



March 2020 Quarterly Report & 4C Strong Q1 Revenue with Exceptional Growth Trajectory

HIGHLIGHTS:

- Accelerating growth recorded across all leading KPI's despite COVID-19 challenges
- 165% increase in Merchant Sales Volume (MSV) for April month to date on prior corresponding period (**PCP**) (April 1-26)
- 152% increase in MSV for the same period in March 2020, following new large merchant wins
- Strong Q1 revenue growth, up 104% on PCP to US\$657K and up 51% on previous quarter.
- North America Q1 MSV continuing to accelerate, up 42% on PCP
- Total Merchants grew 108% on PCP to 862 and 20% on the previous quarter, with 12M Active Merchants up 12% on the previous quarter
- Notable new merchants include; Nectar Sleep, Canyon, Scorptec, Dreamcloud, Ride Cake, Scandiborn USA, Factory Pure, Bedmart, P D PAOLA, GoEasy Australia, Redsbaby
- Pivotal global agreement with Visa to partner to accelerate instalment payment innovation
- Significant partnership with Stripe, to facilitate rapid scalability over the coming quarters
- Webinar for investors to be held at 10.30am (Australian EST) on 28 April, details below

Sydney, Australia, April 27, 2020 – **Splitit Payments Ltd** (ASX:SPT), a leading global instalment payments solution business, provides an update on its quarterly activities for the three-month period to 31 March 2020.

Though the recent conditions from COVID-19 have been challenging globally, Splitit has seen significant growth across all leading KPI's from April 1 through to April 26 (see Figure 1). This underscores Splitit's unique business model advantage and relevance in the marketplace. As the only installment payment provider offering merchants an installment payment solution without saddling consumers with new debt, Splitit is well positioned for continued growth supported by a strong brand differentiation, core underlying foundations, a mitigated risk profile with negligible losses and a business model that is set up to enable accelerating growth across all key operating metrics.

Throughout this time, Splitit has grown its total number of merchants by 20% in comparison to last quarter. Splitit has seen an acceleration of MSV throughout the quarter and has implemented business partnerships with both Visa and Stripe. Splitit's solution is resonating increasingly well with consumers as it helps them to better use their existing credit (via credit cards) to make necessary purchases with smaller payments, spread out over time. The Company has been focused on accelerating new merchant acquisitions and has a unique and robust business model with negligible exposure to consumer defaults.

Even with such growth, given the ongoing uncertainties, Splitit implemented a business continuity plan which included swift measures to protect our team, and our customers while reducing planned operating expenses, when and as needed (as further outlined below).

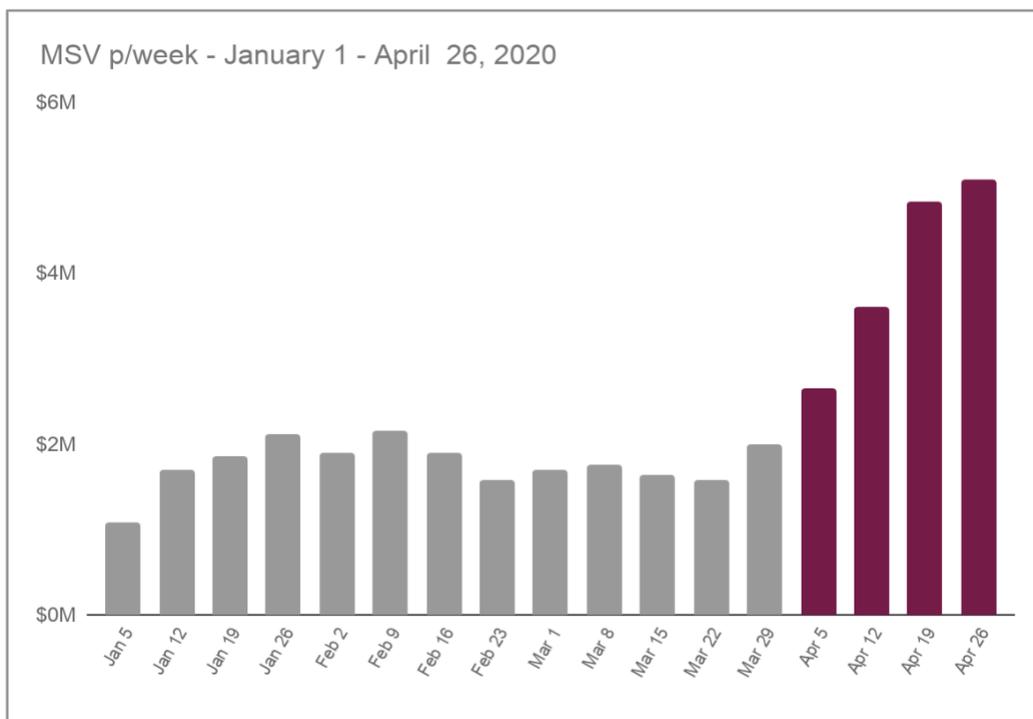
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Strong Revenue Gains Underpin Q1 Performance with Record Growth in April

