Strategy

Plastiq Brand Strategy - *Drive to Survive Edition*

We accelerate your business.

We aim to be the *AMG* Mercedes of finance.

Same Course, New Angles

Plastiq strategy has not fundamentally changed in the last year.

New Learnings:

We adjust based on what has changed.

- Macroeconomic changes
- Approaching public market offering
- “One Plastiq” unified approach
- STF and credit see increased relevancy
- Limited adoption of mid-market ICP features
- More clarity on existing & future ICP
- Increasing competition on both sides

sequence

Big Picture:

- Mission & values
- Accelerating SMB business
- 3 ways we deliver the value prop
- Growth vectors
- One product
- Cultivate the ICP
- Moats & differentiators
- Brand

mission & values

Mission:

Empower the SMB economy

Small & medium businesses are the lifeblood of the economy. We help them ***succeed and grow*** with the financial tools, credit, and knowhow they need.

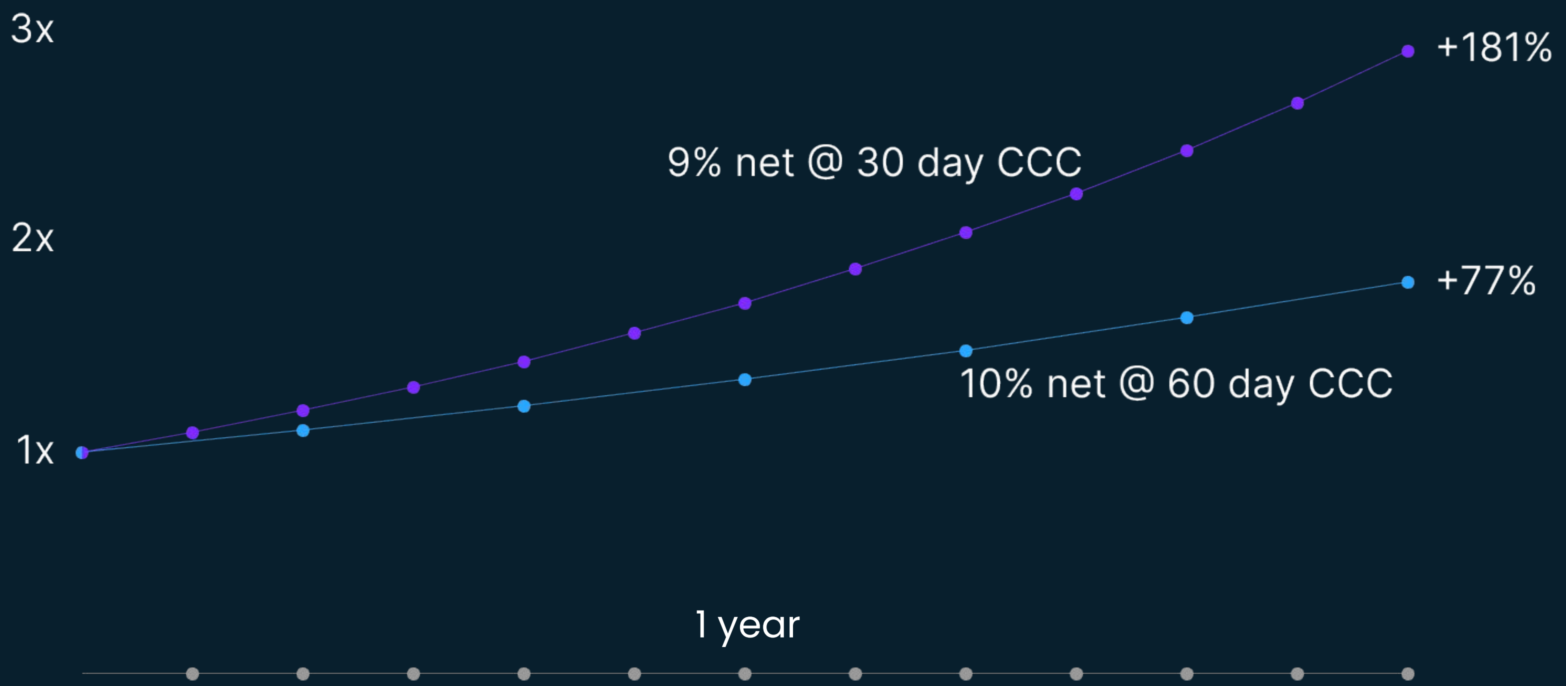
Every SMB we help to grow collectively helps our economy grow.

Values:

GOAT (for customers)**:**

- **G**row
- **O**wn your business
- **A**dapt with flexibility
- **T**rust the platform

What does business acceleration look like?



