1,950
Other current assets	1,329	897
<b>Total current assets</b>	<b>120,860</b>	<b>147,441</b>
<b>NON-CURRENT ASSETS</b>		
Other financial assets	-	13
Property, plant and equipment	173	95
<b>Total Non-current assets</b>	<b>173</b>	<b>108</b>
<b>Total assets</b>	<b>121,033</b>	<b>147,549</b>

	30-Jun-21 (\$'000)	30-Jun-20 (\$'000)
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,637	5,295
Interest bearing liabilities and borrowings	-	32,162
Employee benefit provision	659	517
<b>Total current liabilities</b>	<b>4,296</b>	<b>37,974</b>
<b>NON-CURRENT LIABILITIES</b>		
Interest bearing liabilities and borrowings	60,406	37,409
<b>Total non-current liabilities</b>	<b>60,406</b>	<b>37,409</b>
<b>Total liabilities</b>	<b>64,702</b>	<b>75,383</b>
<b>Net assets</b>	<b>56,331</b>	<b>72,166</b>
<b>EQUITY</b>		
Issued capital	125,233	123,606
Accumulated losses	(81,427)	(62,657)
Reserve	12,525	11,217
<b>Total equity</b>	<b>56,331</b>	<b>72,166</b>

# CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Issued capital (\$'000)	Reserves (\$'000)	Accumulated losses (\$'000)	Total (\$'000)
<b>At 1 January 2021</b>	123,606	11,217	(62,657)	72,166
Foreign currency translation loss	-	(11)	-	(11)
Share options exercise (net of tax)	1,627	-	-	1,627
Share based payments	-	1,319	-	1,319
Loss for the period	-	-	(18,770)	(18,770)
<b>Balance at 30 June 2021</b>	125,233	12,525	(81,427)	56,331

	Issued capital (\$'000)	Reserves (\$'000)	Accumulated losses (\$'000)	Total (\$'000)
<b>At 1 January 2020</b>	44,014	9,542	(37,186)	16,369
Issue of shares - capital raising	10,275	-	-	10,275
Share based payments	-	847	-	847
Capital raising costs (net of tax)	(494)	-	-	(494)
Share options exercised (net of tax)	15	-	-	15
Loss for the period	-	-	(8,976)	(8,976)
<b>Balance at 30 June 2020</b>	53,810	10,389	(46,162)	18,036

# CONSOLIDATED STATEMENT OF CASH FLOWS

	30-Jun-21 (\$'000)	30-Jun-20 (\$'000)
<b>Loss after income tax</b>	<b>(18,770)</b>	<b>(8,976)</b>
<b>Adjustments to reconcile to net cash flow from operating activities:</b>		
Share based payments	1,223	847
Depreciation and amortisation expenses	35	88
Net foreign exchange loss	573	177
Warrant expenses	99	-
Interest and other finance costs	5,417	530
Expected credit loss provision movement	1,250	-
<b>Other non-cash movements</b>		
<b>Net (increase)/decrease in operating assets</b>		
Trade receivables	(2,504)	(25,825)
Other current assets	(218)	48
<b>Net increase/(decrease) in operating liabilities</b>		
Trade payable	(1,391)	(30)
Other current liabilities	142	487
<b>Total adjustments</b>	<b>4,626</b>	<b>(23,678)</b>
<b>Net cash outflows from operating activities</b>	<b>(14,144)</b>	<b>(32,653)</b>


<b>Cash flows from investing activities</b>	30-Jun-21 (\$'000)	30-Jun-20 (\$'000)
Payments for plant and equipment	(112)	(1)
<b>Net cash inflows / (outflows) from investing activities</b>	<b>(112)</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	-	10,275
Costs of share issues	-	(494)
Proceeds from exercise of share options	1,626	15
Proceeds from borrowings	38,310	39,385
Repayment of borrowings	(44,582)	-
Transaction costs related to loans and borrowings	(2,247)	(74)
Interest paid	(5,407)	-
Payment as restricted cash	-	(1,863)
<b>Net cash inflows / (outflows) from financing activities</b>	<b>(12,300)</b>	<b>47,244</b>
<b>Net increase / (decrease) in cash and cash equivalent</b>	<b>(26,556)</b>	<b>14,590</b>
Effects of exchange rate changes on cash and cash equivalents	175	(513)
Cash and cash equivalents at beginning of the period	92,824	11,670
<b>Cash and cash equivalents at end of the period</b>	<b>66,443</b>	<b>25,747</b>

# OPERATING METRICS - DEFINITIONS

- **Merchant Sales Volume (MSV):** Underlying sales volume for successful transactions that a merchant fee is charged
- **Total Merchants:** Total number of merchants on the Splitit platform
- **Total Shoppers:** Total number of unique shoppers to use Splitit
- **Average Order Value (AOV):** Average value of plans initiated in the period
- **YoY:** Year-over-Year growth to prior corresponding period

# REVENUE MODELS

Revenue is earned from transaction fees on orders placed through the Splitit Platform

		Basic (non funded) Model (Merchant's Own Processor)	Funded Model (Merchant's Own Processor)	
a	<b>Splitit Fees</b> (average take rate is dependent on number of instalments)	~1.5% per transaction	~4% per transaction (for 6 month receivable) <sup>1</sup>	~2 - 3% premium in addition to Funded and Basic model fees
	<b>Variable Transaction Costs</b>	Negligible processing costs	External funding costs + negligible processing costs	Interchange and processing fees incurred directly by Splitit (unlike standard models, where merchant pays to existing gateway)
b	<b>Contribution Margin</b>	≥90%	50 % - 60% <sup>2</sup>	Lower than standard models due to higher variable transaction costs
a x b	<b>Net Transaction Margin (NTM)</b>	~1.35%	2% - 2.5% <sup>2</sup>	Equivalent or higher to Funded & Basic Models

1. Based on current overall average funded model fees and loan duration

2. Splitit prior and current year Funded Model contribution margins (and NTM) may vary due to higher cost short-term credit facilities. Upon repayment of higher cost facilities in July 2021, as the lower cost Goldman Sachs credit facility is utilized Contribution Margin and NTM are expected to increase to the levels projected in the short/medium term, and higher in the longer term