While March saw a brief period of decline in transaction volumes related to COVID-19, late March through April 26 has been exceptionally positive. MSV was up 165% on PCP in April and up 152% for the same period in March 2020 as weekly MSV recorded new highs (see Figure 1), with excellent growth in North America and Europe. This has been driven by new merchants that were onboarded during Q1, a growing consumer preference for Splitit and a focus on eCommerce merchants with over 90% of transactions being eCommerce or phone based payments.

Figure 1:



Average Order Value (**AOV**) has also started to trend upward in April and is expected to continue growing as the Company signs up further large merchants. Splitit has seen a 20% shift in payment mix towards credit cards over debit cards for transactions as consumers preserve cash, along with an increase in the average number of monthly instalments from five to seven, over the previous 12 months. This also contributed to sharp revenue growth towards the end of the period as merchant fees increased with longer installment plans.

Splitit delivered strong growth in revenue and high value merchants, especially towards the end of Q1. MSV was up 18% on PCP and up 42% in North America, while revenue increased 104% on PCP, benefiting from further growth in the Company's funded model. MSV growth in Q1 was impacted by our continued focused strategy to align product-market fit. This means Q1 FY19 contained a number of low AOV and high volume merchants that are no longer part of Splitit's merchant base. This also impacted growth in 12M Active Shoppers and Repeat Shopper metrics in Q1 FY20. The merchant base now better reflects the ideal target merchant and our strategy. This is evident with an acceleration in new merchant acquisitions, a number of which will contribute MSV from Q2 onwards. MSV was also affected in early March as consumer spending reduced, in line with behaviour changes related to COVID-19.

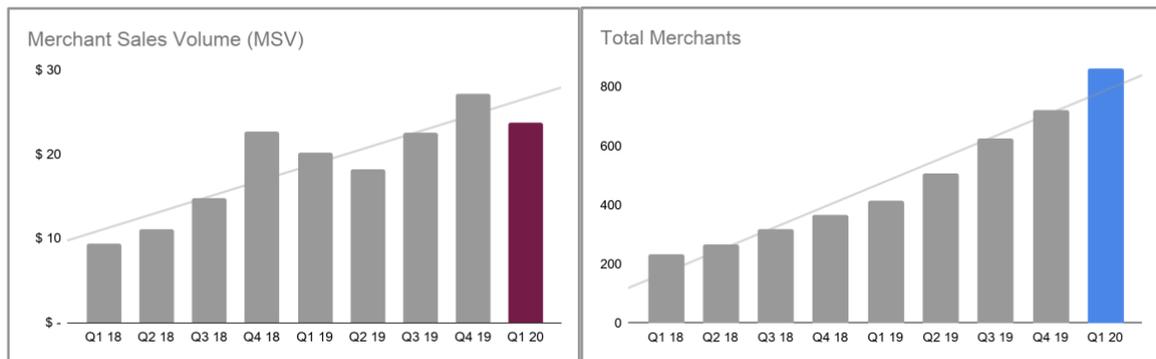


Plans Initiated continued to grow during Q1 after strong growth in the previous quarter. Consumer spending patterns shifted noticeably in the second half of March as a result of COVID-19, with a reduction in luxury and lifestyle items and increased demand for homewares, fitness, health and essential services. This shift contributed to a temporary decrease in AOV from US\$863 to US\$737.

