

Splitit

EMPOWERING CONSUMERS TO USE

THEIR CREDIT

ON

THEIR TERMS

ANNUAL REPORT 2019

For The Year Ended 31 December 2019

Splitit Payments Ltd ARBN 629 557 982

A foreign company registered in its original jurisdiction of Israel as Splitit Ltd

ASX:SPT

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CHAIRMAN'S LETTER



Dear Shareholders,

2019 was a great foundational year for Splitit.

We started the year with 10 employees (including the two founders) all based in Israel. By the end of calendar year 2019, we grew to a global team of over 50 people with corporate headquarters in New York and offices in the USA, Israel and Australia (in early 2020 we set up a London office too).

None of this would have been possible without the great support of our shareholders. In January 2019, Splitit successfully listed on the ASX and raised A\$12m in a very well supported IPO. The combination of our successful IPO and continued strong business growth enabled Splitit to tap the market for a much larger secondary capital raise of A\$30m in May 2019.

The uniqueness of our global BNPL solution, combined with our strong business momentum and our sizeable capital raises, enabled us to attract world class executives with very deep and relevant global payments and technology experience. Such key senior hires (in order of joining) included: Andrew Pipolo in Australia (previously PayPal MD Australia & Japan, and Mastercard), Ran Landau in Israel (CTO at a number of successful startups) and Brad Paterson in North America (previously a senior executive at Intuit, PayPal and Visa).

The Board was very impressed in particular with the great leadership that Brad Paterson demonstrated in his joining role as MD of North America. It therefore became a very easy decision to appoint Brad as our new CEO once Gil Don (one of our founders) decided to step down from this role in the latter part of 2019. Brad has seamlessly continued to build on our great foundations in 2020 and was highly instrumental in driving our key partnerships with Stripe and Visa announced this year. We anticipate that these partnerships will enable us to scale our business globally much faster than previously possible.

Brad has also continued to attract great talent to our organisation with new executives such as: Melanie Vela (previously PayPal, Intuit) to head up our European headquarters in London, Omri Flicker as Chief Legal and Risk Officer, and Adam Mawdesley as Global Head of Sales and Partnerships (previously at Klarna, PayPal).

While 2019 was a great year, it would be remiss of me not to acknowledge the recent uncertain and deteriorating business environment triggered by the global COVID-19 health pandemic. I am confident that the strong foundations that we have put in place in the last year, combined with the deep and relevant global experience of Brad and his Management Team, and our highly qualified and experienced Board, will help us navigate through this more challenging environment relatively well.

In a recent [ASX announcement](#), our CEO provided some detailed comments as to why we are well positioned to assist our customers in these challenging times. In short, we target a more affluent and high credit quality demographic who are financially and digitally savvy. Most importantly, unlike other BNPL providers, Splitit does not issue new credit or loans to consumers. Our customers use their established and available credit cards' limit to make purchases on their terms, empowering them to better manage their cash flows in these challenging times. Furthermore, we only target online merchants, and as a relatively new solution provider of instalment payments we are growing from a much lower base than our competitors.

For all these reasons, I am cautiously optimistic that Splitit is relatively well placed especially in light of recent developments.

Thank you again for your continued support. We do not take it for granted and will continue to work hard to achieve our goal to become the preeminent global Instalment payment solution.

Yours sincerely,



Spiro Pappas
Chairman, Splitit Payments Ltd

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BUSINESS HIGHLIGHTS

FOUNDATIONAL YEAR TO UNLOCK GROWTH

MERCHANT SALES VOLUME

US\$88M
US\$110M ANNUALISED

+52%

ACTIVE SHOPPERS

119K

+55%

REVENUE

US\$1.65M
US\$2M ANNUALISED

+108%

AVERAGE ORDER VALUE

US\$863

+46%

TOTAL MERCHANTS

720

+92%

REPEAT USAGE

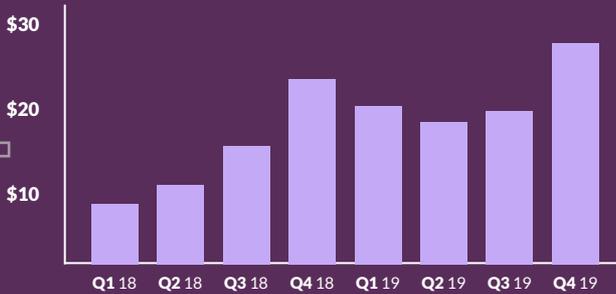
14.3%

+81%

Definitions of these terms can be found in the Appendix

STRONG GROWTH IN CORE METRICS

MERCHANT SALES VOLUME



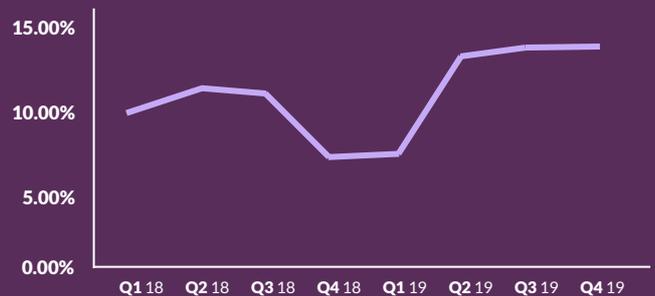
TOTAL MERCHANTS



12M ACTIVE SHOPPERS



REPEAT SHOPPERS



WHO WE ARE AT A GLANCE



The only provider:
of instalments on credit
cards at the point of sale



Responsible use of credit:
Enables existing credit, we do NOT
provide customers new credit



Up to 80% higher AOV:
Customers spend more
(Sources: Virgin Pure, Fashionette case studies)



~30% higher cart conversion:
Simple & seamless customer journey



Scalability:
70%+ contribution margins
1.8BN cardholders can
use Splitit now
Presence in 30+ countries



Global platform:
Globally relevant
Connected to 80+ payment and
commerce partners worldwide

Other sources: Splitit internal data and merchant case studies

THE SPLITIT ADVANTAGE

No new debt

No applications

No fees or interest payments

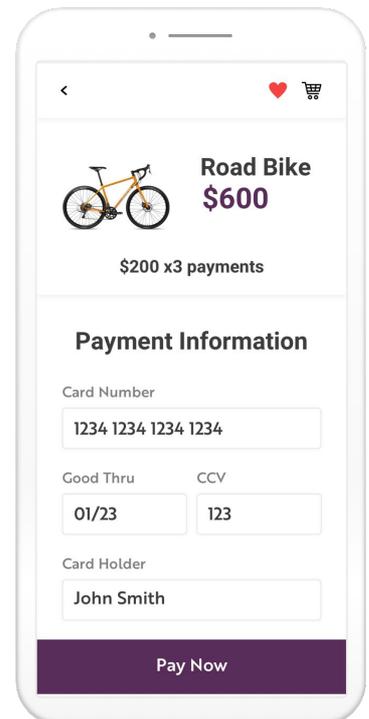
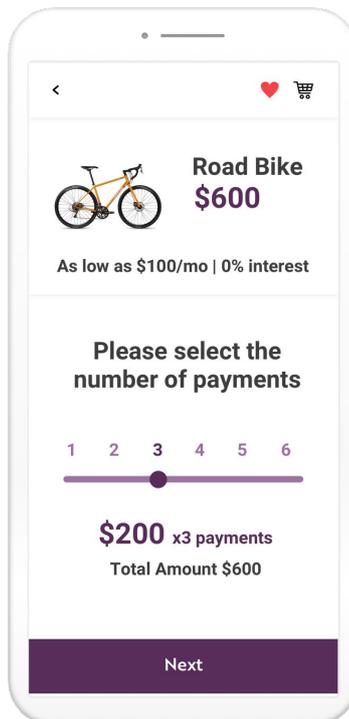
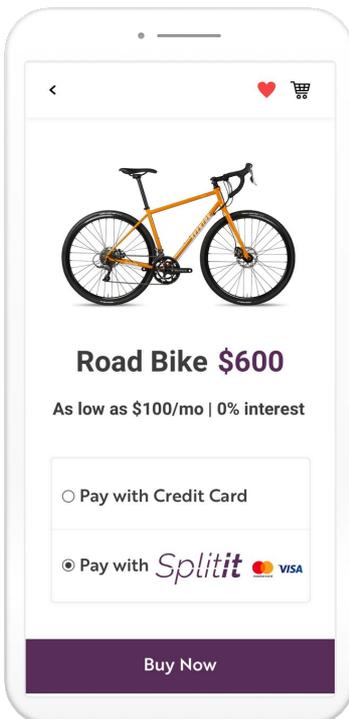


Frictionless checkout means higher conversion

Savvy shoppers spend more. Average order value is typically >\$300

Global platform supports the reach of today's e-commerce business

THE FASTEST, EASIEST INSTALMENT PAYMENT OPTION



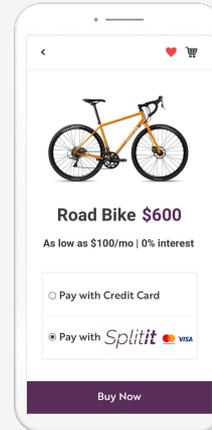
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SPLITIT PROCESS

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1 Consumer purchases an item for \$600

Consumer chooses Splitit as payment method at checkout



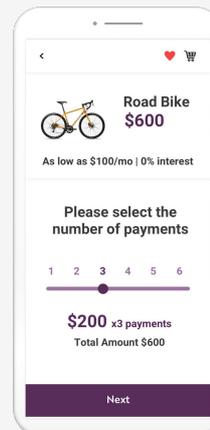
2 Splitit technology splits payment into instalments

Splitit connects to the merchant's preferred Payment Gateway, any of 80 around the world



3 Visa and Mastercard holders enter account details at checkout

Consumer chooses Splitit as payment method at checkout



4 The item is split into 3 x \$200 payments

Consumer makes payments in monthly instalments, with a hold on credit card.



