

Katapult[®]

**H.C. Wainwright 26th Annual Global Investment Conference
September 9-11, 2024**

Disclaimer

Forward-Looking Statements

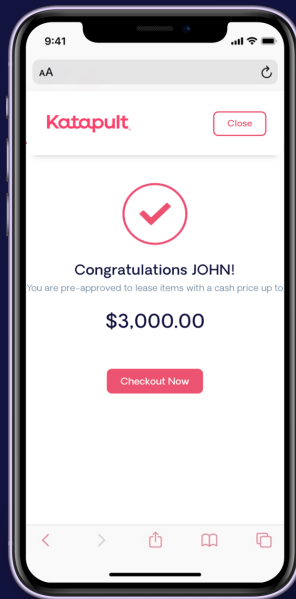
Certain statements included in this presentation, on our quarterly earnings call and in our related press release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. In some cases, forward-looking statements may be identified by words such as “anticipate,” “assume,” “believe,” “continue,” “could,” “design,” “estimate,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “should,” “will,” “would,” or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to: in this presentation and on our associated earnings call, statements regarding our relationship with Wayfair, the durability and timing of macroeconomic headwinds, the impact of our integrations within third-party waterfalls and our relationships with new merchant-partners on gross originations and financial expectations beyond 2024, and on our associated earnings call and in our related press release, statements regarding our third quarter 2024 and full year 2024 business outlook and underlying assumptions and the impact of our integration with PayTomorrow. These statements are based on various assumptions, whether or not identified in this presentation, and on the current expectations of Katapult’s management and are not predictions of actual performance.

These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Katapult. These forward-looking statements are subject to a number of risks and uncertainties, including Katapult’s ability to refinance its indebtedness, the execution of Katapult’s business strategy, launching new product offerings and new brands and expanding information and technology capabilities; Katapult’s market opportunity and its ability to acquire new customers and retain existing customers; adoption and success of our mobile application featuring Katapult Pay; the timing and impact of our growth initiatives on our future financial performance and the impact of our new executive hires and brand strategy; anticipated occurrence and timing of prime lending tightening and impact on our results of operations; general economic conditions in the markets where Katapult operates, the cyclical nature of customer spending, and seasonal sales and spending patterns of customers; risks relating to factors affecting consumer spending that are not under Katapult’s control, including, among others, levels of employment, disposable consumer income, inflation, prevailing interest rates, consumer debt and availability of credit, pandemics (such as COVID-19), consumer confidence in future economic conditions, political conditions, and consumer perceptions of personal well-being and security and willingness and ability of customers to pay for the goods they lease through Katapult when due; risks relating to uncertainty of Katapult’s estimates of market

opportunity and forecasts of market growth; risks related to the concentration of a significant portion of our transaction volume with a single merchant partner, or type of merchant or industry; the effects of competition on Katapult’s future business; meet future liquidity requirements and complying with restrictive covenants related to our long-term indebtedness; the impact of unstable market and economic conditions such as rising inflation and interest rates; reliability of Katapult’s platform and effectiveness of its risk model; data security breaches or other information technology incidents or disruptions, including cyber-attacks, and the protection of confidential, proprietary, personal and other information, including personal data of customers; ability to attract and retain employees, executive officers or directors; effectively respond to general economic and business conditions; obtain additional capital, including equity or debt financing and servicing our indebtedness; enhance future operating and financial results; anticipate rapid technological changes, including generative artificial intelligence and other new technologies; comply with laws and regulations applicable to Katapult’s business, including laws and regulations related to rental purchase transactions; stay abreast of modified or new laws and regulations applying to Katapult’s business, including with respect to rental purchase transactions and privacy regulations; maintain and grow relationships with merchants and partners; respond to uncertainties associated with product and service developments and market acceptance; the impacts of new U.S. federal income tax laws; that Katapult has identified material weaknesses in its internal control over financial reporting which, if not remediated, could affect the reliability of its condensed consolidated financial statements; successfully defend litigation; litigation, regulatory matters, complaints, adverse publicity and/or misconduct by employees, vendors and/or service providers; and other events or factors, including those resulting from civil unrest, war, foreign invasions (including the conflict involving Russia and Ukraine and the Israel-Hamas conflict), terrorism, public health crises and pandemics (such as COVID-19), or responses to such events; Katapult’s ability to meet the minimum requirements for continued listing on the Nasdaq Global Market; the effects of the reverse stock split on our common stock; and those factors discussed in greater detail in the section entitled “Risk Factors” in Katapult’s periodic reports filed with the Securities and Exchange Commission (“SEC”), and the Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 that Katapult filed with the SEC.

