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ASX Announcement

Company Announcements Platform

CHAIRMAN'S ADDRESS ZEBIT ANNUAL GENERAL MEETING Thursday, 27th May 2021

Good morning, my name is Jim Feuille and I am the Chairman of Zebit, Inc. On behalf of Zebit's Board, management team, and employees, I welcome all of our shareholders who are attending Zebit's first Annual General Meeting as an ASX listed company. I hope next year to meet some of you in person once international borders have reopened and we are safe to travel again.

I would like to start by making some observations about Zebit's recent history, what makes it so unique and why I am so proud to be part of its journey.

Zebit is an e-commerce company, based in San Diego, California, and as of October last year, listed on the ASX.

The slide features a teal header with the Zebit logo. Below the header, a teal box contains the text: "Zebit is an e-Commerce company offering US credit-challenged consumers a one-stop shopping experience coupled with the ability to pay over 6 months". The main content is divided into two columns. The left column, titled "Track Record of Sustained Growth and Operational Execution", lists: "Founded in late 2015, launched in 2016, HQ in San Diego County, CA", "Raised ~US\$75M in equity capital", "Experienced team skilled in e-commerce, lending, credit risk, and disruptive market models", and "History of growth and operational execution against forecast". The right column, titled "Massive US Market Composed of Legacy Players and Ripe for Disruption", lists: "~47% of US adults have an impaired or no credit score", "~74% of the population lives paycheck to paycheck", "Multibillion dollar market comprised of ~120M consumers excluded from mainstream credit", "Limited competition other than high cost predatory product financing alternatives", and "Industry is ripe for disruption". The footer includes a teal bar with a left arrow, "ZEBIT INC AGM 4", and a right arrow.

Zebit was founded in 2015 with a strong sense of purpose, focused on providing access to credit for the millions of financially underserved consumers in the US. This group makes up a large credit segment and is typically excluded from mainstream credit options simply because they don't have a traditional credit score or fall below the accepted threshold to access cost-effective credit.

While many of you might use a credit card to buy a new dining table or television, these consumers have had to rely on costly product financing options, such as "rent to own" or payday loans, to buy what they need. These options can cost up to 400% of a product's retail value and often trap consumers in a terrible cycle of debt.

Over the past five years, Zebit has worked hard to level the playing field for this population by reinventing how product financing is provided to this group of consumers. The team has built not only a one-stop e-commerce experience but also developed in-house and proprietary credit solutions. Like the buy-now-pay-later companies that have emerged in the past five years, we are also seeking to disrupt the market. We are capitalising on technology and combining that with a unique approach to credit risk, modelling, and decades of management experience serving this population in order to achieve our goal.

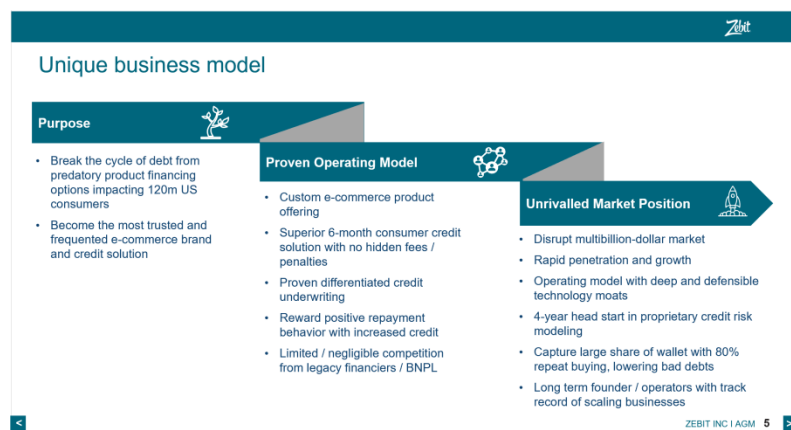
The results speak for themselves. As of the end of April 2021, Zebit has generated over US\$280 million in revenue since inception, taken over 1 million orders, and shipped over 1.7 million items directly to consumers, all with a small staff of people working together to make needed change. And we are just getting started.