NO NEW APPLICATIONS, NO FRICTION AT CHECKOUT. NO NEW CREDIT.

COMPANY MILESTONES

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SENIOR EXECUTIVES



Brad Paterson
CEO

20 years at Intuit,
PayPal, Visa



Ran Landau
CTO

Intelligo Group,
Quandro, Conduit



Tuba Talmor
Chief Customer Officer

First Splitit Employee



Alon Feit
Co-founder & Strategic Projects

Mastercard, Shufersal
Finance, Itaú Unibanco



Omri Flicker
Chief Legal & Risk Officer

APM (Tel Aviv),
Fried Frank (New York)



Adam Mawdesley
VP Partnerships

Klarna, PayPal, Braintree



Maggie Kovacs
Director Growth & Strategy

Booze Allen,
Various Startups



Kobi David
Chief Revenue Officer

Gilat Satcom, Alvarion
Technologies



Melanie Vala
VP Europe

Intuit, PayPal,
Prospa



Andrew Pipolo
Advisor

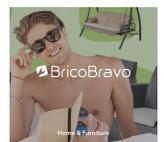
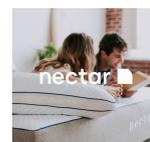
Mastercard, PayPal,
Samsung Pay

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TRUSTED BY TODAY'S TOP BRANDS



Serving many of Internet Retailer's top **500** merchants, Splitit's global footprint extends to hundreds of merchants in **30** countries around the world.



720+
merchant
partners

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CORPORATE DIRECTORY

Directors	Brad Paterson - CEO and Managing Director Alon Feit - Executive Director Spiro Pappas - Non-Executive Chairman Thierry Denis - Non-Executive Director Dawn Robertson - Non-Executive Director Jan Koelble - Non-Executive Director Mark Antipof - Non-Executive Director
Local Agent (Company Secretary)	cdPlus Corporate Services Pty Ltd
Registered Office	c/- Coghlan Duffy & Co Lawyers Level 42 Rialto South Tower 525 Collins Street Melbourne, Victoria 3000
Principal place of business	30 Ha'arbaa Street, Tel Aviv, Israel 6473970
Share Registry	Automic Registry Services Level 3, 50 Holt Street Surry Hills, NSW 2010 Tel: 1300 288 664
Auditor	Brightman Almagor Zohar & Co A member of Deloitte Touche Tohmatsu 1 Azrieli Center Tel Aviv, Israel 6701101
Internal Auditor	Baker Tilly Derech Menachem Begin 11 Ramat Gan, Israel
Legal (Israel)	APM & Co 18 Raul Wallenberg St. Tel Aviv, Israel 6971915 Tel: +972 3 5689000
Securities Exchange Listing	Australian Securities Exchange Limited (ASX: SPT)
Website	www.splitit.com
Place of incorporation	Israel. As a foreign company registered in Australia, the Company is subject to different reporting regime than Australian companies.

REVIEW OF OPERATIONS

Splitit Payments Limited ARBN 629 557 982 (**Splitit** or the **Company**) presents this review of its operations and activities (**Review**), together with the financial statements of the consolidated entity, being Splitit and its controlled entities (the **Group** or **consolidated entity**), for the year ended 31 December 2019 (the Review and the financial statements are together, the **Annual Report**).

Current Directors' Details

The following persons were Directors of Splitit during the financial year or have been appointed since the end of the financial year:

Director	Brad Paterson
Appointment	Managing Director Appointed 21 January 2020
Qualifications	Bachelor of Commerce (Major Marketing), University of Newcastle
Biography	<p>Brad has accumulated a wealth of knowledge over nearly two decades working with some of the world's most successful payment companies, including Intuit, PayPal, and Visa.</p> <p>As Intuit's VP of Marketing, Brad led the go-to-market team responsible for the US QuickBooks Online revenue and customer outcomes. His responsibilities included the strategy, sales, marketing, and general business operations for the QuickBooks Online portfolio.</p> <p>Prior to this role, Brad served as Intuit's VP of Asia-Pacific and Global Operations, driving business growth in critical international markets. He also served as PayPal's Head of Merchant Services, Asia-Pacific and Visa's Director of Consumer and Emerging Products for Australia and New Zealand, among other roles at the two companies.</p>
Interest in ordinary shares	Nil
Interest in options / performance rights	1,000,000 Unlisted Options exercisable at \$0.30 each on or before 27 November 2024 (indirect interest) 1,000,000 Unlisted Options exercisable at \$0.40 each on or before 27 November 2024 (indirect interest) 1,800,000 Unlisted Options exercisable at \$0.60 each on or before 1 July 2025 (indirect interest) 4,100,000 Performance Rights (indirect interest)

Director	Alon Feit
Appointment	Executive Director Appointed 6 October 2008
Qualifications	Mr Feit holds a Bachelors of Economics and Business from the Tel Aviv University and a Masters in Business Administration from the Tel Aviv University in collaboration with the Wharton Business School (University of Pennsylvania).
Biography	Mr Alon Feit is a co-Founder and the Executive Director of the Company. Mr Feit has 25 years of experience in senior management positions for leading credit card and insurance companies in Israel and Brazil. Mr Feit was previously the CEO of Supersal Finance, Ltd – the leading issuer of Visa co-branded cards in Israel, the CEO of Europe Assistance Israel, Ltd, a multinational assistance group and subsidiary of the Generali Insurance Cooperation and was the executive director at the Brazilian leading credit card subsidiary of Itau-Unibanco, one of the 3 largest banks in Brazil.
Interest ordinary shares	25,542,588 ordinary Shares
Interest in options / performance rights	1,695,249 Unlisted Existing Options exercisable at NIS (Israeli New Shekel) 0.01 each on or before 4 November 2023 5,000,000 Unlisted Management Options exercisable at A\$0.20 each on or before 31 December 2023 2,500,000 Class D Performance Rights 2,000,000 Class E Performance Rights 2,000,000 Class F Performance Rights

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Director	Spiro Pappas
Appointment	Non-executive Chairman Appointed 20 January 2019
Qualifications	Mr Pappas has completed the INSEAD - The Challenge of Leadership Program, UNSW – Bachelor of Commerce (Finance with merit) and is an AICD member.
Biography	<p>Mr Pappas is a senior executive with over 28 years of international experience in banking and finance. He has worked in Sydney, New York, London and Singapore. In his most recent role at NAB, he was Executive General Manager for International Branches and Innovation and prior to this CEO Asia and Executive General Manager Corporate and Institutional Banking.</p> <p>Prior to this, he was based in London for 10 years and performed a number of senior leadership roles at ABN AMRO Bank in products (including Global Head of Capital Markets, Corporate Finance and Advisory for Financial Institutions) and Global Coverage of Banks and Finance Companies.</p> <p>In recent years Mr Pappas has also been an active member of various G20 Business Advisory task forces (B20). Last year, he also served as part of a select task force commissioned by the Federal Treasurer to advise on the Digital Agenda for SMEs. He was also consulting editor on the recently launched and acclaimed definitive guide for Australian Entrepreneurs - "The Entrepreneurs Guide - Startup, Scaleup and IPO".</p> <p>In addition to Splitit, Mr Pappas currently chairs Atlas Iron Limited and Cognian Technologies.</p>
Interest in ordinary shares	1,566,035 ordinary Shares (indirect interest)
Interest in options / performance rights	<p>1,000,000 Unlisted Director Options exercisable at A\$0.30 each on or before 22 January 2022 (indirect interest)</p> <p>1,000,000 Unlisted Director Options exercisable at A\$0.40 each on or before 22 January 2022 (indirect interest)</p> <p>2,500,000 Unlisted Options exercisable at \$0.60 each on or before 27 November 2024</p>

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Director**Thierry Denis**

Appointment

Non-executive Director and External Director

Appointed 20 January 2019

Qualifications

Mr Denis is a Graduate from the Australian Institute of Company Directors and holds a Diploma in Engineering from ENSEA (Ecole Nationale de l'Electronique et de ses Applications).

Biography

Mr Thierry Denis has more than 20 years senior management experience building market leading IT solutions with global electronic payments technology leader, Ingenico. Over his distinguished career at Ingenico, he has held transformative leadership roles in general management, R&D, Software Development and in expanding the international business of Ingenico in Asia, North America, Australia and New Zealand. Mr Denis was most recently President/Managing Director of Ingenico North America and then CEO Advisor & Consultant.

Mr Denis has strong sales and technical background and brings with him a broad executive skill set that spans M&A, product diversification, business development and marketing.

Interest in ordinary shares

200,000 ordinary Shares

Interest in options / performance rights

500,000 Unlisted Director Options having an exercise price of A\$0.30 each on or before 22 January 2022

500,000 Unlisted Director Options having an exercise price of A\$0.40 each on or before 22 January 2022

Director**Dawn Robertson**

Appointment

Non-executive Director and External Director

Appointed 20 January 2019

Qualifications

Ms Robertson holds a B.A. Fashion Merchandising from Auburn University, Auburn, AL.