Quarterly & April MTD Performance Metrics - Table 1:

| Operating Metrics | Q1 FY20 | Comparison to Q4 FY19 | Comparison to Q1 FY19 (PCP) | April 1-26 (PCP) |
|--|-----------|-----------------------|-----------------------------|------------------|
| Merchant Sales Volume (MSV) ¹ | US\$23.7M | -13% (US\$27.1M) | +18% (US\$20.1M) | US\$15.4M (165%) |
| Revenue ² | US\$657K | +51% (US\$433K) | +104% (US\$322K) | - |
| Average Order Value (AOV) ³ | US\$737 | -15% (US\$863) | +57% (US\$470) | US\$775 |
| Plans Initiated ⁴ | 32.1K | +2% | -25% | 19.7K |
| Total Merchants ⁵ | 862 | +20% | +108% | - |
| 12M Active Merchants ⁶ | 434 | +12% | +82% | - |
| 12M Active Shoppers ⁷ | 107K | -10% | +2% | - |
| Repeat Shoppers ⁸ | 13.6% | -4% | +72% | - |

Figure 2 and 3:



1 Underlying MSV for successful transactions that a merchant fee is charged

2 Revenue attributable to MSV

3 Average value of plans initiated in the period

4 Number of plans initiated in the period

5 Cumulative number of merchants that accept Splitit

6 Number of merchants that have received a payment in the previous 12 months

7 Number of shoppers that have made a purchase in the previous 12 months

8 Percentage of shoppers that have made a purchase in the current period that have previously made a successful purchase

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New Large Merchants to Fuel Growth in Q2 and Beyond

With demand for Splitit increasing, the Company saw several new merchants choose Splitit to further engage consumers with flexible and responsible payment options. Total Merchants grew 20% compared to the previous quarter and 108% on PCP.

Notable new merchants agreements in Q1 include: Nectar Sleep, Modloft, Viagogo, Dreamcloud, Ride Cake, Scorptec, Reds Baby and Factory Pure.

These merchants and many more launched Splitit in Q1 or are in the process of integrating Splitit as a payment option.

In recent weeks the following notable brands have agreed to accept Splitit:

- **Canyon** - leading global manufacturer of Road, MTB, Triathlon, Urban/Fitness and E-Bikes
- **Bedmart (US)** - leading provider of mattresses and furniture
- **P D PAOLA (EU)** - online contemporary jewellery company disrupting the jewellery industry with high style and quality for fashion savvy women
- **Sofa Club (UK)** - comfy sofas at comfy prices to the homes of customers right across the UK

New large merchants are driving MSV and revenue growth and increasing consumer adoption due to a broader presence across more relevant brands in key verticals. This growth is expected to continue to accelerate and drive MSV growth, as evidenced by the record growth in MSV during April.

New Brand Platform

Splitit will roll out a distinctive new brand story and visual identity in Q2 FY20 designed to differentiate our product and significantly drive merchant sign-up. This exciting new work highlights Splitit's one-of-a-kind advantages and creates a unique visual device that is exclusively our own.

The new campaign will target merchants, as well as established and financially savvy credit card holders who spend more on considered purchases. Splitit is the only buy-now-pay-later solution that empowers shoppers to use the credit they *already* have to pay over time on *their* terms — with no applications, no interest, and no fees.

COVID-19 Response

Splitit is well positioned to help existing and prospective consumers during the uncertain times brought about by the COVID-19 pandemic. Splitit's solution is increasingly resonating well with consumers as it helps them use their existing credit better (via credit cards) to make necessary purchases with smaller payments, spread over time.

