

Q4 FY21 Quarterly Report

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Overview

- Step change in MSV to US\$130M up 51% YoY (60% if adjusted for debit), driven by APAC (specifically Japan) and a strong holiday period
- Record annual FY21 MSV of US\$396M up 61% YoY (72% if adjusted for debit)
- Active Merchants up 60% YoY to 1.25K and Active Shoppers up 43% to 330K
- Integration with Wix means Splitit now supports six of the leading global e-commerce platforms
- Continued reduction in borrowing costs highlighting pathway to transaction margin growth, and reduction in quarterly operating cash burn
- US\$29M available cash and US\$150M Goldman Sachs credit facility to support US\$650M of annual MSV. Japan added to Goldman Sachs facility to cater for rapid growth
- US ADR Program launched to complement ASX listing

Our Path & Progress

Optimised Team

- Team's passion for our product providing a driving force
- Chief People Officer appointed
- Sales and Product teams strengthened, with changes ongoing

Narrowed Focus

- Focus narrowed on North American and UK markets
- Resources allocated to core product: branded and white-label
- Expenditure focused on revenue generating spend

Differentiated Solution

- Simplified message of value for merchants and consumers
- Continual and effective articulation
- Implementing across all assets: website, sales presentations, customer journey and checkout experience



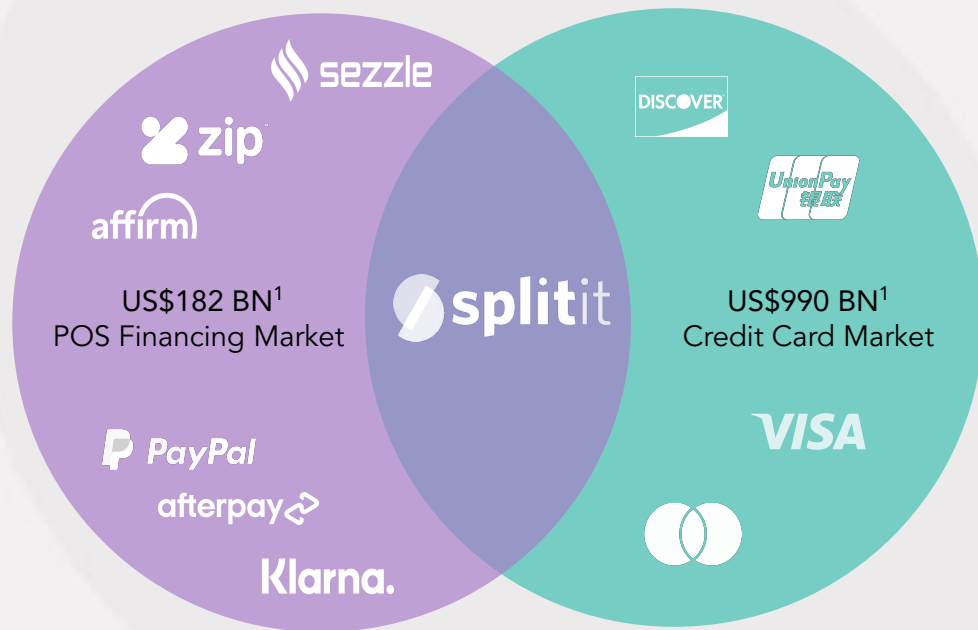
The opportunity

The credit card market is 5.4 times larger¹ than the point of sale finance market.

The US point of sale financing market is expected to grow to US\$182 BN by 2023.¹

The US credit card market is expected to grow to US\$990 BN by 2023.¹

Splitit brings the best of both worlds.