Ms Robertson is a Fellow of the Australian Institute of Company Directors, Australia, a Fellow of Women in the Boardroom, New York, NY, a Fellow of Chief Executive Women, Australia.

Biography

Ms Dawn Robertson has been leading companies for more than 30 years both in the US, Australia and Internationally. Ms. Robertson has been a global business leader for major retailers and wholesale companies, holding positions such as President of Old Navy, Managing Director of Myer Stores, where she developed and executed new strategies for the \$3.2B department store, selling it to Private Equity, beating all market expectations on the sale price. Ms. Robertson started Macys.com and

Bloomingdales.com, Led Sean John, a private high growth wholesale and retail company founded by Sean "Diddy" Combs, where she successfully developed a new strategy and negotiated an exclusive relationship with Macy's.

As CEO of Avenue, a large-size women's, 450-store chain, Ms. Robertson successfully sold the company to Private Equity after a new strategy execution. Dawn led Stein Mart, a 310-store value retailer, and is CEO of OCM, a Spire Capital company.

Dawn was a trustee at the Harvey School in Katonah, NY for many years, a founding member of the Board of Advisors for the School of Human Sciences and Business at Auburn University, Member in the Boardroom, CEW of Australia, Director of Women in Retail Leadership and a professor at Fashion Institute of Technology in New York City.

Interest in ordinary shares

Nil

Interest in options / performance rights

500,000 Unlisted Director Options having an exercise price of A\$0.30 each on or before 22 January 2022

500,000 Unlisted Director Options having an exercise price of A\$0.40 each on or before 22 January 2022

Director**Jan Koelble**

Appointment

Non-executive Director

Appointed 21 January 2020

Qualifications

Mr Koelble is a certified International Investment Analyst and a chartered Alternative Investment Analyst and completed the Series 66 – Uniform Combined State Law Exam and Series 7 – General Securities Representative Exam. Mr Koelble holds a Bachelor of Science in Business Administration from the School of Management, Zurich University of Applied Sciences in Switzerland.

Biography

Jan Oliver Koelble is currently the Chief Operating Officer and Co-founder of Clade & Co., a FinTech platform for family offices and institutional debt investors, where he oversees operations, product and business development.

Prior to founding Clade, he worked at Credit Suisse in several senior operational and investment management positions for the bank in both New York and Zurich. Most recently, Mr Koelble served as the Chief Operating Officer for financial products in Credit Suisse's Private Banking Americas division and managed Credit Suisse's Swiss Custody Advisory business. Before joining Credit Suisse in New York, Mr Koelble was based in Zurich and worked in the bank's Private Advisor group.

Interest in ordinary shares

99,000 ordinary Shares (indirect interest)

Interest in options /
performance rights

500,000 Unlisted Director Options having an exercise price of A\$0.70 each on or before 21 January 2023

500,000 Unlisted Director Options having an exercise price of A\$0.85 each on or before 21 January 2023

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Director**Mark Antipof**

Appointment

Non-executive Director and External Director

Appointed 20 January 2019

Qualifications

Mr Antipof holds a Diplome Informatique "Computer Science" from Institut Francel and a Baccalaureat Sciences from the College des Soeurs Antonines.

Mr Antipof is an Accredited Performance Coach – Middlesex University (2009), is a member of the EMCC Accredited Mentor (CMI 2012) and is an Accredited Non-Executive Director (Pearsons/FT/2012).

Biography

Mr Mark Antipof is an independent consultant with 30 years' experience in payments and information services.

Mr Antipof is a veteran in payments and technology services having spent almost half of his career at Visa with his final role (December 2018) as Chief Commercial Officer responsible for leading all client facing teams in all European markets, with a team present in 23 countries. Mark's team worked closely with Visa's clients on a day-to-day basis. Prior to this, Mr Antipof was Chief Officer, Sales and Marketing, responsible for delivering Visa's business plans, strategies, country operations and advertising across 36 markets.

Prior to joining Visa, Mr Antipof was a Business Unit Director for Burgundy Global Ltd, a services and IT solutions company for the travel industry. Here he had the responsibility of developing and managing large intermediary sales channels, maintaining and growing global sales to multinational corporates and the creation of the main network concept and initial sales plans for the overall business.

Mr Antipof has been based in a number of different markets, including Italy, where he worked for Applied Communications, a leader in payment card services, EFT and banking systems and software; and in France, where he worked for Equifax Europe, a leader in consumer and commercial credit reporting and data analytics.

Mr Antipof is fluent in five languages including English, French, Italian, Spanish and Arabic.

Interest in ordinary shares

Nil

Interest in options / performance rights

500,000 Unlisted Director Options having an exercise price of A\$0.30 each on or before 22 January 2022

500,000 Unlisted Director Options having an exercise price of A\$0.40 each on or before 22 January 2022

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Former Directors' Details

The following persons were Directors of Splitit for a part, or all, of the financial year but ceased to be a Director prior to the date of this Report:

Director	Gil Don
Appointment	Managing Director Appointed 1 January 2013
Date of cessation as Director	21 January 2020
Interest in ordinary shares at the date of cessation of appointment	12,771,294 ordinary Shares 4,000,000 ordinary shares (indirect interest)
Interest in options / performance rights at the date of cessation of appointment	924,198 Unlisted Existing Options exercisable at NIS (Israeli New Shekel) 0.001 each on or before 4 November 2023 3,000,000 Management Options exercisable at A\$0.20 each on or before 31 December 2023
Director	Michael Keoni DeFranco
Appointment	Non-executive director Appointed 20 January 2019
Date of cessation as Director	21 January 2020
Interest in ordinary shares at the date of cessation of appointment	Nil
Interest in options / performance rights at the date of cessation of appointment	Nil

Local Agent / Company Secretary

cdPlus Corporate Services Pty Ltd is the local agent for, and provides company secretarial services to, the Company. cdPlus Corporate Services Pty Ltd provides corporate governance and company secretarial services to ASX-listed, public unlisted and private companies, with specialist experience in initial public offerings, secondary capital raisings, due diligence projects, ASIC and ASX compliance. The director of cdPlus Corporate Services Pty Ltd, Charly Duffy, is also a director of Coghlan Duffy + Co Lawyers, a boutique corporate and commercial law firm based in Melbourne.

Principal Activities

The Company (as the holding company of the Splitit Group) is a technology company providing cross-border credit card based instalment solutions to businesses and retailers.

Review of Operations and Financial Results

2019 was a foundational year for Splitit. With a presence in over 30 countries, the Company continued to broaden acceptance at merchants across the world while building core capabilities that will enable it to scale its operations for years ahead. Such capabilities include expanding its global team with category expertise and proven global operational excellence, significant new partnerships including Stripe and Visa in Q1 FY20, technology and merchant funding capabilities to enable scale and meet growing demand. Splitit has continued to forge product-market fit, narrowing focus on core consumers and merchants that receive the greatest benefit from its unique offering.

Key Performance Metrics

During the financial year Splitit saw significant growth against the prior period in its key performance metrics:

- Revenue of \$1.65 million increased by 108%
- Merchant Sales Volume (MSV) of \$88 million increased by 52%
- Total Active Merchants increased by 97% to 720
- 12M Active Merchants increased by 76% to 386
- 12M Active Shoppers increased by 55% to 118,783
- Average Order Value for 2019 was over \$662
- Repeat usage by active shoppers was 14.3%, increasing by 81%

Revenue from continuing operations of \$1.65 million in 2019 that reflected an increase of 108% over the previous fiscal year. Costs of revenue increased 20% in 2019 to \$481.2 thousand. Gross profit increased 199% in 2019 to \$1.17 million. The loss from ordinary activities attributable to members totalled \$9.50 million, which does not include non-cash, share based compensation (\$9.54 million) and one-time, non-recurring expenses (\$2.44 million). Splitit has used its cash (and assets in a form readily convertible to cash) that it had at the time of admission in a way consistent with its business objectives.

Significant Changes in the State of Affairs

During the financial year, Splitit completed its initial public offering and listing on the ASX. Other than the above, there have been no significant changes in the state of affairs of Splitit during the year.

Events Arising Since the End of the Reporting Period

Since the end of the reporting period, COVID-19 has caused considerable uncertainty around the world. The full impact of this global crisis remains unknown at the time of preparing this report. It is expected that many aspects of the global economy will be impacted. It is difficult for management and the Board to determine impact on Splitit's operations and financial performance. However, given the company is focused on e-commerce businesses and does not extend credit to consumers, protecting it from consumer credit default risk, Splitit does not expect the impact to be material, at this point in time.

Likely Development, Business Strategies and Prospects

Splitit is well positioned to realize accelerating growth now the key foundational pillars are in place. In addition to continued investment in research and product development, Splitit will invest increasingly efficient resources towards accelerating merchant acceptance and consumer usage.

Growth will be driven by focusing on Splitit's three strategic pillars

1. Delivering amazing customer experiences, end to end
2. Attract influential brands in key industry categories and verticals
3. Expanding acceptance with Small Businesses online through technology and partnerships

The strategy is underpinned by continuing to attract the world's best talent in FinTech and a customer centric culture while leveraging natural advantages from its business model as it relates to risk and payments infrastructure, which enable unparalleled scale. Success will be measured primarily by increasing acceptance in focus verticals and segments while driving greater engagement with consumers.

Following a foundational year in 2019, Splitit is now well poised to scale globally with a unique business model that will enable rapid growth in 2020 and beyond.

