Q1 FY23 Investor Update
April 2023

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Q1 FY23 Highlights

Financial:
- US$136M MSV, 34% YoY growth, Revenue US$2.8M (4% YoY)
- Net transaction margin 1.1M (in line with prior year), despite rising interest costs. As a % of MSV NTMs decreased YoY to 0.90% (from 1.3%), however this was largely driven by non-funded/funded mix
- Reduced operating costs by 15% YoY, improving cash burn, supporting our path to profitability
- US$21.4M total cash, US$14.6M cash available for all operating activities and measurement against debt covenants

Product:
- Launched a new “pay-after-delivery” service allowing customers to pay only after they have confirmed delivery. Highlights the adaptability of the core product to multiple use cases
- Splitit’s white-label plugin now available in the SAP Store, simplifying the integration process for large enterprise merchants

Commercial:
- Signed Ali Express in Jan 23, with initial launch in Germany, France and Spain, with plans to expand into other international markets in the near term
- Announced partnership agreement with Ingenico, a global leader in payments solutions. Splitit and Ingenico will create the first one-touch instalment solution embedded into physical POS terminals
- Signed partnership agreement with APPS, to integrate Splitit into its processing platform and enable Splitit APIs to its network of ISOs, ISVs and merchants
- On track for projected MSV run rate of $0.7B to $0.8B by the end of 2023
Strong YoY volume growth delivered

- Continued MSV growth from larger merchants delivered 34% YoY increase
- $2.8M of revenue delivered $1.1M in net transaction margins despite rising interest rates. Industry leading bad debts ensuring strong margins are maintained

$0.7B-$0.8B MSV

$0.7B - $0.8B projected 2023 MSV exit run rate

Merchants and partnerships expected to scale up through H2

Our projections for 2023 MSV growth will become clearer as we finalize new merchant and partner deals
Strong unit economics for a clear path to profitability

- NTMs of 0.9% (compared to 1.3% prior year)
- However $1.1m net transaction margin in line with prior year, despite rising interest rates
- Focus on unit economics and merchant profitability
- Lower exposure to interest rate changes
- Shielded from consumer defaults vs. other BNPLs
- Some softening of % margin QoQ due to merchant mix changes and interest rate peak, however longer term NTMs expected to remain strong

0.4% YoY

- 15% YoY operating expense reduction
- No consumer marketing spend
- Continued refocus of resources on high-growth areas

Operating Costs
The first one-step card installment solution embedded into physical POS.

Revolutionizing in-store point-of-sale with Splitit's white-label Installment-as-a-Service solution, embedded within Ingenico's innovative cloud-based PPaaS platform.

Tap it, Splitit and go

www.splitit.com/in-store
One-Click Installments for SAP Commerce Cloud.

- **Splitit’s white-label Checkout Plugin** for SAP is embedded seamlessly within the existing checkout flow.
- It’s completely customizable, giving the merchant full control.
- Merchants can choose the installment plans they want to offer and easily add upstream messaging to their site in just a few clicks.
- Requires no technical lift.
# 2023 Outlook and Progress: Key Goals driving MSV growth objectives

<table>
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<tr>
<th>Goal</th>
<th>Progress</th>
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<tbody>
<tr>
<td>Sign 3 large enterprise merchants</td>
<td>✅ ✅ ✅ Google (prior quarter), AliExpress (current quarter)</td>
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<tr>
<td>Sign 2 large new distribution partners</td>
<td>✅ ✅ ✅ Checkout (prior quarter), Ingenico (current quarter)</td>
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<tr>
<td>Sign 2 new acquirers (1 large, 1 small)</td>
<td>✅ ✅ ✅ Worldline (prior quarter), APPS (current quarter)</td>
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<tr>
<td>Sign 1 new network partnership</td>
<td>✅ ✅ ✅</td>
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Summary

- Strong start to 2023 with US$136M MSV (34% YoY Growth)
- Continued to deliver on partner strategy with execution of Ingenico and APPS partnerships
- Launched an Installments-as-a-Service integration with the SAP Commerce Cloud.
- Continue to innovate and differentiate our product in the market through pay-on-delivery with Ali Express
- Strong unit economics continuing the business’ pathway towards profitability
- Continued strengthening of merchant and partner pipeline to deliver US$0.7B - US$0.8B projected MSV annualised run rate by end of 2023
Thank you!
Appendix
About Splitit
Company Overview

● White-label, Instalments-as-a-Service platform
● Instalment payment technology utilizing shoppers’ existing credit cards
● Unlock instalments at the checkout for consumers, merchants and issuers
● Granted patents in the US and other regions
● Headquarters in the US with R&D in Israel
● Listed ASX under ticker code SPT and also trades on the US OTCQX under ticker SPTTY (ADRs) and STTTF (ordinary shares).

Some of our customers

Google

AliExpress

nectar

Vestiaire Collective

byte

FABERGÉ

CANYON

James Allen

Ableton

tabby

Gem Shopping Network

QUIKSILVER
What is Splitit?

Splitit provides a technology platform that **empowers Merchants** to offer instalment payments embedded within their customer journey.

We are the **only instalment payment solution** that allows shoppers to use their **existing credit card** at checkout without increasing their debt.