If any of these risks materialize or our assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that Katapult does not presently know or that Katapult currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements. Undue reliance should not be placed on the forward-looking statements in this presentation, on our quarterly earnings call and in our related press release. All forward-looking statements contained herein are based on information available to Katapult as of the date hereof, and Katapult does not assume any obligation to update these statements as a result of new information or future events, except as required by law.

Katapult (NASDAQ: KPLT) is an e-commerce focused FinTech company offering an innovative lease solution to consumers and enabling essential transactions at the merchant point of sale



Who We Are



Speed & convenience

Decisioning in 5 seconds or less on average



Growing consumer base

~650,000 approved applications LTM



E-commerce leader

Over 200 merchants on platform



Customer satisfaction

Net Promoter Score of 62

\$1.3 Billion

In Approved LTM Lease Limit

\$228 million

In LTM Gross Originations



Katapult[®]

Mission Statement

Katapult's mission is to enable consumers to get the durable goods they need when they need them and connect retailers with a growing base of engaged and loyal consumers



Key Investment Highlights



Large Addressable Market

Opportunity to expand <1% market share of a \$50-60 Billion total addressable market¹ that includes e-commerce and in-store merchants



Proprietary Technology Platform

AI-powered platform provides scalability, operational efficiency and launchpad for competitively differentiated consumer products such as Katapult Pay®



Clear And Compelling Merchant Value Proposition

We offer merchants a pipeline of new, engaged and loyal consumers



Differentiated Financial Profile

Core B2B platform can deliver sustained, profitable returns



Opportunities to Grow Our Loyal and Engaged Consumer Base

Low customer acquisition costs and high repeat purchase rates (~59% in Q2 2024)



Experienced Management Team

Leadership team with over 100 combined total years in the financial services and retail sectors

Operating Progress: Recent Highlights

Strong Execution Drove 7th Consecutive Quarter of Gross Originations Growth

New platform enhancements and partnerships, including:

- Waterfall relationships with Meineke, PayTomorrow and Adorama
- Completed integration with Synchrony Financial digital waterfall; piloting w/ regional merchant
- Transitioned 70+ merchants/websites to our upgraded platform with newest version of Shopify

Katapult Pay® is an engagement driver that continues to gain momentum

- Added Lowe's, Costco and Newegg
- Q224 gross originations of ~\$16M in gross originations (~28% of total) flowed through Katapult Pay; up 100%+ y/y
- Gross originations for merchants only available through Katapult Pay grew 115%

Marketing strategy beginning to deliver results

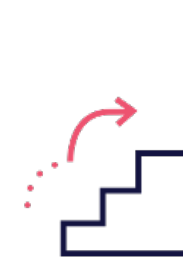
- Strategy focused on driving consumers to our app
- Email-driven gross originations up ~35% y/y in Q224
- 35% more unique customers opened our app in Q224

Delivered growth across key financial metrics

- Gross originations grew 1.1%; 2-year stack growth rate of ~20.0%
- **Revenue** grew 8.7%
- **Adjusted EBITDA**¹ improved \$1.2M y/y; YTD Adjusted EBITDA of **positive** \$5.3 million,