Cost of Capital Comparison

Bank Loan:
Estimated loan rate of 12%

Base rate:	**12.0%**
Tax deductibility**:	-1.5%
Cash back/rewards:	-0%
Effective rate:	**10.5%**

Time to repayment: 12 months

Annualized Cost of Capital: 10.5%

**assumes 25% tax rate, funds used over 12 mo., consult your tax advisor.

Card Payments:
Transaction fee of 3%

Initial fee:	**3.0%**
Tax deductibility*:	-0.75%
Cash back/rewards:	-1.0%
Effective fee:	**1.25%**

Time to repayment: 60 days

Annualized Cost of Capital: 7.5%

*assumes 25% tax rate, consult your tax advisor.

3 Ways
to Improve Speed

- *Payment* speed
- *Cash conversion* speed
- *Workflow* speed

Payments Speed

It doesn't matter how fast we're going if we're out of control.
We need **core competency excellence.**

Front End

Core flows efficiency

- Ease of user flows
- Consistent statuses
- Error handling
- Object persistence

++ Front-end components

Back End

Logic and architecture

- Deep linking
- Asynch validation
- Extensibility of arch. (ie. permissions)
- Data/calls sequence
- 2-way integrations

Ops

System performance

- ACH rails
- Site performance
- Risk automation — approvals
- MCC automation
- USPS tracking

Cash Conversion Cycle

All businesses have the same amount of time.
They grow by making their money run faster laps.

CCC Components & Opportunities

Days Payable Outstanding (extend time to pay bills)

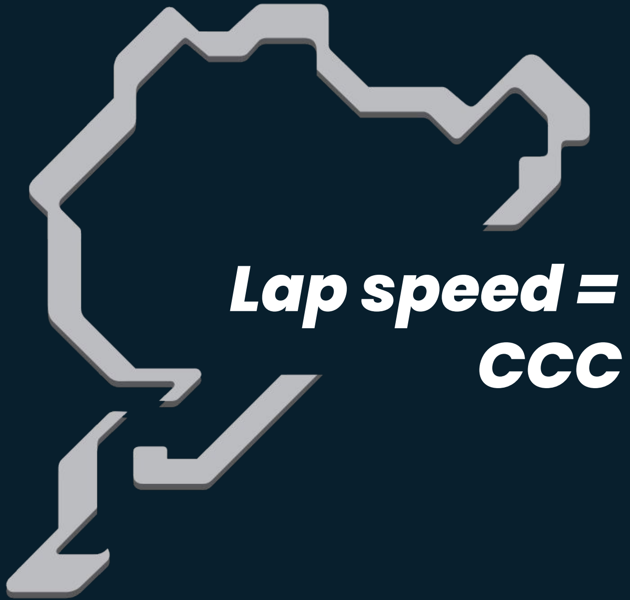
- Use of credit cards
- STF expansion
- *Plastiq-issued credit with new IP*

Days Sales Outstanding (reduce time to get paid)

- *Expand STF to Accept*
- *Invoice factoring*
- *Accept-Payer integration features*

Days Inventory Outstanding (sell goods faster)

- *Leveraging credit for marketing?*



Workflow Speed

We help you grow, *then we help you be efficient.*

The challenges that come with success:

A cash crunch is just one of them.

YOU EXPERIENCE		WE OFFER
More bills and time spent	→	Invoice & bulk time-savers
Loss of cash flow visibility	→	One-stop-shop dashboard
More vendors to manage	→	Vendor 360, pymts statuses
Less control over payables	→	Pre-approvals of payments
More team members	→	Team roles and permissions

The Plastiq Principle

Will this effort *improve speed and performance*

Will this feature *accelerate our customers business*

Discovering Growth Vectors

Linear growth means outputs (our revenues) are proportional to inputs (our efforts).

Exponential growth requires that outputs generate inputs beyond our efforts.

Every payment or customer must help us acquire the next.

The Plastiq Flywheel

Identifying the steps for virality.

1 - Payment creates impression with new potential customer

2 - Impression delivers a value prop that matters (not a gift card)

3 - Value prop incentivizes immediate account creation

4 - Self-serve onboarding is efficient and reinforces values

5 - Product incentivizes payment or request

Non-Cash Referral Incentives

Incentivize volume by allowing customers to earn points

Plastiq Points (aka “bips”)
These replace FFD’s and can be associated with percentage points or basis points (bips)

- Every dollar spent earns you 1 point
- Works like cash back—10k points eliminates fees on $100 of new spend
- Cumulative annual spend (in $M) bumps customers up to higher tiers
    - Tiers offer reduced card processing fees
    - Could mitigate companies negotiating for even lower fees
- Inexpensive activation lever: 1M points costs us only $300
- Subscription to purchase (pre-pay) free transactions

Fix Activation & Retention Issues

In-product wayfinding and education must repeat CCC and CoC value props.