Information on likely developments in Splitit's business strategies, prospects and operations for future financial years and the expected results that could result in unreasonable prejudice to Splitit (for example, information that is premature, commercially sensitive, confidential or could give a third party a commercial advantage) has not been included in this Report. The categories of information omitted include forward-looking estimates and projections prepared for internal management purposes, specific information regarding the Group's operations which are developing and subject to change and information relating to potential commercial transactions which are under negotiation.

Environmental Legislation

The Company's operations are not subject to any significant environmental regulations. To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Splitit Payments Limited:

1. in the opinion of the directors of Splitit Payments Limited:
 - a. the financial statements of the consolidated entity, and the notes to those statements, for the financial year ending 31 December 2019 (together, **Financial Statements**) are in accordance with the *Corporations Act 2001* (Cth), in particular:
 - i. the Financial Statements give a true and fair view of Splitit's financial position as at 31 December 2019 and of Splitit's performance for the financial year ended on that date; and
 - ii. the Financial Statements comply with International Financial Reporting Standards and an explicit and unreserved statement to this effect has been included in the notes; and
 - b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given declarations required by Section 295A of the *Corporations Act 2001* (Cth) for the financial year ended 31 December 2019.

Signed in accordance with a resolution of the Directors.



Spiro Pappas

Non-Executive Chairman

March 31, 2020

AUDITOR'S DECLARATION

Deloitte.

Splitit Payments Limited ARBN 629 557 982

Declaration of Auditor's Independence

As lead auditor of Splitit Payments Limited for the financial year ending 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- (i) No contraventions of any auditor independence requirements in relation to the audit; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel

March 31, 2020

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AUDITOR'S REPORT



Independent Auditors' Report
To the Shareholders of
SPLITIT LTD

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Splitit Ltd.** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019 and 2018, and the consolidated statement of income, statement of changes in shareholders' equity (deficiency) and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report:

Revenue recognition	
The Key Audit Matter	How the matter was addressed in the audit
The Company recognised revenue of \$1,646 thousands from the provision of payment and checkout services. Significant efforts was spent auditing the revenue recognised by the Company because systems are complex, involving large volume of small transactions from two different business models and risk related to timing and accuracy of amounts recognized.	Our audit procedures to address revenue recognition included the following: <ul style="list-style-type: none">• Performance of walkthrough over the revenues process including the related journal entries posted to the general ledger in order to understand the process and to test the standard journal entries for revenue transactions for their completeness and accuracy.• Performance of analytical procedures focused on developing an expectation of revenue amounts that should be recognized and the corresponding receivable and comparing expectation with amounts in the general ledger.• Performance of test of details of transaction at year-end against supporting documents including obtaining and inspecting the contracts that supports the recognition in the two business models.

AUDITOR'S REPORT



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Brightman Almagor Zohar & Co.

Brightman Almagor Zohar & Co.
Certified Public Accountants
A Firm in the Deloitte Global Network

Tel Aviv, Israel, March 31, 2020

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In U.S. dollars)

	Note	December 31,	
		2019	2018
ASSETS			
Current assets			
Cash		11,669,734	309,590
Restricted cash		86,892	26,698
Trade receivables		5,168,423	1,614,369
Other current assets	3	563,161	1,401,791
		<u>17,488,210</u>	<u>3,352,448</u>
Non-Current assets			
Long term deposit		12,585	3,635
Fixed assets, net	4	203,911	82,568
Right of use - Asset under lease	5	231,019	-
		<u>247,515</u>	<u>86,203</u>
Total assets		<u>17,935,725</u>	<u>3,438,651</u>
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current liabilities			
Trade payables		751,431	1,589,609
Short term loan		-	148,164
Short term convertible loans	6	-	12,786,669
Operating lease liability	5	151,265	-
Other current liabilities	7	559,980	2,028,737
		<u>1,462,676</u>	<u>16,553,179</u>
Non-Current liabilities			
Operating lease liability	5	104,252	-
		<u>104,252</u>	<u>-</u>
Commitments and contingent liabilities			
	9		
Shareholders' equity (deficiency)			
Ordinary shares	10	839,076	163
Preferred A shares		-	221
Additional paid-in capital		52,716,298	2,598,605
Accumulated deficit		(37,186,577)	(15,713,517)
Total shareholder's equity (deficiency)		<u>16,368,797</u>	<u>(13,114,528)</u>
The accompanying notes are an integral part of the financial statements.			
Total liabilities and shareholders' equity (deficiency)		<u>17,935,725</u>	<u>3,438,651</u>

CONSOLIDATED STATEMENTS OF INCOME
(In U.S. dollars)

	<u>Note</u>	For the Year ended December 31,	
		<u>2 0 1 9</u>	<u>2 0 1 8</u>
Revenues		1,646,475	789,920
Cost of revenue		<u>(481,171)</u>	<u>(400,127)</u>
Gross profit		<u>1,165,304</u>	<u>389,793</u>
Research and development expenses	13	(2,751,690)	(1,029,781)
Sales and marketing expenses	14	(6,914,358)	(1,086,584)
General and administrative expenses	15	<u>(12,963,399)</u>	<u>(1,783,022)</u>
Operating expenses		<u>(22,629,447)</u>	<u>(3,899,387)</u>
Net loss before financing expenses, net		(21,464,143)	(3,509,594)
Financing expenses, net	16	<u>(2,048)</u>	<u>(1,131,502)</u>
Net loss before income taxes		(21,466,191)	(4,641,096)
Tax expenses	12	<u>(6,869)</u>	<u>(1,879)</u>
Net Loss		<u>(21,473,060)</u>	<u>(4,642,975)</u>
Loss per share:			
Basic and diluted		<u>(0.078)</u>	<u>(31.52)</u>

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(In U.S. dollars, except for share data)

	Ordinary shares		Preferred A shares		Additional paid-in capital	Accumulated deficit	Total
	Number	amount	Number	amount			
Balance as of December 31, 2017	61,230	157	86,058	221	2,219,684	(11,070,542)	(8,850,480)
Exercise of options	2,323	6	-	-	-	-	6
Share based payments	-	-	-	-	378,921	-	378,921
Net loss for the year	-	-	-	-	-	(4,642,975)	(4,642,975)
Balance as of December 31, 2018	63,553	163	86,058	221	2,598,605	(15,713,517)	(13,114,528)
Issuance of shares, net (see note 10)	199,019,159	544,051	(86,058)	(221)	26,579,571	-	27,123,401
Conversion of convertible loans to shares	90,587,547	246,296	-	-	12,540,373	-	12,786,669
Issue of shares from warrants	16,106,497	43,791	-	-	1,456,209	-	1,500,000
Exercise of options	5,756,405	4,775	-	-	-	-	4,775
Share based payments	-	-	-	-	9,541,540	-	9,541,540
Net loss for the year	-	-	-	-	-	(21,473,060)	(21,473,060)
Balance as of December 31, 2019	311,533,161	839,076	-	-	52,716,298	(37,186,577)	16,368,797

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In U.S. dollars)

	For the Year ended December 31,	
	2019	2018
Cash flows - operating activities		
Loss for the period according to the statement of profit and loss	(21,473,060)	(4,642,975)
Adjustments to reconcile cash flows provided by operating activities (Appendix A)	4,572,938	1,291,059
Net cash used in operating activities	<u>(16,900,122)</u>	<u>(3,351,916)</u>
Cash flows - investing activities		
Long term deposit	(8,950)	(3,135)
Purchase of fixed assets	<u>(151,975)</u>	<u>(74,590)</u>
Net cash used in investing activities	<u>(160,925)</u>	<u>(77,725)</u>
Cash flows - financing activities		
Short term loan	-	(49,050)
Restricted cash	(60,194)	22,355
Proceeds from exercise of options into shares	-	6
Proceeds from exercise of warrants into shares	1,500,000	-
Net Proceeds from issuance of shares (see note 10C)	27,123,401	-
Operating lease liability payments	(141,042)	-
Proceeds from convertible loan	-	3,250,196
Net cash provided by financing activities	<u>28,422,165</u>	<u>3,223,507</u>
Increase (decrease) in cash	11,361,118	(206,134)
Exchange differences on balances of cash	(974)	-
Balance of cash at the beginning of the period	<u>309,590</u>	<u>515,724</u>
Balance of cash at the end of the period	<u>11,669,734</u>	<u>309,590</u>

CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont.)
(In U.S. dollars)

APPENDIX A - Adjustments to reconcile cash flows provided by operating activities

	For the Year ended December 31,	
	<u>2 0 1 9</u>	<u>2 0 1 8</u>
Income and expenses not involving cash flow:		
Share based payments	9,541,540	378,921
Convertible loan revaluation	-	1,058,085
Finance income, net	28,023	-
Depreciation	169,123	11,709
Changes in asset and liability items, net:		
Increase in trade receivables	(3,554,054)	(1,239,153)
increase (decrease) in other current assets	695,241	(1,301,959)
Increase (decrease) in trade payables	(838,178)	1,388,079
Increase (decrease) in other current liabilities	(1,468,757)	995,377
	<u>4,572,938</u>	<u>1,291,059</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 1 - GENERAL

A. Description of business and information

Splitit Ltd. ("the Company") previously Pay It Simple Ltd. was incorporated in Israel on October 6, 2008.

The Company is developing an online web and point of sale payment and checkout solution, enabling purchasing while improving cash flow and significantly lowering credit financing costs, for any consumer or business credit card holder. The Company's solution is a payment service, introducing an intuitive, general purpose, credit card purchasing method, offering attractive credit and financing capabilities.