STRATEGY

Our strategy is firmly grounded in building capability in four key areas of the business. The first is strengthening our first-mover advantage position through acquiring more customers and continuing to scale the business. Second, is a commitment to the ongoing refinement of Zebit's approval processes and decisioning models so that we reduce credit losses going forward and expand our Contribution Margin. Third, is our focus on the customer experience to ensure a simple and quick registration process and a shopping experience that addresses consumers' needs. And finally, we have a commitment to invest in our people.

UNIQUE BUSINESS MODEL

On a personal note, over the last 40 years as an operator, investment banker, venture capitalist, public and private company Director, and as the largest investor in Zebit since inception, I can say unequivocally that Zebit is tearing down stereotypes.



Who would have thought a few years ago that it would be possible to transform inherently risky credit customers into reliable, repeat shoppers by giving them a no-interest, no-hidden-fee, no-gimmick value proposition? Today, we have customers who shop on our e-commerce site for what they need, divide their payments into affordable instalments over six months, and earn the ability to grow their purchasing power with good repayment behaviour. These customers came to us with opaque credit profiles. Zebit is breaking down the metaphorical walls that have kept 47% of the adult population in the US from equal participation in the consumer economy by denying them access to mainstream retail credit. Zebit has created a unique shopping experience for this growing consumer base in the US and I personally look forward to the continued expansion of its model to more consumers.

SUSTAINABILITY DRIVEN

Sustainability and a strong and growing ESG agenda from the investment community in recent years are nothing new to Zebit. From the beginning, Marc decided that predatory mechanisms would not be used to buttress revenues, support ineffective underwriting, or raise profit margins artificially. Zebit's mission has always been focused on providing credit responsibly by developing its own big data set and machine learning algorithms to understand risk at a granular level. It is our intention to grow the balance sheet in the form of store credit to customers in a socially responsible manner – in other words without causing harm. Zebit was built on a social mission and the team works every day to achieve that. It is only with shareholders like you that the business can continue to grow and succeed.

FY20 FINANCIAL PERFORMANCE

Switching to financial performance, as all of us are well aware, last year brought many challenges driven by COVID-19. Despite these challenges, Zebit achieved results in FY20 that exceeded both FY19 and the Prospectus Forecast across key financial metrics. Our results demonstrate the business's overall adaptability, resilience, and ability to grow. I will leave it to Marc to take you through the details of our operational and financial performance for the year; however I want to acknowledge the performance of the management team, as the results are testament to their command of the real operating drivers of the business. For investors, it is also proof of Zebit's competency to operate through both favourable and uncertain economic environments.

OUTLOOK

The opportunity to grow this business in the US is immense, and Zebit stands alone on the ambitious agenda Marc created six years ago. In addition, there is opportunity to expand Zebit's offering over time to higher credit quality customers, move into assisting small and medium business in the U.S. with managing their purchases, and also tap into the product financing opportunity globally in markets such as Europe, Asia, and Latin America. These are markets where credit-challenged customers continue to struggle to obtain cost-effective, non-predatory credit solutions.

In the short term however, the focus remains on executing and continuing to grow the core business. This will involve adding new acquisition channels and datasets, increasing the marketing spend across new channels, adding to core product assortment, and testing natural adjacent lines of business.

PEOPLE

I would like to thank Zebit employees for their efforts in 2020. Employee engagement and the desire to execute on Zebit's mission and strategic outcomes have never been stronger. A special thank you to the entire senior management team for the way in which they navigated uncertainty and handled all the challenges thrown at them. I also want to thank my fellow Board members for their continued guidance and support, as we strengthen our cohesiveness and governance posture in ensuring the business meets investor and regulatory requirements.

CLOSE MEETING

Thank you to our shareholders for your continued support and confidence in both Zebit and the management team. And thank you also to everyone attending the meeting today for your interest in the Company.

Authorisation

This Chairman's Address was approved by Zebit's Board.

About Zebit, Inc.

ASX-listed Zebit, Inc. (ZBT: **ASX**) or ("**Zebit**") is a California based eCommerce company that is dedicated to changing the lives of over 120 million U.S. credit-challenged consumers by giving them access to a broad set of products and the ability to pay for those products in instalments over six months. Zebit was founded in 2015 and operates in all 50 States across the U.S.

For more information, visit: <https://zebit.com/>

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