Identify limiting factors

What is preventing potentially valuable customers from getting started:

- Wayfinding, to-do list, or welcome experience is non-existent
- Ongoing lack of awareness of fees (and why it's a good value)
- Lack of awareness of features and benefits
- Lack of understanding of cash conversion cycle
- Statuses of payments don't inspire confidence
- Help is hard to find
- Lost opportunity for follow up touches
- Feature experiences may be behind paywall

One Product, Multiple Ways to Win

Accept & Connect Strategy

For both the brand meaning and the flywheel to work, all products must work together.

"Plastiq accelerates your business"

How this applies to Accept and Connect:

- Accept vendors can execute their workflows, like invoicing, faster
- Accept can improve their cash conversion cycle by reducing DSO
- Accept growing pains, like new customer risk, can be mitigated
- Connect can serve Pay and Accept customers whose business is a platform
- Connect can replace legacy payments and reconciliation processes
- Connect can keep a client's customers within their ecosystem
- Connect can serve as an embedded solution to any Pay or Accept customer
- Connect can incentivize any payer to create a Plastiq account for future use

One Product: Web, SaaS & Registration

Decreases complexity and increases stickiness

Manage AP/AR, and embedded solutions with 1 account

We want a customer to use all of them.

- Accepting cards is an additional “application” process
- Account setup is an easy first action in-product
    - Capture beneficial owner information
    - Apply for Accept
    - Pre-qualify for STF
- Reduce noise and difficulty of decision making
- Unified web messaging

Card payments	2.85%
Short-term Financing	2.8-8%
ACH bank transfers	Free
Check printing & mailing	Free
Wire transfer: dom./int.	$5/$39
Accept credit cards*	Free

Identify and *Cultivate* the ICP

Hypotheses

We believe that our #1 ICP is a *financial growth hacker*

They understand the Cash Conversion Cycle and use it to grow and succeed.

- They want to grow
- They're smart, savvy, and want to remain in control of their business (at least for now)
- They're active in business media and communities; they're self-learners

Our #2 ICP wants to be that guy ⬆️, let's help them achieve it and understand it. The SBA estimates 627,000 new businesses are started every year. They **all want to grow.**

- Our #1&2 ICP's will hit a growth stage where they want to save time & costs, improve control

Our #3 ICP may not want further growth, but still wants savings and control. They want to offer a good experience for their customers. Card usage will be seasonal or for secondary benefits.

Moats
& Differentiators

How We Compete

What we have now:
We are the original Business Payments Solutions provider. We created the category.

- Original BPS
  - 10 years experience
  - Volume and customers
  - Security and risk management
- Best pricing
  - Transactional
  - SaaS
- Worldwide and complete AP solution
- Solid feature set and technologies

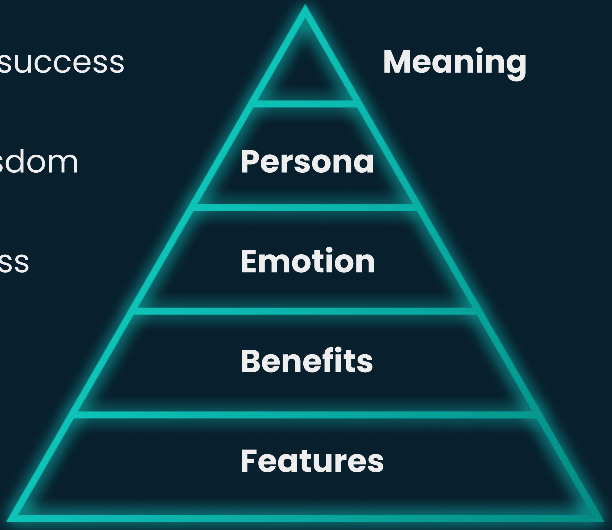
What we need next:
Our brand must be differentiated and emphasize our value prop and values.

- Original BPS – now we need to own it
- Speed-focused product development to separate us from the crowd
- IP development
  - Credit accounts that reduce CCC
  - Flexible Accept card fee settings
- AP/AR market integrations, retention levers
- Brand needs to resonate with our ICP
- Branded content geared to ICP

Brand Evolution

Brand, product, and marketing support and reinforce a consistent strategy.

- Plastiq means **accomplishment** — it's synonymous with success
- The smart, savvy, financial growth hacker who shares wisdom
- Exhilaration of experiencing growth and increased success
- Grow, maintain control, improve visibility, have flexibility
- Prioritized to improve speed, performance, and CCC



Project Scope