How We’re Different?

- Greater merchant value
- Clear path to profitability
- Unlock large, underserved markets
- Not a consumer lender. Operates under existing credit card regulations
Fully embedded = Zero friction

Our new white-label Instalments-as-a-Service platform allows us to break away from the crowded BNPL space.

Splitit is not a payment method, an offers engine or a super app.

We want merchants to own their customer relationships, that’s why we provide the tech and let merchant’s control the rest!
The power of Splitit’s Instalments-as-a-Service

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<th>No Shopper Acquisition Costs</th>
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<tr>
<td>1</td>
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<tr>
<td><strong>Leverages Merchant’s Relationship with Shoppers</strong></td>
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<td><strong>Eliminates expensive customer acquisition and brand awareness campaigns</strong></td>
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<th>Low Abandonment Rates</th>
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<tr>
<td><strong>Fully Embedded into the Merchant Checkout</strong></td>
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<tr>
<td><strong>No registration, redirects, credit check or sharing additional personal information</strong></td>
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<th>Higher Merchant ROI</th>
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<tr>
<td><strong>Drives Higher Conversion and Approval Rates</strong></td>
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<tr>
<td><strong>Approval rates are 85%-95%</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
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<tr>
<td><strong>Share of checkout as high as 32%</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
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1. According to Splitit internal data
Splitit unlocks US$3.3T of existing available credit for installments, all card holders are pre-enrolled.

$4.1T
Total Credit Issued on US Cards

80% of issued credit is unutilized

= $3.3T¹
in available credit

1. Finder.com
The new Splitit delivers on the promise of BNPL for investors, merchants and consumers

The legacy BNPL business model is fundamentally broken

- Soaring write-offs, regulatory scrutiny and higher costs of capital are tightening underwriting
- Exorbitant customer acquisition costs are adding fuel to the fire, challenging the path to profitability

Shoppers using instalments when making purchases spend more

- Shoppers are enticed by the notion of no interest instalment plans
- Instalments drive higher conversion rates and increased order sizes

Splitit delivers a next-generation BNPL service

- Splitit provides a technology platform that empowers merchants to offer instalment payments embedded within their customer journey
- We are the only instalment payment solution that allows shoppers to use their existing credit card at checkout without increasing their debt
Splitit’s cost structure supports the faster path to profitability

Legacy BNPL Cost Structure
- Direct Sales Expenses
- Marketing / Acquisition Costs
- Regulatory Expenses
- Cost of Capital
- Bad Debt Write-offs

Splitit Cost Structure Today
Splitit has the lowest marketing, regulatory and bad debt write-off expenses in the industry

Lower Inherent Cost Structure

Splitit Cost Structure when Issuers Pre-Funds Merchant
As we shift to a non funded / issuer funded model our cost structure improves even further
Our strategic pillars will drive growth at scale

**Profitable Growth**

- Instalments-as-a-Service
  - Doesn’t disintermediate merchant-consumer relationship
  - Highest conversion and approval rates in the industry (~85%\(^1\) versus ~40% for existing BNPL\(^2\))
  - Maximize customer lifetime value, drive loyalty and repeat purchases (over 13%\(^1\) of consumers make repeat purchases)

- One-to-Many Distribution
  - Scale faster by leveraging our distribution partners to sell into their merchant base
  - Drive incremental revenue opportunity for distribution partners, while making merchant relationships stickier
  - Support high-value, fragmented segments through ISOs/ISVs

- Unlock Instalments for Issuers
  - Become the instalment tech enabler for network and issuers
  - Simplify issuer adoption via direct engagement or existing payment network, building a two-sided market
  - Reduce the reliance on dedicated warehouse facility, benefitting from issuers lower cost of capital

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1. According to Splitit internal data
2. ACI Worldwide, Dec 2021 - Credit approval decline rates of up to 70% (approval rates as low as 30%)
Operating metrics definitions
Operating metrics - definitions

• Merchant Sales Volume (MSV): Underlying sales volume for successful transactions

• Revenue (Non IFRS): 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 non-funded model, revenue is invoiced monthly as each instalment is processed. This non-IFRS measure has not been independently audited or reviewed, and will differ from IFRS revenue due to IFRS revenue recognition rules.

• Revenue (IFRS): Revenue under IFRS, reflective of IFRS 9 Effective Interest Rate (EIR) adjustment

• Operating Expenditure (Non IFRS): Operating expenses exclusive of non-cash items (share-based payments, warrant expense, unrealised foreign exchange gains/losses, depreciation and amortisation, amortisation of deferred debt costs, capitalised employee and consultant expenses)

• Net Transaction Margin $ (NTM $): Revenue (IFRS) less variable transaction costs (finance costs directly associated with receivables funding, third party revenue share, processing costs) less Bad Debts (transaction losses)

• Net Transaction Margin % (NTM %): NTM ($) / MSV invoiced to merchants during the period (note: MSV invoiced will differ from overall MSV reported, given non-funded model MSV is invoiced monthly as instalments are processed).

• EBITDA (Non IFRS): NTM ($) less Operating Expenditure (Non IFRS)

• YoY: Year-over-Year growth to prior corresponding period