The Company is accelerating the onboarding of new merchant acquisitions and has a unique and robust business model with negligible exposure to consumer defaults.

However, given the current uncertain environment, the Company felt it was prudent to reduce its 2020 operating expenses by 20% (primarily a reduction in Executive Salaries, Marketing and Professional Services), even as strong revenue growth was experienced. The impact from the reduction in expenses will only be realized from Q2 onwards. The Company will continue to closely monitor its operating expenses to ensure all costs have a strong and measurable return.



Splitit Partners with Visa

In early March, Splitit announced it is partnering with Visa to help accelerate the distribution of instalment payments for merchants and explore further product development opportunities to help merchants enhance their customer experience.

Splitit will leverage the Visa Developer Platform to participate in ongoing innovation of the instalment payments landscape globally. Splitit will also integrate with Visa Installment Solutions, a new capability that helps participating issuers and merchants give Visa cardholders more control on how a purchase is paid for. Splitit will offer Visa Installment Solutions to its global merchant network.

The relationship provides strong validation of Splitit's platform to help consumers better use the credit they already have and will help accelerate Splitit's global growth over time.

New Partnership with Stripe

In January, Splitit announced a new partnership with Stripe, a global technology company that builds economic infrastructure for the internet. Splitit's solution will be integrated with *Stripe Connect* to streamline merchant onboarding and enhance the merchant experience. The technology will also enable merchants to self-onboard to Splitit's platform, a process that is currently undertaken manually, allowing Splitit to scale significantly faster globally. Faster, automated onboarding using this platform is expected to be tested in Q2 with further enhancements for large merchants is expected to be launched in Q3

CORPORATE & FINANCIAL OVERVIEW

Board Changes

In January, Chief Executive Officer, Mr Brad Paterson was appointed to the Board as Managing Director, along with Mr Jan Koelble who joined the Board as an independent Non-Executive Director. At the same time, Splitit's Co-Founder and General Manager, EMEA, Mr Gil Don, and independent Non-Executive Director, Mr Michael DeFranco, resigned from the Board to pursue new opportunities.

Cash Flow & Use of Funds

Cash receipts from customers for the period were US\$0.67M. This compares to US\$0.43M in the previous quarter.

Cash outflows were comprised of:

- Advertising and marketing costs of US\$0.66M (Q4 FY19: US\$1.29M)
- Staff costs of US\$1.89M (Q4 FY19: US\$1.85M)
- Corporate and administration costs of US\$0.94M, including a number of one-off payments, accrued in Q4, relating to severances, legal costs, new credit facilities and consulting services (Q4 FY19: US\$2.2M)
- Research and development costs of US\$0.18M (Q4 FY19: US\$0.29M)

Costs are aligned with the Company's expected use of funds as outlined in its Replacement Prospectus dated 20 December 2018.

The Company had net operating cash outflow of US\$1.81M for the quarter, a US\$2.95M decrease on the previous quarter (Q4 FY19: US\$4.76M).

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Splitit held US\$10.34M in cash as at 31 March 2020, of which US\$7.65M was cash balances and US\$2.69M was net future repayments from self-funded merchants. The Company also has utilized US\$3.66M from its Shaked credit facility to support the funded-model growth with merchants.

Outlook

While the global economic outlook remains uncertain, Splitit is experiencing a record start to the current quarter, with MSV in April 2020 up 152% over the same period in March 2020. These volumes are expected to continue as Splitit adds new large merchants and consumers' preference for Splitit at checkout remains high. Splitit's value proposition is proving powerful during these challenging times, allowing consumers to make the purchases of necessary items and spread payments over time, making it more important and relevant than ever. As consumers are changing their shopping patterns, they are increasingly seeing value in Splitit to better utilise the credit they already have.