In August 2013, the Company established a wholly owned U.S. subsidiary (Splitit USA Inc.) for marketing purposes.

In September 2013, the Company entered into a marketing and distribution services agreement with Splitit USA Inc., according to which the Company grants a non exclusive license to distribute the Company's Installment Payment Services in the U.S. in consideration for receiving the entire amount entitled from the subsidiary's customers less agreed upon commission as defined in the agreement.

In March 2015, the Company established a wholly owned U.S. subsidiary (Splitit Capital Inc.) for financing purposes.

In September 2015, the Company established two wholly owned U.K. subsidiaries (Splitit UK Ltd and Splitit Capital UK Ltd) for marketing purposes.

On January 29, 2019, the Company consummated an initial public offering (IPO) on the Australian Stock Exchange, ASX Limited (ASX). For more information see note 10C.

In May 2019, the Company established two wholly owned Australian subsidiaries (Splitit Australia Pty Ltd and Splitit Australia Capital Pty Ltd).

B. Definitions

The Company	-	Splitit Ltd.
The subsidiaries	-	Splitit USA Inc., Splitit Capital Inc, Splitit Capital USA Inc, Splitit UK Ltd., Splitit Capital UK Ltd., Splitit Australia PTY Ltd. and Splitit Australia Capital PTY Ltd.
Related Parties	-	As defined in IAS 24
NIS	-	New Israeli Shekel
Dollar (or \$)	-	the US dollar
AUD	-	the Australian dollar

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 1 - GENERAL (Cont.)

C. Continuing Operations

The Company's consolidated financial statements reflect a net loss of 21,473,060 USD for the year ended December 31, 2019, which includes non-cash share based compensation expense of 9,541,540 USD (see Note 11) and an accumulated deficit of 37,186,577 USD as of that date. In addition the Company has a negative cash flow from operations of 16,900,122 USD.

As of December 31, 2019 the Company's cash balance was 11,669,734 USD and 5,168,423 USD in trade receivables and funds advanced to merchants.

The long-term viability of the Company is dependent on its ability to grow its revenues and to generate positive cash from operating activities. The Company's failure to do so could have a negative impact on its financial condition and ability to pursue its business strategies and continue its operations.

On 11 September 2019, the Company entered into a loan agreement with Shaked Partners Fund, L.P. and certain of its affiliates (collectively, "Shaked"), pursuant to which Shaked will provide a 8,000,000 USD credit facility (the "Facility") see note 9b. Such credit facility will be used to replace the self funding to merchants (trade receivables) and will increase back the cash balances. In February 2020, the Company borrowed 3.67 million USD under the Shaked Facility.

Management has prepared a cash flow forecast in order to manage its cash balances as to ascertain its ability to continue its operations for at least eighteen months, from the balance sheet date. If needed, management may implement cost reduction measures and pursue other strategic plans, as required and as approved by the board.

D. In September 19, 2019, the company announced that it's Co-founder, Gil Don decided to step down from his role as Chief Executive Officer and was replaced by Brad Paterson.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation and Statement of compliance

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and its interpretations ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements were authorized for issuance by management and approved by the board of directors of the company on March 24, 2020.

B. Basis of preparation

The financial statements were prepared on the basis of the historical cost, except for certain financial assets and liabilities that are measured at fair value, as required by IFRS.

The assets and liabilities included in the consolidated financial statements are recognized and measured in accordance with the accounting policies described below.

C. Use of estimates in preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Financial Statements in U.S. Dollars

The currency of the primary economic environment in which the Company conducts its operations is the U.S. dollar ("dollar"). Accordingly, the Company uses the dollar as its functional and reporting currency.

E. Principles of consolidation and basis of presentation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The results of the subsidiaries are included from the date of commencement of their operations. Intercompany transactions and balances between the Company and its subsidiaries have been eliminated in the consolidated financial statements.

F. Cash and cash equivalents

The Company considers all highly liquid investments, including short-term bank deposits purchased with original maturities of three months or less, unrestricted and readily convertible into known amounts, to be cash equivalents.

G. Trade receivables

Trade receivables are initially recognized at fair value, including the related taxes and expenses. Foreign currency-denominated trade receivables are adjusted at the exchange rate in effect at the end of the reporting period. The allowance for estimated losses on doubtful debts were recognized in an amount considered sufficient to cover any losses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

H. Property and equipment

(1) Property and equipment are measured at initial recognition at cost. The cost also includes the initial estimate of costs required to dismantle and remove the item.

The Company implements the cost method according to which an item will be presented at cost less accumulated depreciation and less accumulated impairment losses.

(2) Annual depreciation is calculated using the straight-line method over the estimated useful lives of the assets.

(3) The estimated useful life are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Annual rates of depreciation are as follows:

	<u>%</u>
Computers and software	33
Website	33
Mobile devices	33
Furniture and office equipment	7
Leasehold improvements	7

I. Impairment of assets

The Company examines at each balance sheet date the carrying amounts of its assets whenever any signs point to a possible reduction in the value of these assets. Whenever the book value exceeds that asset's recoverable value, the Company recognizes a loss from this impairment.

Such a loss from any asset other than goodwill that was recognized in the past is eliminated only when a change occurred in the estimates used in the determination of the recoverable amount, from the date when the last impairment was recognized as a loss. The book value following this elimination does not exceed the book value that would have been established for the asset had a loss from impairment not been recorded in previous years.

J. Share based payments

The Company grants equity settled share-based payments to employees and others providing similar services in consideration for equity instruments (options) of the Company.

The equity instruments granted do not vest until such employees and service providers complete a defined period of service.

The Company recognizes the share-based payment arrangements in the financial statements on a straight-line basis over the vesting period in the income statement against an increase in shareholders' equity, based on the Company's estimate of equity instruments that will eventually vest. When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

directly attributable transaction costs are credited to share capital (nominal value) and share premium.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

K. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company's revenues are derived from transaction fees (Merchant Fees) paid by its clients in relation with transactions utilising the Splitit Payment Platform.

Merchant Fees are generated on each approved order placed via the Splitit Payment Platform and are predominantly based on a percentage of the end-customer order value plus a fixed fee per installment.

A portion of revenues (i.e., merchant fees) from merchants in respect of Merchant Sales Volume from previous fiscal periods (2019) will be recognized, from an accounting perspective, in future fiscal periods (2020) as invoices are issued to merchants based on actual installments processed during such future fiscal periods.

L. Research and development costs

Research and development costs are charged to operations as incurred.

M. Fair value of financial instruments

The Company uses a three-level hierarchy when measuring fair value. The following is a description of the three hierarchy levels:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly
Level 3	Unobservable inputs for the assets or liabilities

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest input that is significant to the fair value measurement in its entirety. Transfers between the levels of the fair value hierarchy are recognized at the end of the reporting period during which the change has occurred.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

N. Exchange rates and linkage basis

Balances denominated in or linked to currencies other than the NIS are presented according to the representative exchange rates published by the Bank of Israel as of the balance sheet date.

Balances which are linked to the Israeli Consumer Price Index ("CPI") are presented on the basis of the first index published subsequent to the balance sheet date based on the terms of the applicable transactions.

Exchange rate and linkage differences are charged to operations as incurred.

O. Impact of the adoption of new accounting standards

IFRS 16, "Leases"

As of January 1, 2019, the Company adopted IFRS 16 - "Leases, the new accounting standard for leases". The new standard replace IAS 17 - Leases and IFRIC 4 - Determining whether an Arrangement contains a Lease.

The new standard requires lessees to apply a single, on-balance sheet accounting model to all its leases, unless a lessee elects the recognition exemptions for short-term leases and/or leases of low-value assets. A lessee must recognize a right-of-use asset representing its right to use the underlying asset and a lease obligation representing its obligation to make lease payments.

The lease liability will be calculated based on the minimum future lease payments under the lease contract, discounted at the incremental borrowing rate, which is calculated per class of leased assets and per country in which the relevant asset is operating. Additionally, the incremental borrowing rate will be the rate at which the interest charges relating to the lease liability are calculated.

The Company applied the standard based on the modified retrospective transition approach. The implementation of IFRS 16 did not have a material impact on the Company's financial positions and operations.

Set forth below are the principal expected effects as of the date of first-time application, as estimated by Group's management:

(a) Principal effects on the Company's statement of financial position as of January 1, 2019:

The leased asset	Right of use asset	Lease liability
	USD in thousands	
Leased premises	369	369

The discount rates used in the aforementioned calculations are based on the lessee's incremental borrowing rate of 4% and the lease term was 3 years.

(b) Principal effects on the Company's statement of profit or loss as of December 31, 2019:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The leased asset	Decrease in lease expenses pursuant to IAS 17	Increase in depreciation expenses pursuant to IFRS 16	Total Increase in income from operating activities	Increase in finance expenses pursuant to IFRS 16	Decrease in tax expenses pursuant to IFRS 16	Total decrease in income for the year
USD in thousands						
Leased premises	142	138	4	14	-	10

NOTE 3 - OTHER CURRENT ASSETS

Composition

	December 31,	
	2019	2018
Government institutions	345,994	53,496
Prepaid expenses	18,723	1,228,432
Related parties	45,659	-
Other current assets	152,785	119,863
	<u>563,161</u>	<u>1,401,791</u>

NOTE 4 - FIXED ASSETS

Composition

	As of December 31,			
	2019		2018	
	Cost	Accumulate d depreciation	Net book value	Net book value
Furniture and equipment	141,178	(11,505)	129,673	40,016
Website	17,813	(7,708)	10,105	16,205
Leasehold improvements	21,285	(1,903)	19,382	6,800
Computers and software	96,626	(51,875)	44,751	19,547
	<u>276,902</u>	<u>(72,991)</u>	<u>203,911</u>	<u>82,568</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In U.S. dollars)

NOTE 5 - Right of use asset under lease

Composition

	As of December 31,		
	2019		
	Cost	Accumulate d depreciation	Net book value
Right of use asset under lease	369,510	(138,491)	231,019
	369,510	(138,491)	231,019

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 6 - SHORT TERM CONVERTIBLE LOANS

Since September 2012 the Company entered into a series of convertible loan agreements with several lenders. The convertible loans were carried at fair value until the IPO that took place in January 2019, when they were converted to shares in accordance with the terms determined in the agreements. The loans did not bear interest.