1. Source: McKinsey & Company Buy now, pay later: Five business models to compete, July 2021
Reflects estimated outstanding balances
US\$990 bn / US\$182bn = 5.4x expected differential by 2023

Key differentiation overview

Shoppers

- Quick: checkout in as few as three clicks
- Consumer friendly: no applications, redirects, interest, late fees, or prepayment penalties
- Collect card perks like cash back, rewards and points
- Can choose the number of instalments, and pay in full at any time without penalty

Merchants

- High AOV drives larger purchases
- Highly integrated and quick checkout experience
- Improves conversion by using existing credit cards to reduce friction
- Flexibility with funded or non-funded options, and longer terms, dictated by the merchant
- Available in multiple global markets

Business model

- Unique IP on securing a rolling pre-authorisation limits consumer defaults and provides barriers to entry
- The only card and network agnostic card-based solution
- Globally scalable and lower operating costs at scale
- Technology focussed white labelling reduces reliance on consumer brand building costs
- Already subject to existing credit card regulatory framework

Splitit's technology focussed approach to installments provides a consumer friendly option for consumers to utilize their existing credit, and a flexible and globally scalable offering for merchants to drive conversion and growth.

Unique IP, global scalability, and white label opportunities provides a differentiated business model, leading to operating leverage at scale and a pathway to sustainable and profitable growth at superior margins.

Telling the Splitit Story

We created Splitit because nothing like it existed.

It was really that simple. And when something doesn't exist that can make people's life easier, seamless, and more empowered, you create a solution. So that's what we did.

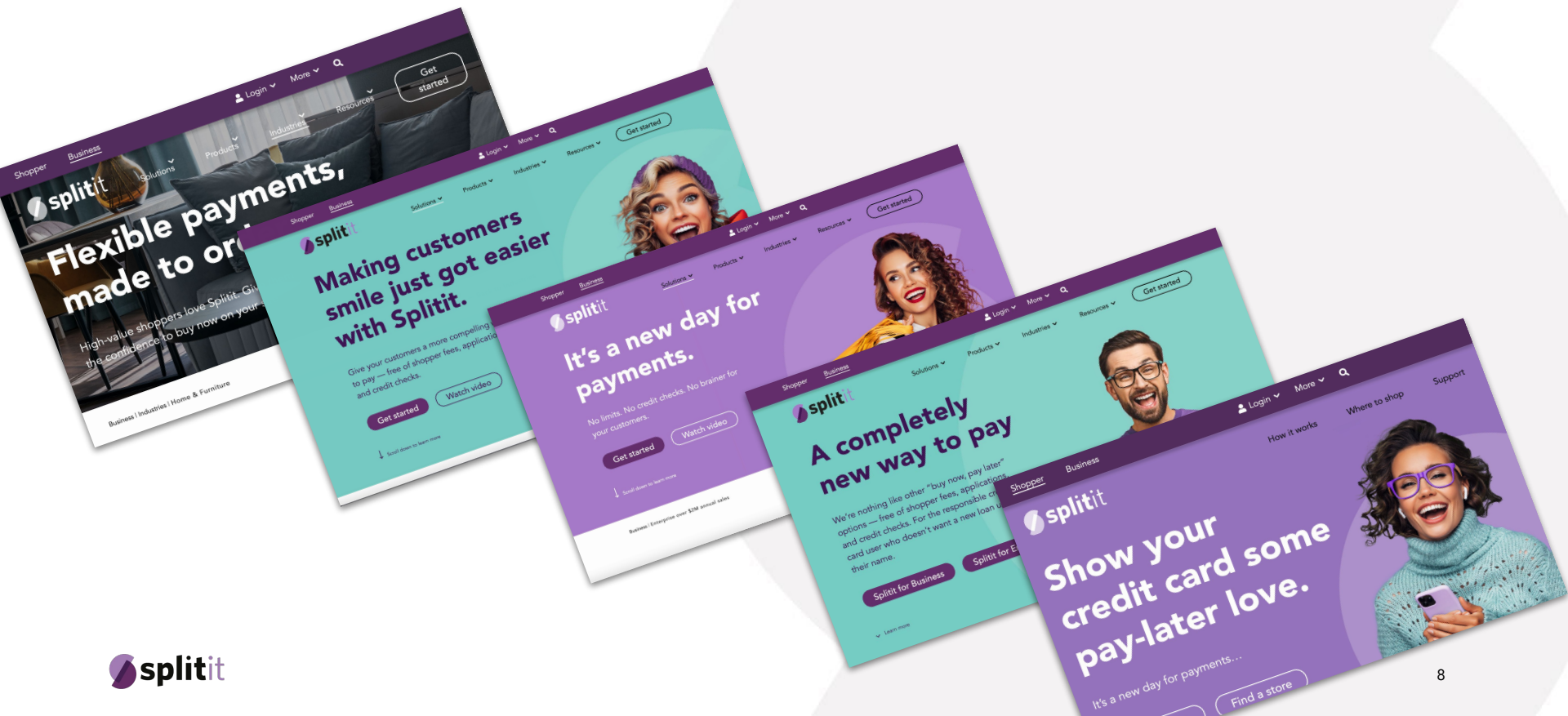
We aren't like other "buy now, pay later" options. We're entirely different—always free of fees, applications, and credit checks. For the responsible credit card user who pays diligently and doesn't want a new loan, Splitit is the smarter, more sensible choice.