Katapult **PAY** →



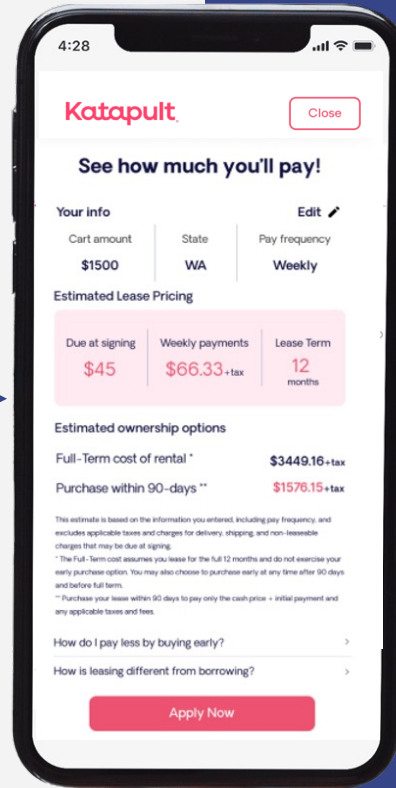
¹Adjusted EBITDA is a non-GAAP measure. See appendix for reconciliation to nearest GAAP measure



Underserved consumers



Affordable access to durable goods



Expanded consumer base



E-commerce merchants

Katapult provides underserved nonprime consumers access to the durable goods they need

37% of US Adults¹

could not cover \$400 of emergency expenses without assistance

Next-Generation Tech

machine learning powered program

\$50-\$60 Billion²

estimated total US addressable market

1. May 2023 Federal Reserve System Board of Governors Report on the Economic Well-Being of U.S. Households in 2018
2. Calculated by multiplying ~\$180 billion market for online retail across electronics, furniture, appliances and other durables (Wall Street research, June 2020) by 30%, which represents the US subprime consumers (Experian Research, 2021)

What Is Lease-to-Own (LTO)?

Katapult offers a **Scalable Omnichannel** LTO solution

For consumers who have no/nonprime credit, Katapult LTO enables **new paths to obtain durable goods**

With Katapult's LTO product, customer **understands full cost of ownership**, up-front

- No late fees or penalties. Ever
- Can repay early with options like a 90-day buyout price
- Makes purchases more affordable

Customer makes recurring payments toward **owning goods outright**

- No long-term obligation to continue leasing; goods are returnable at **any time**

Customer has several options to acquire ownership of the product they are leasing

- Katapult offers flexibility that can make it more attractive and accessible than traditional financing
- With each payment, customer has the option to continue leasing, buyout or return the item

Katapult LTO provides merchant partners **access to new consumer base**

- 30%+ of US adults don't qualify for traditional financing¹



Flexible & Transparent Payment Options

Drive Customer Loyalty

FIRST 90 DAYS

Options available to exercise buyout for the cash price plus 5% fee during the first 90 days