NOTE 7 - OTHER CURRENT LIABILITIES

Composition

	December 31,	
	2019	2018
Employees and related institutions	539,794	255,476
Accrued expenses	20,186	178,567
Loan Payable	-	1,556,866
Other current liabilities	-	37,828
	<u>559,980</u>	<u>2,028,737</u>

NOTE 8 - LIABILITY FOR SEVERANCE PAY, NET

The liability is funded through individual insurance policies purchased from outside insurance companies, which are not under the Company's control. All of the employees of the Company are included under section 14 of the Severance Compensation Act, 1963 ("section 14"). According to this section, the employees are entitled only to monthly deposits, at a rate of 8.33% of their monthly salary, made in their name with insurance companies. Payments in accordance with section 14 release the Company from any future severance payments (under the above Israeli Severance Pay Law) in respect of the employees. The aforementioned deposits are not recorded as an asset in the Company's balance sheets.

NOTE 9 - COMMITMENTS AND CONTINGENT LIABILITIES

a) On October 1, 2018, the Company relocated its headquarters to Tel Aviv based on a new rent agreement through October 2021. The monthly rent payments under the agreement are of approximately \$13,000.

To secure the lease payments, the Company issued a bank guarantee of \$44,058 in favor of the facility's lessor. Commitments for minimum lease payments in relation to non-cancellable operating leases as of December 31, 2019 are approximately \$273,000 comprised of 21 months under a monthly rate of approximately \$13,000.

b) Credit Facility

On 11 September 2019, the Company entered into a loan agreement with Shaked Partners Fund, L.P. and certain of its affiliates (collectively, "Shaked"), pursuant to which Shaked will provide a 8,000,000 USD credit facility (the "Facility") to the Company that may be drawn in three tranches until 10 August 2020, maturing 24 months after each draw.

The Facility will incur interest at 9.5% per annum payable by Splitit on drawn amounts, with a 1.5% per annum non-utilisation fee payable in certain circumstances. The outstanding balance of the facility is to be secured by a first ranking charge over the shares in Splitit Capital Inc. and a bank guarantee for a small portion of the total facility limit.

In addition, Shaked will receive 2,000,000 options in the Company with an exercise price of AUD 0.501 per option, representing the average closing price of Splitit shares on the ASX over the 10 business days immediately preceding execution of the financing agreement. The options may be exercised up until September 2024. As of December 31, 2019 the Company did not draw any amount on account from this Credit Facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 10 - SHARE CAPITAL

A. Share Capital

Composition of share capital as of December 31, 2019 and 2018:

	December 31,			
	2019		2018	
	Number of shares		Number of shares	
	Authorized	Issued and outstanding	Authorized	Issued and outstanding
Ordinary shares NIS 0.01 par value	500,000,000	311,533,161	700,000	63,553
Preferred A shares NIS 0.01 par value	-	-	300,000	86,058

Ordinary Shares confer to the holders the right to receive notice to participate and vote in general meetings of the Company and the right to receive dividends, if declared.

B. Issuance of share capital

Ordinary shares

On January 29, 2019, the Company consummated an initial public offering (IPO) on the Australian Stock Exchange, ASX Limited (ASX), by the issuance of 60,000,000 shares at an issuance price of AUD\$0.20 per share raising a total gross amount of approximately USD\$8.6 million (AUD\$12 million). The related issuance expenses amount to a total of USD\$1.3 million.

In May 2019, the Company raised a total gross amount of approximately USD\$20.7 million (AUD\$30.3 million) by the issuance of 37,500,000 shares at an issue price of AUD\$0.80 per share, and a share purchase plan under which 377,500 new shares were issued at the same price. The related issuance expenses amount to a total of USD\$1.1 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 11 - SHARE BASED PAYMENTS

A. Details of share-based grants made by the Company

On 22 January 2019, the Company issued a total of 8,000,000 options exercisable at A\$0.20 each, expiring 31 December 2023 to then Managing Director Gil Don and Executive Director Alon Feit.

On 22 January 2019, the Company issued to the non-executive Directors of the Company a total of:

- 3,000,000 options exercisable at A\$0.30 each, expiring 22 January 2022, subject to vesting conditions; and
- 3,000,000 options exercisable at A\$0.40 each, expiring 22 January 2022, subject to vesting conditions.

On 22 January 2019, the Company issued a total of 15,000,000 options exercisable at A\$0.30 each, expiring 22 January 2022 to the lead manager of the IPO (or its nominees).

On 22 January 2019, the Company issued a total of 18,000,000 performance rights under the Company's Employee Share Incentive Plan, each of which may be convertible into one Share on attainment of various performance criteria, expiring no later than 3 years from the date of issue. On 27 November 2019, as approved by Shareholders at the Annual General Meeting held on 30 October 2019, 6,000,000 of these Performance Rights were cancelled and another 4,000,000 Performance Rights were vested and converted into ordinary shares.

On September 11, 2019, the Company entered into a finance agreement with an external financier (Shaked) pursuant to which it issued 2,000,000 options, each of which is exercisable at A\$0.501 on or before 11 September 2024. (See also Note 9b - Credit Facility)

On 27 November 2019, the Company granted to various employees and consultants 19,337,000 options (subject to various vesting conditions) under the Company's Employee Incentive Plan, each of which is convertible into 1 ordinary share in the Company at an exercise price of:

- AUD\$0.60 per option in respect of 4,300,000 options. 1.8m of these options expire on 1 July 2025 and 2.5m of these options expire on 27 November 2024;
- AUD\$0.40 per option in respect of 1,000,000 options, which expire on 27 November 2024;
- AUD\$0.30 per option in respect of 1,000,000 options, which expire on 27 November 2024; and
- AUD\$0.20 per option in respect of 13,037,000 options, which expire on 16 September 2024.

On 27 November 2019, as approved by Shareholders at the Annual General Meeting held on 30 October 2019, 4,100,000 Performance Rights were issued to the Company's Managing Director, Brad Paterson. Each of these Performance Rights were issued under the Company's Employee Share Incentive Plan, and each may be convertible into one Share on attainment of various performance criteria.

B. Options fair value

The fair values were calculated using Black - Scholes pricing model. The inputs to the models include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk free rate of interest. Monte Carlo simulations and the parameters were used to determine the ordinary share price in the years 2016 and 2017 and Black - Scholes pricing model in 2018 to determine the value of the options. As the exercise price is negligible the share price was determined to be the grant date fair value of the options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 11 - SHARE BASED PAYMENTS (Cont.)

B. Options fair value (Cont.)

The parameters used in applying the model are as follows:

<u>Description</u>	<u>2019</u>	<u>2018</u>
Share price	\$0.495-0.81	\$0.14
Exercise price	\$0.2-0.6	\$0.0026
Risk-free interest rate	0.77%-1.92%	2.51%-3.09%
Expected volatility	0.45%-0.75%	50.68%
Expected option life in years	2.5-5	5-7
Expected dividend yield	0%	0%

C. Additional details of share based payments

The following table provides the activity of share-based payments for the years ended December 31, 2019 and 2018 and for options outstanding and exercisable as of December 31, 2019.

	<u>Options outstanding</u>		
	<u>Number</u>	<u>Weighted average exercise price (AUD)</u>	<u>Average remaining contractual life (in years)</u>
Outstanding December 31, 2017	5,719,126	0.0201	2.49
Granted	6,019,813	0.0026	-
Exercised	(1,175,919)	0.0026	-
Cancelled	(218,681)	0.0026	4.02
Outstanding December 31, 2018	10,344,339	0.0162	2.93
Granted	50,337,000	0.2770	3.26
Exercised	(61,152)	0.0001	-
Cancelled	(86,664)	0.2000	-
Outstanding December 31, 2019	60,533,523	0.2350	3.20

	<u>Performance Rights outstanding</u>		
	<u>Number</u>	<u>Weighted average exercise price</u>	<u>Average remaining contractual life (in years)</u>
Outstanding December 31, 2017	[nil]	[nil]	[nil]
Granted	[nil]	[nil]	[nil]
Exercised	[nil]	[nil]	[nil]
Cancelled	[nil]	[nil]	[nil]
Outstanding December 31, 2018	[nil]	[nil]	[nil]
Granted	22,100,000	[nil]	0.94
Exercised	4,000,000	[nil]	-
Cancelled	6,000,000	[nil]	-
Outstanding December 31, 2019	12,100,000	[nil]	0.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 12 - TAX EXPENSES

A. Company in Israel

On December 29, 2016 the Economic Efficiency Law (Legislative amendments to achieve budget targets for years' budget 2017 and 2018) 5777-2016, was published in the Official Gazette.