Similarly, merchants are keenly focused on improving website conversion and staying relevant to their customers, resulting in strong demand from merchants to offer Splitit's solution. Speed of acquisition and onboarding is expected to continue to accelerate due to a strong partner network with commerce platforms such as Shopify and Magento and improved payments technology via the partnership with Stripe. As a result, the Company expects to continue accelerating new large and small merchant acquisitions through Q2 with corresponding growth in MSV and revenue. In addition, the distribution of instalment payments for merchants with Visa is expected to accelerate growth over the coming quarters.

Note: Unless specified otherwise all amounts are in USD and provided on an unaudited basis, AUD amounts have been converted to USD at an average exchange rate over the quarter ending 31 March 2020.

Webinar Details

Splitit will host a webinar for investors at 10.30am Australian Eastern Standard Time (AEST) on Tuesday April 28, 2020.

CEO and Managing Director, Brad Paterson, will provide a 25-minute overview of the Company's quarterly performance and its operational progress, followed by a Q&A session.

Date & Time: Tuesday, 28 April 10.30am (AEST)

Webinar Link: <https://webcast.openbriefing.com/6032/>

Dial ins: Please pre-register via <https://s1.c-conf.com/diamondpass/10005958b-invite.html> to receive dial ins. International numbers are available.

Conference ID: 10005958

Replay: Will be available at www.splitit.com after the event.

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About Splitit

Splitit is a payment method solution enabling customers to pay for purchases with an existing debit or credit card by splitting the cost into interest and fee free monthly payments, without additional registrations or applications. Splitit enables merchants to offer their customers an easy way to pay for purchases in monthly instalments with instant approval, decreasing cart abandonment rates and increasing revenue. Serving many of Internet Retailer's top 500 merchants, Splitit's global footprint extends to hundreds of merchants in countries around the world. Headquartered in New York, Splitit has an R&D center in Israel and offices in London and Australia.

This announcement has been approved and authorised to be given to ASX by Brad Paterson, CEO and Managing Director on the Board of Splitit.

Disclaimer

This announcement contains "forward-looking statements." These can be identified by words such as "may", "should", "anticipate", "believe", "intend", "estimate", and "expect". Statements which are not based on historic or current facts may be forward-looking statements. Forward-looking statements are based on:

- assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate; and
- current views, expectations and beliefs as at the date they are expressed and which are subject to various risks and uncertainties.

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

You must not place undue reliance on these forward-looking statements.

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Annexure

In accordance with ASX Listing Rule 4.7C, Splitit provides the following information:

Q1 is a period which is covered by the Use of Funds statement as outlined in the Replacement Prospectus dated 20 December 2018.

A summary of the expenditure to date is outlined below:

| Use of Proceeds under Prospectus | Funds allocated under Prospectus | Funds expended between admission and 31 March 2020 |
|--|----------------------------------|--|
| Sales and Marketing | AUD\$4,761,014 | AUD\$9,786,574 ¹ |
| Research and Development | AUD\$1,801,465 | AUD\$3,815,550 ² |
| Compliance and Security | AUD\$128,676 | AUD\$1,257,693 ³ |
| Customer Support | AUD\$386,028 | AUD\$494,589 ⁴ |
| Investigating Future Alternative Funding Opportunities | AUD\$514,704 | AUD\$680,411 ⁵ |
| General Administration | AUD\$3,731,606 | AUD\$8,497,730 ⁶ |
| Cost of the Offer | AUD\$911,044 | AUD\$3,429,207 ⁷ |
| Cash Reserves and Working Capital | AUD\$633,068 | AUD\$11,667,224 ⁸ |

Payments to related parties and their associates during Q1 was US\$301,000. These payments were related to director fees and expenses paid to directors and their associates.

¹ Establishment of a dedicated sales team in the US, UK and Asia Pacific regions, new website, e-commerce development, rebranding, expanding the onboarding and customer success teams, industry events, marketing campaigns, marketing and public relations consultants and other associated marketing costs.