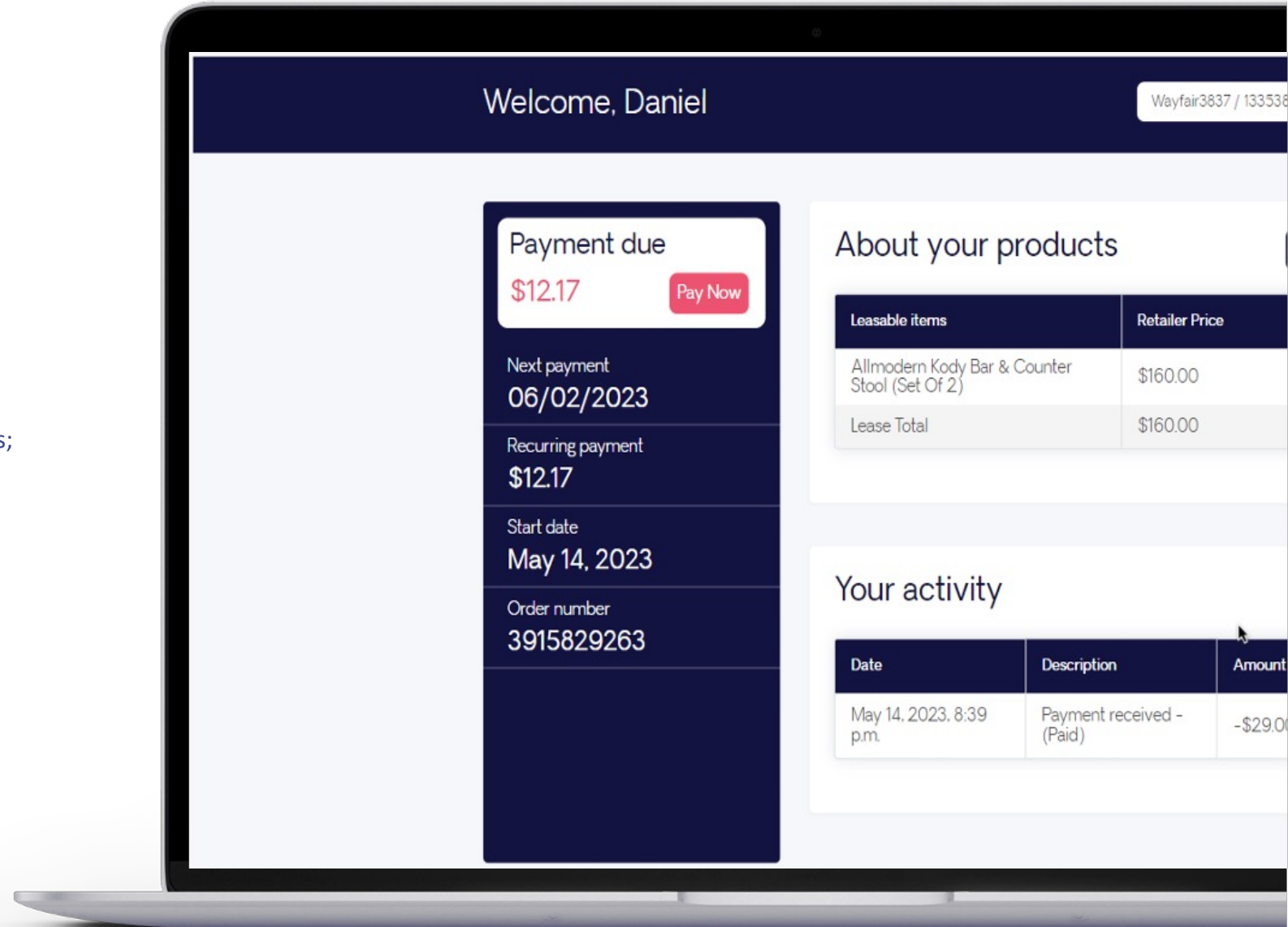
POST 90 DAYS

Early buyout options also available anytime after the initial 90 days; consumers can purchase for significantly less than the full-term cost to own

FULL TERM

Payments made over the maximum length of the lease renewal periods equal ~2x the lease origination amount on average

No late fees. Ever.



Katapult's Pricing Advantage

The more affordable path to ownership

Analysis of ~800 data points shows Katapult consistently has the lowest prices vs. its two key competitors and financing alternatives commonly available to non-prime consumers.

This means a consumer can save \$300+ on a ~\$1000 lease

Retail Price + Initial Fee		Maximum Cost to Own
\$1099 ^a +\$45 ^a	Katapult	\$2,307
\$1099 ^b	Subprime Credit Card	\$2,387
\$1099 +\$65	LTO Peer #1	\$2,637
\$1099 +\$122 ^c	LTO Peer #2	\$2,827

^a Assumes 2.05x multiple on \$1099 price and \$45 origination fee; Katapult allows customers to pay cash price unlike competitors

^b Assumes interest rate of 29.99% and consumer pays minimum monthly payment of 3% until balance paid off

^c Competitor increases the cash price of an item before adding the cost of financing



Katapult opens doors to the millions of shoppers overlooked by traditional financing



No Established Credit

Katapult provides this consumer a way to build a life sooner



Credit Challenged

Katapult positions this consumer to rebuild their financial standing



Good Credit

Katapult provides this consumer with buying power




Simple Application Process

No bank account info required; decision in 5 seconds or less on average; multiple leases allowed

A Positive Consumer Experience

NPS 
Net Promoter Score

62

 **Trustpilot**
4.4



“

"The payment options were clearly defined (no hidden fees or anything). The process to choose this financing was super fast (pretty much immediate). Payment options make this an affordable option. Highly recommend."

