



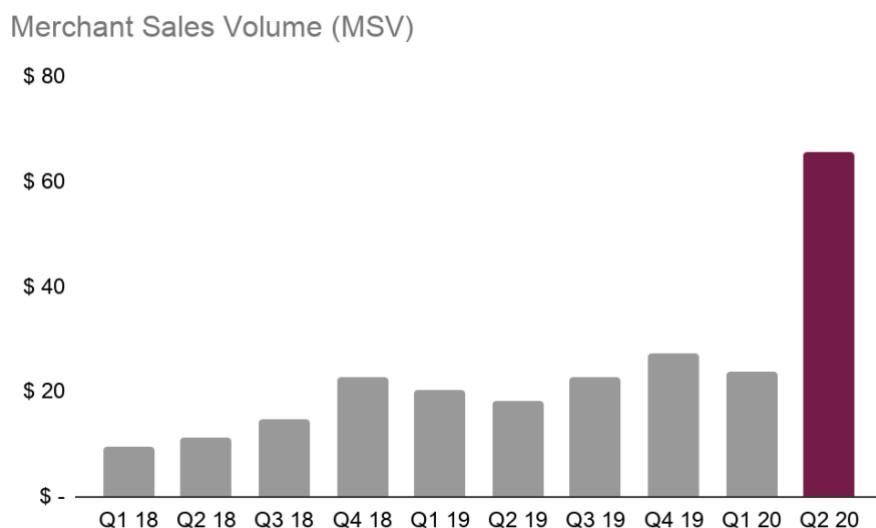
Record growth in Q2 FY20

- Merchant Sales Volume (MSV) grew rapidly to US\$65.4M, up 260% on Q2 FY19, up 176% on Q1 FY20
 - North America up 261% and Europe up 240% on Q2 FY19
- Gross Revenue (Non GAAP) surged to US\$2.4M, up 460% on Q2 FY19, up 246% on Q1 FY20
- 1K Total Merchants, up 104% on Q2 FY19
- 309K Total Unique Shoppers, up 85% on Q2 FY19
- Average Order Value (AOV) of US\$893, up 44% on Q2 FY19
- Large new merchants (live and signed) include Purple, Daily Sale, Quiet Kat, Dreamcloud, Bedmart, ScorpTec, Tatami Fightwear, Sofa Club, Alpina Watches
- New partnerships with Mastercard, Finance for Group, Blue Snap

Sydney, Australia, 8 July 2020 – **Splitit Payments Ltd** (ASX:SPT), a leading global instalment payments solution business, provides an update on trading for the second quarter in FY20, ending 30 June 2020.

Record Merchant Sales Volume and Revenue

Following on from strong MSV growth in April and May, Splitit saw rapid growth continue across all key KPIs during the quarter. MSV accelerated from the start of the year, up 176% on Q1 FY20 and up 260% over Q2 FY19, due to the addition of new large merchants in Q1 and Q2. The Company's two largest markets continued their upward trajectory, with North America up 261% and Europe up 240%. This resulted in record revenue growth, with total revenue of \$2.4M in Q2 FY20 surpassing total revenue from the whole of FY19, and up 460% compared to Q2 FY19.



Splitit continues to attract larger merchants wanting to provide instalment solutions to their credit card customers and improve conversion rates, especially as eCommerce expansion accelerates. This has seen AOV rise by a further 21% to US\$893 over Q1 FY20, with more than 90% of all transactions being eCommerce or mobile payments.



Accelerated Merchant Acceptance and New Shoppers

Total merchants grew to over 1,000, up 104% on Q2 FY19, with 12 Month Active Merchants increasing to 519, up 92%. This merchant growth was driven by increasing demand in key verticals from new influential brands. Leading brands that joined the Splitit platform during the quarter includes includes Purple, Daily Sale, Quiet Kat, Dreamcloud, Bedmart, Scorptec, Tatami Fightwear, Sofa Club and Alpina Watches.