The main change in respect of corporate tax is as follows:

The Israeli corporate tax rate was 24% in the year 2017 and 23% in year 2018 and onwards.

B. The Company has not received tax assessments since its incorporation.

C. The Company incurred losses since inception. Due to the lack of history of taxable income and uncertainty of taxable income in the foreseeable future, no deferred taxes were recorded for these carry forward losses and deductions.

D. Subsidiaries

The principal federal tax rates applicable to the subsidiaries that incorporates in the U.S. are up to 21%.

The principal tax rates applicable to the subsidiaries that incorporates in the U.K. is 19%.

The subsidiaries have not received final tax assessments since their corporation.

NOTE 13 - RESEARCH AND DEVELOPMENT EXPENSES

Composition

	For the Year ended December 31,	
	2019	2018
Salaries and related expenses	1,263,492	583,445
Subcontractors expenses	176,461	34,811
Share based payment	634,343	48,585
Other expenses	677,394	362,940
	<u>2,751,690</u>	<u>1,029,781</u>

The Research and Development expenses for the period ended December 31, 2019 includes share based payments of \$634,343.

NOTE 14 - SALES AND MARKETING EXPENSES

Composition

	For the Year ended December 31,	
	2019	2018
Salaries and related expenses	1,444,948	439,624
Share based payment	1,420,698	-
Communication	262,723	22,873
Professional fees	779,771	355,596
Participation in customer marketing expenses	1,768,815	-
Other expenses	1,237,403	268,49
	<u>6,914,358</u>	<u>1,086,584</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

The Sales and Marketing expenses for the period ended December 31, 2019 includes share based payments of \$1,420,698 and nonrecurring expenses of \$1,768,815 related to participation in customer marketing expenses.

NOTE 15 - GENERAL AND ADMINISTRATIVE EXPENSES

Composition

	For the Year ended December 31,	
	2019	2018
Salaries and related expenses	1,517,557	560,178
Communication	289,458	9,453
Professional fees	2,828,519	461,276
Share based payment	7,249,564	162,889
Other expenses	1,078,301	589,226
	<u>12,963,399</u>	<u>1,783,022</u>

The General and Administrative expenses for the period ended December 31, 2019 includes share based payments of \$7,249,564 and nonrecurring expenses of \$663,928 related to professional fees.

NOTE 16 - FINANCE INCOME AND EXPENSES

A. Financing Income

	For the Year ended December 31,	
	2019	2018
Deposit and other financing income	35,468	-
Foreign currency differences	261,071	-
	<u>296,539</u>	<u>-</u>

B. Financing expenses

	For the Year ended December 31,	
	2019	2018
Other:		
Foreign currency differences	-	64,272
Bank fees and other financing expenses	298,587	9,145
Convertible loans revaluation	-	1,058,085
	<u>298,587</u>	<u>\$ 1,131,502</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 17 - FINANCIAL INSTRUMENTS

A. Financial instruments fair value

The carrying amount of the Company's financial instruments equals or approximates their fair value.

B. Financial instruments according to category

	For the Year ended December 31,	
	2019	2018
Financial assets		
Cash	11,669,734	309,590
Restricted cash	86,892	26,698
Trade receivables	5,168,423	1,614,369
Other current assets	345,995	34,959
	<u>17,271,044</u>	<u>1,985,616</u>
Financial liabilities		
Current liabilities		
Trade payables	751,431	1,589,609
Short term loan	-	148,164
Short term convertible loans	-	12,786,669
Operating lease liability	255,517	-
Other current liabilities	559,980	2,028,737
	<u>1,566,928</u>	<u>16,553,179</u>

C. Purposes of financial risk management

The Company's finance department renders services for business operations, permits access to local and international financial markets, supervises and administers the financial risks related with the activities of the Company by means of internal reports which analyze the extent of exposure to risks according to their level and intensity. These risks include market risks (including foreign currency risk) and liquidity risk.

D. Market risk

Foreign currency risk

The Company's functional currency is the U.S. dollar. The Company's exposures to the fluctuations occurring in the rates of exchange between the U.S. dollar and the NIS and between the U.S. dollar and the AUD, result mainly from salaries and related expenses that are stated in NIS and from cash in AUD.

The Company acts to reduce the currency risk by means of holding its liquid resources in short-term deposits (NIS and USD).

During the year ended December 31, 2019, no change took place in the exposure to currency risk or in the manner in which the Company manages and measures the risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 17 - FINANCIAL INSTRUMENTS (Cont)

The book values of the financial assets and liabilities of the Company denominated in foreign currency are as follows:

	Liabilities		Assets	
	December 31,		December 31,	
	2019	2018	2019	2018
	1,050,30			
NIS	0	441,114	619,797	274,904
GBP	26,730	16,577	933,514	79,548
			8,851,89	
AUD	22,422	-	7	-

Sensitivity analysis of foreign currency

As stated above, the Company is exposed mainly to the NIS currency since salaries and related expenses are stated in NIS.

The following table itemizes the sensitivity to an increase or a decrease of 10% in the relevant exchange rate. 10% is the rate of sensitivity representing the assessments of management with respect to the reasonable possible change in exchange rates. The sensitivity analysis includes current balances of monetary items denominated in foreign currency and conforms their translation at the end of the period to a change of 10% in foreign currency rates.

	Effect of NIS currency December 31,	
	2019	2018
Pre-tax effect of increase of 10% in the \$ currency vis-à-vis the NIS:		
Effect on profit or loss and other comprehensive income for the year	39,139	15,110
Pre-tax effect of decrease of 10% in the \$ currency vis-à-vis the NIS:		
Effect on profit or loss and other comprehensive income for the year	(47,837)	(18,468)
Pre-tax effect of increase of 10% in the \$ currency vis-à-vis the GBP:		
Effect on profit or loss and other comprehensive income for the year	90,678	6,297
Pre-tax effect of decrease of 10% in the \$ currency vis-à-vis the GBP:		
Effect on profit or loss and other comprehensive income for the year	(82,435)	(5,720)
Pre-tax effect of increase of 10% in the \$ currency vis-à-vis the AUD:		
Effect on profit or loss and other comprehensive income for the year	882,947	6,297
Pre-tax effect of decrease of 10% in the \$ currency vis-à-vis the AUD:		
Effect on profit or loss and other comprehensive income for the year	(802,680)	(5,720)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 17 - FINANCIAL INSTRUMENTS (Cont.)

E. Management of credit risk

Before receiving a new customer and during the year, the company conducts research on the financial strength of the customer and also requests the customer to provide credit references from other suppliers with whom the customer maintains business relations. In addition, the Company is examining the acquisition of a credit insurance policy for all of its customers.

Moreover, the Company holds cash and cash equivalents in various financial institutions. These financial institutions are located in Israel and the United States. Pursuant to the Company's policies, evaluations of the relative financial stability of the different financial institutions are performed on an on-going basis.

F. Liquidity risk

Careful management of liquidity risk requires a sufficient cash balance to support operating activities. Management constantly analyzes cash balances, which comprised of cash and cash equivalents and assets at fair value through profit and loss. This analysis is based on forecasted cash flows, in accordance with policies and restrictions set by the Company.

The Company keeps a sufficient level of cash and cash equivalents, by taking into account the cash required for its operating activities, in order to reduce the liquidity risk, which the Company is exposed to.

NOTE 18 - FAIR VALUE

Fair value hierarchy

The table below presents an analysis of the financial instruments measured at fair value, using a valuation method:

The different levels were defined as follows:

- (1) Level 1: Quoted prices (unadjusted) in an active market for identical instruments.
- (2) Level 2: Data observed directly or indirectly that are not included in Level 1 above.
- (3) Level 3: Data not based on observable market data.

	Level 3	
	For the Year ended	
	December 31,	
	2 0 1 9	2 0 1 8
Balance as of December 31	-	8,478,388
Amounts received during the year	-	3,250,196
Changes in fair value	-	1,058,085
Balance as of December 31	-	12,786,669

In 2018, the fair value of the loans included in the level 3 categories above has been determined in accordance with the market share price upon the IPO that took place in January 2019 and revaluated accordingly.

During the year ended December 31, 2019, no change took place in the exposure to currency risk or in the manner in which the Company manages and measures the risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(In U.S. dollars)

NOTE 19 - TRANSACTIONS WITH INTERESTED PARTIES AND RELATED PARTIES

Compensation to key management personnel and interested parties

	For the Year ended December 31,	
	2019	2018
Salary and related expenses to key management personnel	1,530,295	1,098,225
Number of personnel to which benefit applies	11	9
Share based payment to interested parties and key management personnel	5,121,419	50,288
Number of personnel to which benefit applies	11	9

NOTE 20 - SUBSEQUENT EVENTS

- A. On 15 January 2020, the Company terminated its agreement with secondary credit provider Simpel LLC.
- B. On 21 January 2020, the Company issued 1,000,000 options to Mr. Jan Koelble, a new director of the Company under the following conditions:
- AUD 0.70 per option in respect of 500,000 unlisted options, which expire on 21 January 2023;
 - AUD 0.85 per option in respect of 500,000 unlisted options, which expire on 21 January 2023.
- C. In February 2020, the Company borrowed 3.67 million USD under the Shaked Facility.
- D. Since the close of the 2019 fiscal year, we have watched the COVID-19 global pandemic unfold in stages. While the impact on our business is unclear, we are closely monitoring the effects of the pandemic as it relates to our revenues and expenses. As the situation becomes clearer we will provide additional guidance in subsequent financial statements.
As of today, there was no significant effect on our business. We will monitor closely and update, as things progress.