- GF



“

"It was an easy and quick experience. Everything was spelled out up front and simple to understand. Customer service was great in answering all my questions and very professional. I'd recommend Katapult. Five stars!"

- Elisa

Clear and Compelling Value to Integrated Merchants

Select direct and waterfall merchant partners

wayfair

Lenovo

EEI

meineke

Casper

iBUYPOWER

AGAPE DIAMONDS

gazelle

POLY & BARK

1stop
bedrooms™

SIMPLETIRE

CUSTOM
OFFSETS

200+ total merchants



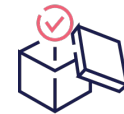
Access to new shoppers drives **incremental sales** for merchants



Higher conversion rates reduce abandoned carts



High **repeat purchase rates** (59.3% in Q2 2024) help merchants build customer loyalty

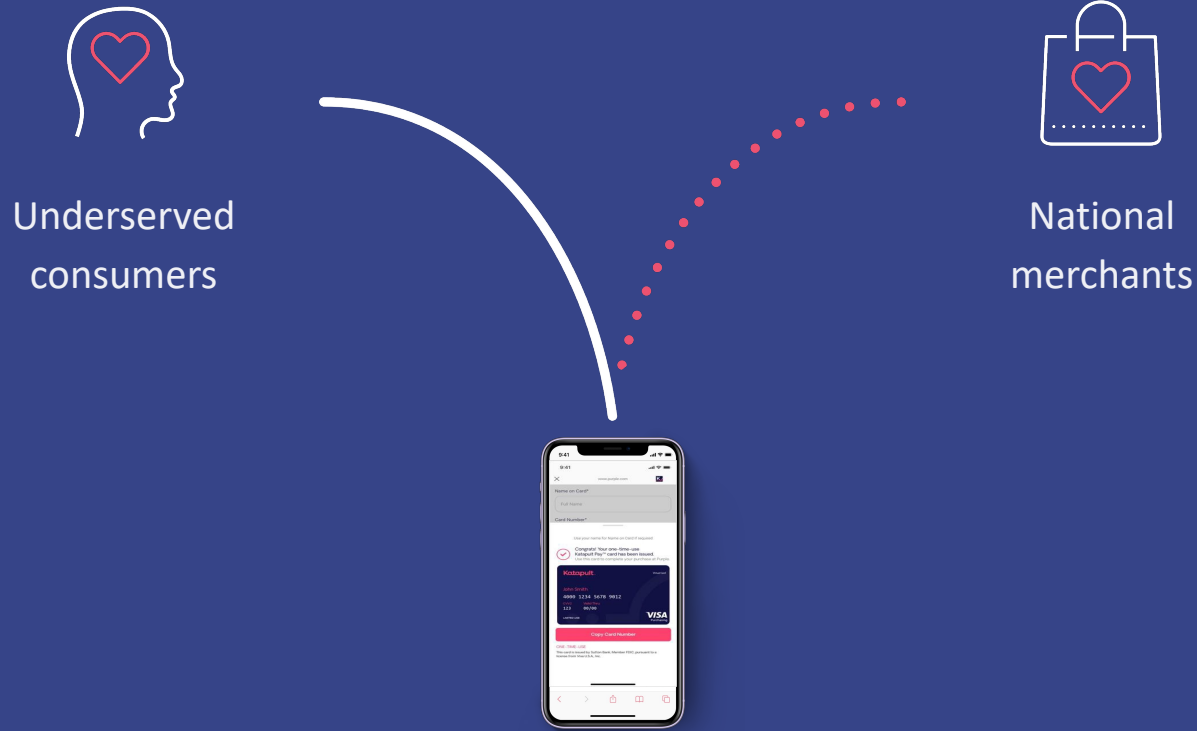


No recourse or risk from consumer defaults or returns



Merchants pay **NO interchange costs** related to the transaction

Katapult Pay is a transformational feature on our mobile app for facilitating lease originations and accelerating merchant onboarding



featuring **Katapult PAY**[®]