It's a new day for payments—one where you can earn the credit card rewards you love, choose the number of instalments, and gain a level of control that traditional "buy now, pay later" providers can't – or won't – give you.

Welcome to Splitit. A completely new way to pay.



New Website



Accepted by thousands of brands

Google

CANYON

JAMES ALLEN®

purple®

byte®

nectar

hp

GlassesUSA[™]
.com

DREAMCLOUD

Ableton

QUIKSILVER

Virgin
pure

ECHELON® Vestiaire Collective

NOMOS
GLASHÜTTE

POLY&BARK

rotimatic

simplilearn

LYMA

SIMBA

FABERGÉ

77 DIAMONDS
LONDON | FRANKFURT

RAD POWER BIKES

QuickFee.

SPECIALIZED®

GHOSTBED®

tabby®

Gillette®

Gem
Shopping
Network

rare carat
America's #1 Ring Marketplace

LA Z BOY
FURNITURE GALLERIES®

PROCAM
Photo & Video Gear

SUPER73®

SECRET
LAB

BRAUN

Puffy

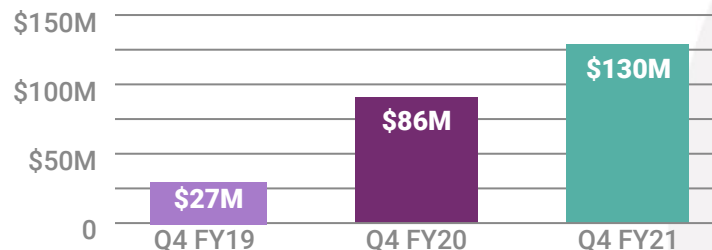
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Q4 FY21 Performance

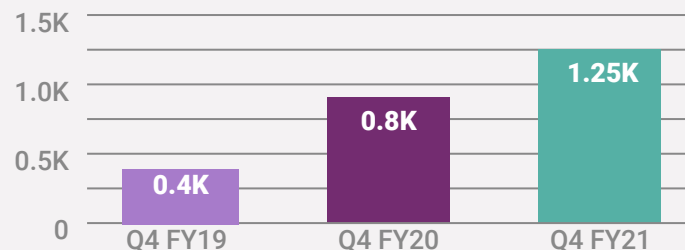


Q4 FY21 Growth

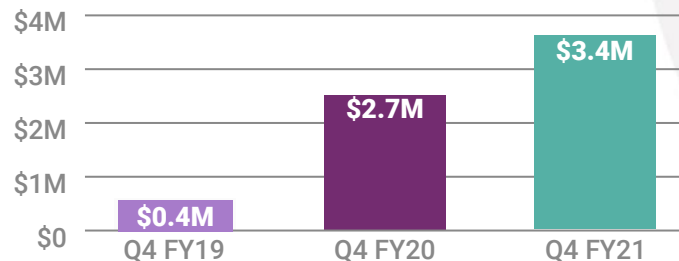
Merchant Sales Volume (MSV) (US\$'million)