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ASX ADDITIONAL INFORMATION

Splitit Payments Limited

Shareholder Information

The following information was applicable as at 18 March 2020.

1. Corporate Governance Statement

The Corporate Governance Statement can be found at <https://www.splitit.com/investors/corporate-governance-statement/>

2. Substantial Shareholders

The following holders are registered by SPT as a substantial holder of the voting shares below:

Holder Name	Number of ordinary shares ¹	% of issued capital ²
Splitit Payments Ltd ³	94,867,346	30.45%
Viktoria Neil Krain ⁴	58,693,609	18.84%
Alon Feit ⁵	25,542,588	8.20%
Moshe Azogui ⁶	15,932,080	5.11%
Gil Don ⁷	16,771,294	5.38%

¹ As disclosed in the last notice lodged with the ASX by the substantial shareholder.

² The percentage set out in the notice lodged with the ASX is based on the total issued capital of the Company at 18 March 2020.

³ Splitit Payments Ltd holds a relevant interest in its own shares as a result of mandatory escrow restrictions imposed on those shares by the ASX.

⁴ Disclosed in the Company's Replacement Prospectus dated 20 December 2018 as being a substantial holder upon the Company's admission to the ASX.

⁵ As at 22 May 2019.

⁶ As at 22 January 2019.

⁷ As at 27 November 2019.

3. Number of Security Holders

Securities	Number of Holders
Ordinary Shares	8,349
Unlisted Options (Options)	82
Performance Rights	3

4. Voting Rights

Securities	Voting Rights
Ordinary Shares	Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders: (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative; (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.
Options	Options do not carry any voting rights.

Shareholder Information

Performance Rights	Performance Rights do not carry any voting rights.
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5. Distribution Schedule**Ordinary Shares**

Spread of Holdings	Holders	Securities	%
1 - 1,000	1,718	1,159,119	0.37%
1,001 - 5,000	3,210	8,757,774	2.81%
5,001 - 10,000	1,338	10,611,657	3.41%
10,001 - 100,000	1,827	55,273,004	17.74%
100,001 - 9,999,999,999	256	235,731,607	75.67%
Totals	8,349	311,533,161	100.00%

Options

Spread of Holdings	Holders	Securities	%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	13	855,000	1.41%
100,001 - 9,999,999,999	69	59,826,339	98.59%
Totals	82	60,681,339	100.00%

Performance Rights

Spread of Holdings	Holders	Securities	%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
100,001 - 9,999,999,999	3	12,100,000	100.00%
Totals	3	12,100,000	100.00%

6. Holders of Non-Marketable Parcels

Date	Closing price of shares	Number of holders
18 March 2020	\$0.275	2,682

7. Top 20 Shareholders

The top 20 largest fully paid ordinary shareholders together hold 56.82% of the securities in this class and are listed below:

Rank	Holder Name	Securities	%
1	MRS VIKTORIA NEIL KRAIN	29,646,647	9.52%
2	VENTUREVEST PARTNERS LLC	26,580,962	8.53%
3	ALON FEIT	25,542,588	8.20%
4	MR GIL DON	16,771,294	5.38%

Shareholder Information

5	RIVERVIEW FLATS PTY LTD	15,345,372	4.93%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,649,665	3.42%
7	CITICORP NOMINEES PTY LIMITED	8,518,468	2.73%
8	ORIENT GLOBAL HOLDINGS PTY LTD <THE AL'N'ALL A/C>	6,019,870	1.93%
9	MOSHE AZOGUI	5,368,699	1.72%
10	YOAV MANOR	5,234,651	1.68%
11	BT PORTFOLIO SERVICES LIMITED <THE AL'N'ALL A/C>	5,057,764	1.62%
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,748,429	1.20%
13	GADEX LTD	3,559,492	1.14%
14	NATIONAL NOMINEES LIMITED	3,261,724	1.05%
15	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,158,010	1.01%
16	JASON KRIGSFELD	2,978,655	0.96%
17	HARPER PAPPAS AND CO PTY LTD	1,566,035	0.50%
18	MR GUY PELEG	1,531,563	0.49%
19	YAHIEL (NUR GROUP) HOLDINGS LTD	1,308,663	0.42%
20	BNP PARIBAS NOMINEES PTY LTD	1,103,949	0.35%
		177,002.620	56.82%

8. Company Details

Company secretary: cdPlus Corporate Services Pty Ltd

Registered and Principal Office (Israel):

30 HaArba'a Street, Tel Aviv Israel 6473970

Registered Office (Australia):

Level 42, Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000 (Australia)

Telephone: 03 9614 2444

Address of where the register is kept: Automic Pty Ltd, Level 5, 126 Phillip Street, Sydney, NSW 2000

Telephone of where the register is kept: 1300 288 664, +61 2 9698 5414 (International telephone)

Other stock exchange where the entities equity securities are quoted: N/A

9. Restricted Securities

The following securities are subject to **mandatory** escrow restrictions:

Class	Date of Expiry	Number of Securities
Ordinary shares subject to mandatory escrow restrictions for 24 months from the date of issue.	29 January 2021	94,867,346
Options subject to mandatory escrow restrictions for 24 months from the date of issue.	29 January 2021	38,344,339

Shareholder Information

Performance Rights subject to mandatory escrow restrictions for 24 months from the date of issue.	29 January 2021	8,000,000
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There are no current securities on issue that are subject to voluntary escrow restrictions.

10. Unquoted Securities**Options**

The following Options over unissued ordinary shares are on issue:

Class	Date of Expiry	Exercise Price	Number of Options
Unlisted Options	31/12/2023	AUD\$0.20	8,000,000
Unlisted Options	22/1/2022	AUD\$0.30	17,500,000
Unlisted Options	22/1/2022	AUD\$0.40	2,500,000
Unlisted Options	31/12/2020	NIS 0.01	470,076
Unlisted Options	9/1/2022	NIS 0.01	199,410
Unlisted Options	31/12/2022	NIS 0.01	783,283
Unlisted Options	15/3/2023	NIS 0.01	783,283
Unlisted Options	4/11/2023	NIS 0.01	3,724,452
Unlisted Options	31/1/2024	NIS 0.01	783,283
Unlisted Options	12/2/2024	NIS 0.01	69,129
Unlisted Options	25/2/2024	NIS 0.01	167,505
Unlisted Options	1/3/2024	NIS 0.01	229,721
Unlisted Options	15/3/2024	NIS 0.01	308,422
Unlisted Options	1/5/2024	NIS 0.01	183,989
Unlisted Options	7/7/2024	NIS 0.01	459,973
Unlisted Options	8/7/2024	NIS 0.01	98,376
Unlisted Options	15/8/2024	NIS 0.01	61,153
Unlisted Options	17/9/2024	NIS 0.01	153,147
Unlisted Options	11/12/2024	NIS 0.01	69,129
Unlisted Options	17/12/2024	NIS 0.01	69,129
Unlisted Options	12/2/2025	NIS 0.01	69,129
Unlisted Options	25/2/2025	NIS 0.01	167,505
Unlisted Options	1/3/2025	NIS 0.01	229,720
Unlisted Options	15/3/2025	NIS 0.01	308,421
Unlisted Options	1/5/2025	NIS 0.01	183,989
Unlisted Options	15/5/2025	NIS 0.01	61,152
Unlisted Options	8/7/2025	NIS 0.01	98,375
Unlisted Options	17/9/2025	NIS 0.01	153,147
Unlisted Options	11/12/2025	NIS 0.01	69,129
Unlisted Options	17/12/2025	NIS 0.01	69,129
Unlisted Options	25/2/2026	NIS 0.01	167,504
Unlisted Options	17/9/2026	NIS 0.01	153,679
Unlisted Options	10/9/2024	AUD\$0.50	2,000,000
Unlisted Options	27/11/2024	AUD\$0.30	1,000,000
Unlisted Options	27/11/2024	AUD\$0.40	1,000,000
Unlisted Options	1/7/2025	AUD\$0.60	1,800,000
Unlisted Options	27/11/2024	AUD\$0.60	2,500,000
Unlisted Options	16/9/2024	AUD\$0.20	13,037,000
Unlisted Options	21/01/2023	AUD\$0.75	500,000
Unlisted Options	21/1/2023	AUD\$0.85	500,000
			60,681,339

Shareholder Information

No holder holds more than 20% of Options in the Company.

Performance Rights

There is a total of 12,100,000 unlisted performance rights on issue.

The number of performance right holders is 3.

The following holders hold more than 20% of the Performance Rights in the Company:

Rank	Holder Name	Performance Rights	%
1	Alon Feit	6,500,000	53.72%
2	Brad Paterson & Katy Paterson <Paterson Family A/C>	4,100,000	33.88%

11. Share Buy-Backs

There is no current on-market buy-back scheme.

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APPENDIX

DEFINITIONS

- **Merchant Sales Volume (MSV):** underlying sales volume for successful transactions that a merchant fee is charged
- **Plans Initiated:** number of plans initiated in the period
- **Total Merchants:** number of merchants on the Splitit platform
- **12M Active Merchants:** number of merchants that received a successful payment in the previous 12 months
- **12M Active Consumers:** number of shoppers that made a successful purchase in the previous 12 months
- **Average Order Value (AOV):** average value of plans initiated in the period
- **Repeat Usage:** percent of shoppers that have made a purchase in the current period that had previously made a successful purchase

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