Improved accuracy, lower risk

Katapult Pay, a feature in our mobile app, is a 1-time use virtual credit card that consumers can use to shop our online marketplace for durable goods from a variety of merchants in the US

Smarter transactions, fast approval

Our unique AI- and machine learning-powered technology evaluates carts and shopping behavior to determine if a good is leasable, to provide lease pre-approval amounts and to allow customers to seamlessly transact

More data, more insight

Expands our ability to meaningfully engage with customers, increasing repeat rates, and customer ratings

Instant Access for Mobile Consumers

SELECT MARKETPLACE MERCHANTS

Walmart 

LOWE'S 

THE HOME DEPOT 

wayfair 

BEST BUY 

nectar 

amazon.com 

hp 

IKEA 

lull 

TSC TRACTOR SUPPLY CO 

COSTCO WHOLESALE 

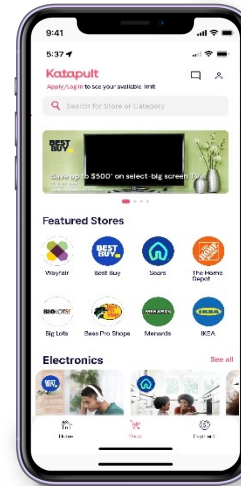
TARGET 

newegg 

25+ Marketplace Merchants

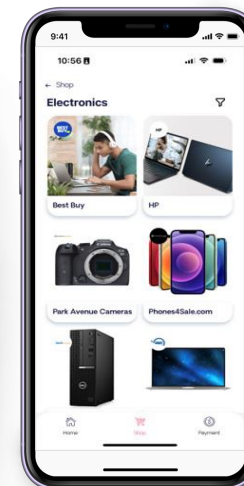


featuring **Katapult.PAY** 



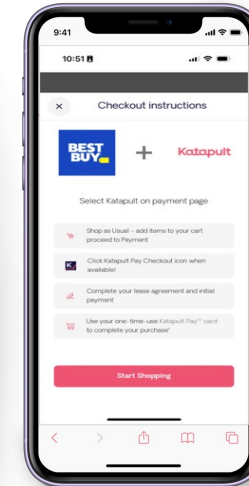
Discover

National merchants on our marketplace



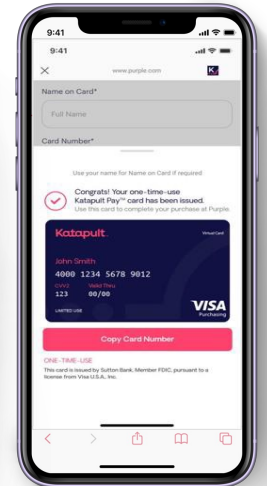
Search

Durable good product categories



Shop

Merchant websites using our in-app browser



Checkout

Friction-free with our 1-time use virtual card

Multiple Opportunities to Grow Our Customer Base



Building full spectrum lifecycle marketing capabilities

- Data-driven approach to drive customer growth
- New marketing platform to enhance customer targeting
- Will allow us to be more responsive to consumer behavior
- Can leverage insights to create even better platform experiences and drive consumer engagement even higher
- Expect to see benefits for both customer growth and customer repeat rates

Katapult's AI- and machine learning-driven technology powers engagement and our **proprietary underwriting that** translates into higher approval rates

Sophisticated Underwriting Process

- ✓ Advanced behavioral learning mitigates credit and fraud risks
- ✓ Utilizes behavioral biometrics, device and location recognition
- ✓ Approval decision using AI inspired machine-learning in 5 seconds or less on average

New Products create seamless customer and merchant engagement

- ✓ Recent launches include: Risk-based pricing, Price Calculator and Text-to-Checkout

Select Attributes

Lease History

Payment Behavior

Mobile Device

Product Attributes

Shopping Behavior

Behavioral Biometrics



Strategic Roadmap for Growth



Grow Merchant Base

Through deepening relationships with existing, directly integrated merchants, adding to the direct integration pipeline, and expanding merchants on Katapult Pay