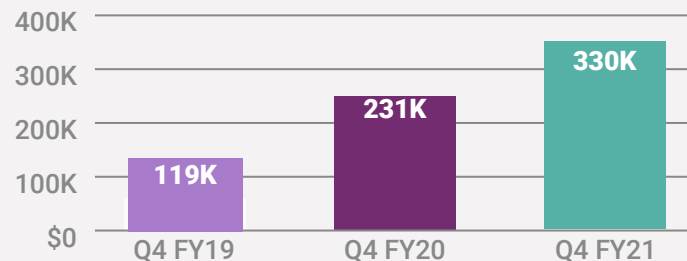
12-Month Active Merchants



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



12-Month Active Shoppers



Capital Management

US\$43.5M¹

Net Cash + Merchant Receivables –
Debt Payable



- Continued QoQ reduction in borrowing costs highlighting quick pathway to transaction margin growth

US\$112.5M²

Total Liquidity



- US\$150M Goldman Sachs warehouse facility alone can support US\$650M in MSV³

1. \$29m cash balance + \$81m merchant funded receivables - \$66.5m debt payable (net of restricted cash balances available to be applied against loan balance)

2. \$29m available cash + \$83.5m undrawn loans

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

Summary





Summary

- Step change in MSV in Q4, driven by multiple factors
- Simplified messaging resonating with Shoppers and Merchants alike
- Strong organisational progress: team optimised and collaborations enhanced - passion for product remains a driver
- Resources focused geographically and on core e-commerce product, both branded and white-label
- At a relative advantage to peers with regards to potential regulation as we are already subject to existing credit card regulations and consumer protections
- Pathway to transaction margin growth, and reduction in quarterly operating cash burn
- Goldman Sachs credit facility to support US\$650M of annual MSV
- Differentiated offering providing benefits to shoppers and merchants, and unique business model advantages against peers in BNPL sector

Thank you



Operating metrics - definitions

- **Merchant Sales Volume (MSV):** Underlying sales volume for successful transactions that a merchant fee is charged
- **Revenue (Non GAAP):** Revenue invoiced to merchants for the period, translated to reporting currency. Under the funded model, revenue is invoiced upfront at the date of funding. Under the basic model, revenue is invoiced monthly as each installment is processed. This non-GAAP measure has not been independently audited or reviewed, and will differ from GAAP revenue due to IFRS revenue recognition rules.
- **12M Active Merchants:** Number of merchants that have received a payment in the previous 12 months
- **12M Active Shoppers:** Number of shoppers that have made a purchase in the previous 12 months
- **Average Order Value (AOV):** Average value of plans initiated in the period
- **YoY:** Year-over-Year growth to prior corresponding period

Key differentiators: Consumers

Splitit allows shoppers to utilize their existing credit, without going into new debt, whilst also offering the most consumer friendly BNPL solution with no credit checks, approval processes, applications, interest, or fees

Consumer friendly

No credit checks for the consumer, no applications, no approval process or redirects. Checkout in as few as three clicks.

No new consumer debt

Only BNPL utilise pre-existing, unused credit card limits at the point of sale, with 0% financing costs to the consumer.

No late fees

Missing a payment does not result in late fees, shoppers always just pays the purchase price.