² Development and enhancement of new functionalities and applications in respect of the Splitit Platform, expanding the R&D team to meet all development milestones, major upgrade of the core system infrastructures, utilization of modern development, deployment and monitoring tools, utilization of Amazon Web Services, major upgrade of the data and BI infrastructures and tools, outsourcing of software development modules, development of new plugins, integration of new payment gateways and payment providers.



³ Development and maintenance of compliance policies (including PCI Level 1 certificate), advice with respect to regulatory developments in our principal markets and implementing internal security systems to prevent malware, phishing and other security and fraud threats to the Splitit Platform.

⁴ Expanding the company's customer support services by increasing the number of customer support representatives, multi-language support and 24/7 support.

⁵ Investigating additional funding sources to allow greater capacity for merchant funding activity. The company established a US\$8M credit facility with Shaked partners and is exploring additional credit facilities.

⁶ Due to the increase in business activity and headcount, respectively, the company increased its spending on consulting services, office rental costs, employee and management fees, legal costs, financial team, insurance and other miscellaneous costs.

⁷ Comprised of IPO costs (gross proceeds of AU\$12M) and secondary fund raising costs (gross proceeds of AU\$30.3M). Total gross proceeds of AU\$42.3M.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

SPLITIT PAYMENTS LTD

ABN

629 557 982

Quarter ended ("current quarter")

31 March 2020

| Consolidated statement of cash flows | Current quarter US\$'000 | Year to date (3 months) US\$'000 |
|---|-------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 657 | 657 |
| 1.2 Payments for | | |
| (a) research and development | (180) | (180) |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | (663) | (663) |
| (d) leased assets | (36) | (36) |
| (e) staff costs | (1,896) | (1,896) |
| (f) administration and corporate costs | (940) | (940) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 5 | 5 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (see note 4) | 1,239 | 1,239 |
| 1.9 Net cash from / (used in) operating activities | (1,814) | (1,814) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (1) | (1) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter US\$'000 | Year to date (3 months) US\$'000 |
|--------------------------------------|---|-----------------------------|--|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1) | (1) |

| | | | |
|-------------|---|----------------|----------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 11 | 11 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | (37) | (37) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (restricted cash – see note 5) | (1,149) | (1,149) |
| 3.10 | Net cash from / (used in) financing activities | (1,175) | (1,175) |

| | | | |
|-----------|--|---------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 11,670 | 11,670 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,814) | (1,814) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1) | (1) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (1,175) | (1,175) |

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| Consolidated statement of cash flows | | Current quarter US\$'000 | Year to date (3 months) US\$'000 |
|--------------------------------------|---|-----------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | (1,031) | (1,031) |
| 4.6 | Cash and cash equivalents at end of period | 7,649 | 7,649 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | | Current quarter US\$'000 | Previous quarter US\$'000 |
|---|--|-----------------------------|------------------------------|
| 5.1 | Bank balances | 5,971 | 11,670 |
| 5.2 | Call deposits | 1,678 | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 7,649 | 11,670 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
US\$'000**

301

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

| | Total facility amount at quarter end US\$'000 | Amount drawn at quarter end US\$'000 |
|---------------------------------------|--|--|
| 7.1 Loan facilities | 8,000 | 3,660 |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | - | - |

7.5 **Unused financing facilities available at quarter end** 4,340

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

On December 2019, the company signed loan agreement with SHAKED Fund for a total of US\$8,000K. This loan facility is designated for funding of Customers. The company used US\$3,660K as of Q1 2020, and the remaining financing facility is US\$4,340K.

| 8. Estimated cash available for future operating activities | US\$'000 |
|---|-----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (1,814) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 7,649 |
| 8.3 Unused finance facilities available at quarter end (Item 7.5) | 4,340 |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 11,989 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 6.61 |

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4. Mainly due to cash used to self-funding of merchants or cash received from lenders. Please see the announcement accompanying this Appendix 4C for further details.
5. Restricted cash in a total of US\$1,200K is due to bank guarantee to SHAKED Fund, which will be in place as long as there will be amounts due to the lender.