Expand Customer Base

By increasing the adoption and usage of Katapult Pay, launching new marketing capabilities, partnerships, and product enhancements



Increase Repeat Rates

Leverage the Katapult mobile app and other initiatives to drive customer engagement and grow Katapult's active user base



Innovate Technology

Develop innovative products that disrupt the industry and create a best-in-class user experience for nonprime consumers



Appendix

Q2 2024 Financial Results

\$ in millions (unaudited)	Q2 2024	Q2 2023 (as restated)	YoY Variance (\$)	YoY Variance (%)
Gross Originations ¹	\$55.3	\$54.7	\$0.6	1.1%
Total Revenue	\$58.9	\$54.1	\$4.7	8.7%
Gross Profit	\$9.9	\$9.5	\$0.5	4.9%
OpEx	\$12.5	\$13.5	\$(0.9)	(6.9%)
Net Loss	\$(6.9)	\$(7.4)	\$0.6	(7.4%)
Non-GAAP¹				
Fixed Cash OpEx ²	\$9.1	\$10.0	\$(0.9)	(8.8%)
Adj. EBITDA ²	\$(0.38)	\$(1.54)	\$1.2	75.5%
Adj. Net Loss ²	\$(5.4)	\$(6.0)	\$0.6	(9.4%)

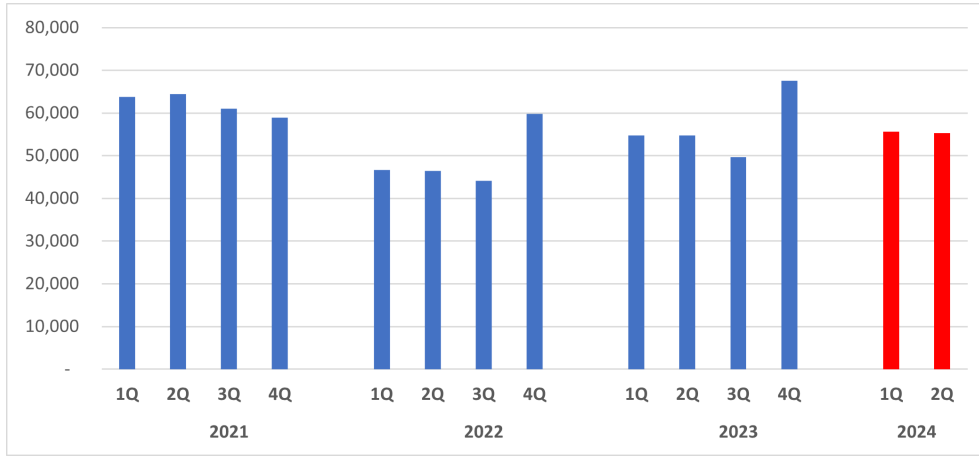
¹ Gross originations were not impacted by the restatement.

² See appendix for reconciliation of these non-GAAP measures to nearest GAAP measure.

Historical Results

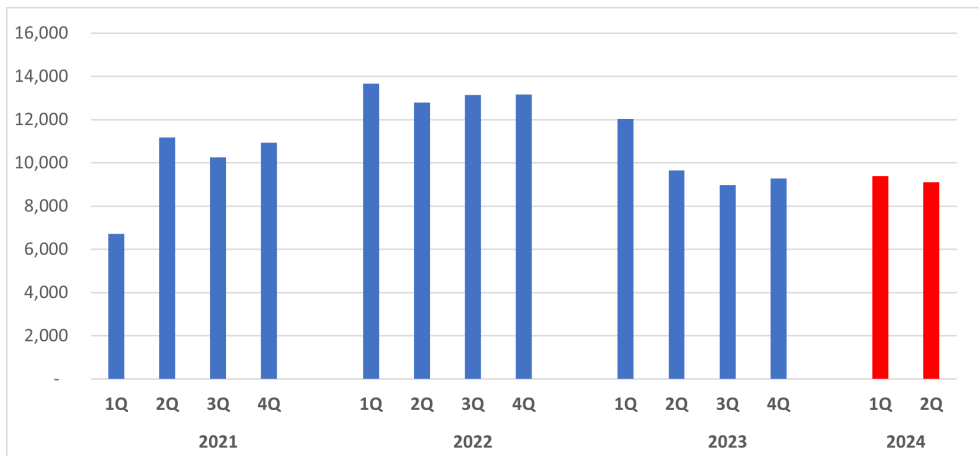
Gross Originations

(in Thousands)