Total Shoppers are now over 309K, up 85% on Q2 FY19, with 12 Month Active Shoppers reaching 141k, up 92%, as Splitit's unique value proposition continues to drive consumer preference at checkout with broader acceptance resulting in accelerated consumer growth. Many of these were first time users, with the number of Repeat Shoppers expected to increase again in future periods. Plans Initiated grew 150% on Q2 FY19 to 73K, with higher demand for homewares and outdoor, sporting and fitness products.

Brad Paterson, CEO of Splitit commented: "June saw a continuation of the strong business momentum we experienced in April and May. Consumers are making better use of their existing credit to preserve cash, while demand from higher value merchants is ramping up, supported by the accelerated shift towards eCommerce as a result of COVID-19. While we continue to tightly manage our expenses in light of global economic uncertainty, our business model supports more efficient consumer budgeting during these uncertain times, and continues to deliver enormous benefit to merchants by significantly improving consumer conversion on their sites."

Strategic Partnerships

Integration with Stripe Connect is now complete, with beta testing of new, accelerated, merchant onboarding underway. As this functionality is deployed more broadly later in Q3, this will see new merchant acceptance further accelerate as the Company progresses towards its goal of enabling merchants to self-onboard in minutes. As the integration expands, it will also improve Splitit's funded model process by automating acceptance and movement of money for all funded transactions, and significantly improving the merchant experience including multi-currency support and improved reporting tools.

During the period, Splitit launched its integration with Blue Snap, the payment platform for B2B and B2C businesses. Blue Snap, which supports online and mobile sales, marketplaces, subscriptions and invoice payments, allows Splitit to reach a wide range of fast growing eCommerce merchants and offer them instalment payments directly on their platform. The Company also further enhanced its integration with Magento, as part of the partnership announced in Q1.

In June, Splitit announced an initial five year agreement with Mastercard to accelerate the adoption of its instalment solution by leveraging Mastercard's network of global partners. Initially launching pilots across three markets before rolling out globally, Splitit will integrate its instalment solution with Mastercard's suite of technology as a network partner to enable merchants to deliver seamless and secure consumer experiences at checkout, both in store and online. Mastercard and Splitit are also jointly developing other instalment and related products.

"Progressing our strategic partnerships is a pivotal part of our growth strategy," concluded Brad Paterson. "These partnerships provide access to multiple merchants and payment networks through our globally scalable business model and extend our product offering to enable a superior customer experience. Over the coming months we will continue to focus on enhancing the experience for both merchants and consumers, while driving further industry innovation with our partners."



Quarterly Performance Metrics - Table 1:

Operating Metrics	Q2 FY20	Comparison to Q1 FY20	Comparison to Q2 FY19 (PCP)
Merchant Sales Volume (MSV) ¹	US\$65.4M	176% (US\$23.7M)	+260% (US\$18.2M)
Gross Revenue (Non GAAP) ²	US\$2.4M	246% (US\$691K)	+460% (US\$427K)
Average Order Value (AOV) ³	US\$893	21% (US\$737)	44% (US\$620)
Plans Initiated ⁴	73.2K	+128% (32.1K)	+150% (29.3K)
Total Merchants ⁵	1K	20% (0.8K)	+104% (0.5K)
12 Month Active Merchants ⁶	519	20% (0.4K)	92% (0.3K)
Total Shoppers	309K	26% (245K)	85% (167K)
12 Month Active Shoppers ⁷	141K	32% (107K)	28% (116K)
Repeat Shoppers ⁸	10.2%	-25% (13.6%)	-25% (13.5%)

In accordance with ASX requirements, the Company plans to release its Appendix 4C Quarterly filing on or before July 30, 2020.

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

² Revenue attributable to MSV, translated to reporting currency at plan activation date. This non-GAAP measure has not been independently audited or reviewed, and will differ from GAAP revenue due to IFRS revenue recognition rules and any potential net impact of payment reversals. It provides useful information for readers to assist in understanding the Company's financial performance, by aligning the full Gross Revenue impact with the MSV generated for the period.

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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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.