No new interest

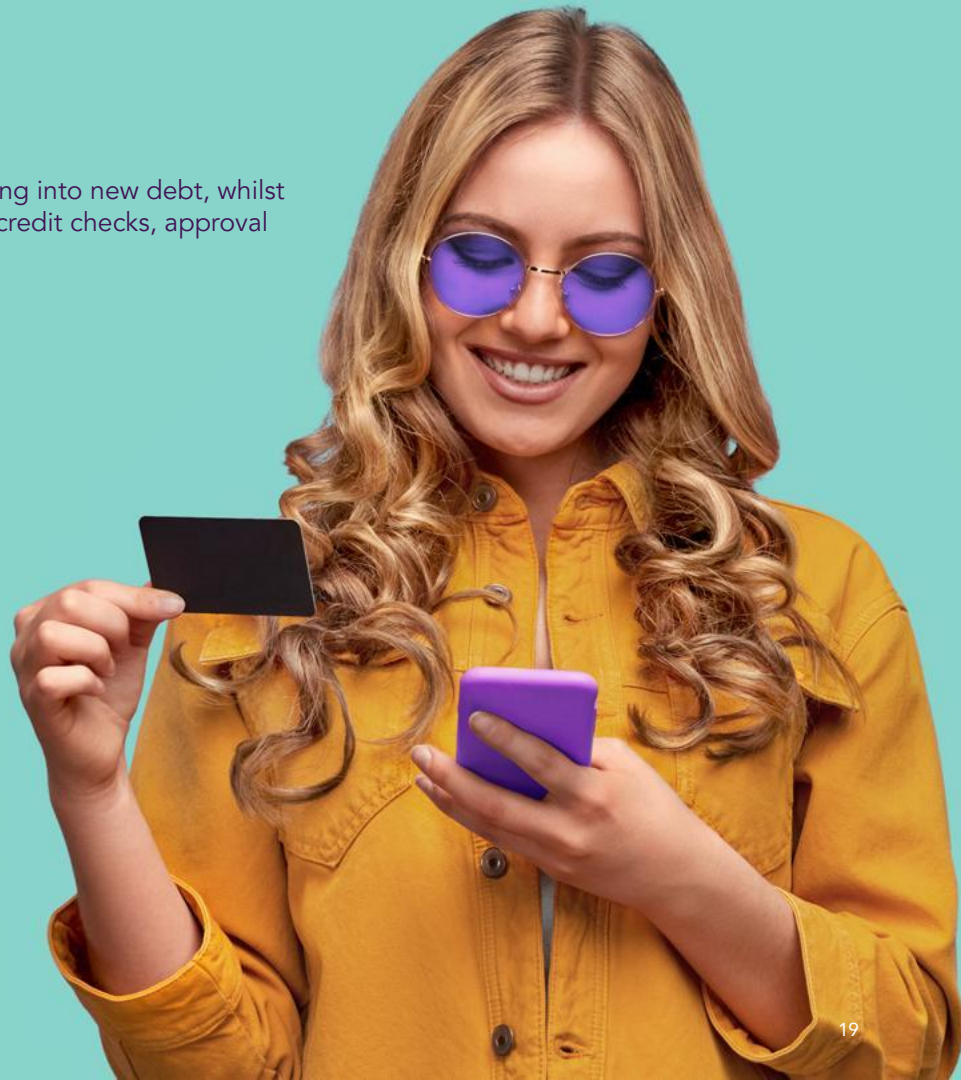
If shopper misses a payment, they simply revert to their credit card issuer's agreed terms.

Shoppers choose the number of instalments

They can choose to pay in full at any time without penalty.

Shopper rewards

Shoppers still collect card perks like cash back, rewards, points, and fraud and purchase protections.





Key differentiators: Merchants

Splitit's seamless integration, flexible loan terms and higher ticket sizes, low friction checkout, and use of the shoppers existing credit, helps merchants to drive greater point of sale conversation

Attracts high-value shoppers

Typically wealthier with good credit, less vulnerable to market fluctuations than a levered or sub-prime consumer.

High average order value (AOV) of over \$1,000

A valuable partner to merchants to drive larger scale purchases.

Seamless

Most integrated and fastest shopper checkout of all BNPL providers drives share of checkout and conversion rates.

Drives conversion

Improves conversion by reducing friction at checkout by using existing credit cards. No approval process which eliminates friction of BNPLs that issue new credit.

Flexibility

Option of a funded or non-funded model. Allows for longer loans (3-24 months) with length dictated by the merchant.

Globally scalable model

The platform can be adopted in new markets, providing an opportunity for merchants to expand globally with the same provider.

Key differentiators: Business model

Unique IP, global scalability, and white label opportunities provides a differentiated business model, leading to operating leverage at scale and a pathway to sustainable and profitable growth at superior margins.

- Splitit has unique IP on securing a rolling pre-authorisation for installments on a consumer's credit card, which limits consumer defaults and provides significant cost savings and margin enhancements relative to our peers as volumes scale.
- The only card and network agnostic solution. Other card-based systems are either post-sale or require separate costly merchant integrations.
- Globally scalable without the need for on-the-ground presence, and not subject to the high operating costs of a consumer finance business.
- Technology focussed white labelling reduces reliance on consumer brand building costs, providing a cost-effective pathway to profitability.
- Already subject to existing credit card regulatory framework. At a relative advantage to BNPL competitors who continue to fall under increasing global regulatory scrutiny.