Fixed Cash Operating Expenses¹ (2023 and prior - As restated/revised)

(in Thousands)



Gross Originations

Gross origination trends are a leading indicator of future revenue streams as new merchants are onboarded and leases are initiated. The new Katapult Pay feature on our mobile app is expected to drive gross originations, accelerate merchant onboarding, and reduce costs

Fixed Cash Operating Expenses

2022 was an investment year in new technology products, most notably our mobile app featuring Katapult Pay. We are now optimizing these investments and have instituted comprehensive expense savings initiatives that will continue to translate into improving operating leverage and profitability

¹ Fixed Cash Operating Expenses is a non-GAAP measure. See appendix for a reconciliation to the nearest GAAP measure



Non-GAAP Reconciliations



Disclaimer

Non-GAAP Financial Measures

Fixed cash operating expenses is a non-GAAP measure that is defined as operating expenses less depreciation and amortization on property, equipment and capitalized software, stock-based compensation expense, variable lease costs such as servicing costs, underwriting fees and litigation expense, net. Management believes that fixed cash operating expenses provides a meaningful understanding of controllable ongoing expenses.

Adjusted EBITDA is a non-GAAP measure that is defined as net loss before interest expense and other fees, interest income, change in fair value of warrant liability, provision for income taxes, depreciation and amortization on property and equipment and capitalized software, impairment of leased assets, loss on partial extinguishment of debt, stock-based compensation expense and litigation expense, net.

Adjusted EBITDA is useful in evaluating the Company's performance because this measure:

- Is widely used to measure a company's operating performance;
- Is a financial measurement used by rating agencies, lenders and other parties to evaluate the Company's credit worthiness; and
- Is used by the Company's management for various purposes, including as a measure of performance and as a basis for strategic planning and forecasting.

Adjusted net income (loss) is a non-GAAP measure that is defined as net loss before change in fair value of warrant liability and stock-based compensation expense.

Management believes the use of non-GAAP financial measures, as a supplement to GAAP measures, is useful in that they eliminate items that are either not part of our core operations or do not require a cash outlay, such as stock-based compensation expense. Management uses these non-GAAP financial measures when evaluating operating performance and for internal planning and forecasting purposes. Management believes that these non-GAAP financial measures help indicate underlying trends in the business, are important in comparing current results with prior period results, and are useful to investors and financial analysts in assessing operating performance. However, these non-GAAP measures exclude items that are significant in understanding and assessing Katapult's financial results. Therefore, these measures should not be considered in isolation or as alternatives to revenue, net loss, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that Katapult's presentation of these measures may not be comparable to similarly titled measures used by other companies.

Non-GAAP Reconciliations

Adjusted EBITDA

(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023 (As Restated)	2024	2023 (As Restated)
Net loss	\$ (6,888)	\$ (7,438)	\$ (7,458)	\$ (17,983)
Add back:				
Interest expense and other fees	4,674	4,098	9,201	9,287
Interest income	(359)	(427)	(683)	(1,047)
Change in fair value of warrant liability	(109)	(257)	53	(389)
Provision for income taxes	61	14	66	34
Depreciation and amortization on property and equipment and capitalized software	263	227	529	197
Provision for impairment of leased assets	429	558	602	424
Loss on partial extinguishment of debt	—	—	—	2,391
Stock-based compensation expense	1,552	1,686	2,943	4,303
Adjusted EBITDA	\$ (377)	\$ (1,539)	\$ 5,253	\$ (2,783)