

Splitit Delivers 94% MSV Growth in Half Year FY21

- Merchant Sales Volume (MSV) of US\$172.5M, up 94%
- Gross Revenue (Non GAAP) up 79.7% to US\$5.5M, with GAAP Revenue up 96% to US\$5M
- Total Merchants were up 167% to 2.8K and Total Shoppers up 83% to 566K
- Recent innovations SplititPlus launched to accelerate further merchant adoption, plus expanded white-label product capability which represents a new and potentially highly scalable revenue opportunity in future periods
- Credit card network grew significantly with addition of new UnionPay International partnership,
- Strong Balance Sheet, including US\$66M in available cash and US\$150M credit facility with Goldman Sachs to support US\$650M of annual MSV¹
- Consolidation of debt facilities to reduce cost of funds and improve margins in H2

Splitit Payments Limited (“Splitit” or the “Company”) (ASX:SPT), a global payment solutions provider, reports its half year results for the six-month period to 30 June 2021. Splitit delivered a record first half year performance with strong growth across its key metrics of Merchant Sales Volume (MSV), Revenue, merchants and shoppers.

Splitit Chair Dawn Robertson said, *“Splitit is pleased to report a strong first half, with the delivery of 94% YoY MSV growth, along with growth across other key metrics of revenue, merchants and shoppers.*

The ongoing development of our new product innovations, including Splitit Plus, and our strong global partnerships, are expected to provide more and more opportunities to increase ongoing acceptance as we pivot from a period of foundational build, into a period of scaling up.

Ms Robertson continued, *“Recent BNPL M&A activity has highlighted sector wide opportunities, which is likely to accelerate the strategic focus and commercial integrations across the entire sector. Splitit remains uniquely placed within the credit card / BNPL ecosystem with extensive commercial relationships that have only just begun to scale. Providing a point-of-sale solution to improve retailer conversion whilst leveraging a consumers existing credit, puts Splitit at the unique intersection of two significant markets – credit cards and BNPL. We believe this is a unique point of difference in an otherwise increasingly crowded market.*

“The fundamentals of the business remain as strong as ever, and our leadership team is well placed to execute on the growth opportunity in front of us as we look forward to the second half of 2021.”

¹ Assumes approximate mix of funded/non-funded 75/25

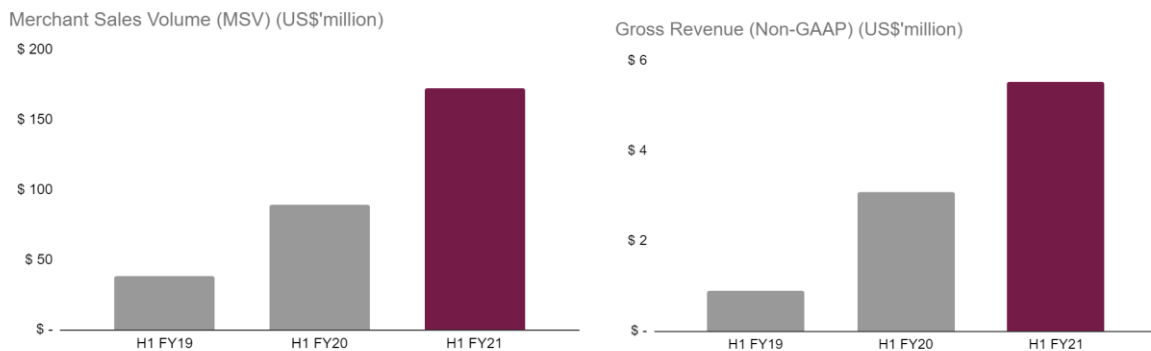
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Half Year Performance

MSV nearly doubled, growing a healthy 94% to US\$172.5M (US\$89.1M in H1 FY20). This correlates to annualised MSV of US\$361M, based on Q2 results. During the half year, Splitit signed a US\$150 million three-year revolving receivables funding facility with Goldman Sachs Bank USA to support the continued expansion of its business. This new facility has doubled the size of Splitit's funding capacity and can support US\$650M of annual MSV.

Figure 1 and 2: Growth Metrics



Gross Revenue grew 79.7% to \$5.5M for H1 FY21. A more diversified merchant base resulted in MSV growth being slightly stronger than Gross Revenue growth during the half.

Merchant numbers continued to accelerate in H1 FY21 with 1K merchants adopting Splitit to reach 2.8K Total Merchants, a 167% increase.

Multiple new large merchants with significant addressable MSV signed up to the solution in the half year, including Google Japan. Splitit is now enabling the Google Store, Japan to support instalment payments for customers purchasing its new Pixel 5 mobile phone, Nest products and Chromecast streaming devices. This marks an important step in Splitit's expansion into Asia, building on its growing merchant presence in the US and Europe.

Amidst an increasingly crowded market, shoppers have grown 83% with 134K new shoppers added in H1 to reach 566K Total Shoppers. Acceptance of Splitit's solution was supported by the Company's ongoing consumer engagement activities. Splitit's average order value remains over US\$1,000 and continues to be a critical differentiator of the solution for merchants seeking a payment option for their shoppers that is complementary to new finance options.

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Table 1: Half Year FY21 Performance Metrics

Operating Metrics	H1 FY21	Comparison to H1 FY20 (YoY)
Merchant Sales Volume (MSV) ²	US\$ 172.5M	+94% (US\$89.1M)
Gross Revenue (Non-GAAP) ³	US\$ 5.5M	+79.7% (US\$3.1M)
Total Merchants ⁴	+2.8K	+167% (1K)
Total Shoppers ⁵	566K	+83% (309K)

Product Innovation

Throughout H1, Splitit instituted several strategic initiatives to strengthen the fundamentals of the business and expand future revenue sources.

The *SplititPlus* payment gateway was launched in April 2021 to reduce onboarding complexity for merchants adopting the solution and has already been implemented by multiple merchants. The gateway is available to all merchants under Splitit's basic model across the US and is being rolled out more broadly in H2 FY21, including to merchants on the funded model.

Splitit also announced that it will develop a white-label Platform as a Service offering to broaden its opportunities and grow in non-core markets and categories. The white-label solution has already secured new partnerships with leading Middle East BNPL provider, tabby and leading BNPL in Pakistan, QisstPay. This represents a brand new and potentially highly scalable, as well as complementary revenue opportunity, with minimal incremental fixed cost investment to facilitate.

² Underlying MSV for successful transactions that a merchant fee is charged

³ 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. Refer to Appendix 4D for Statutory Revenue

⁴ Cumulative number of merchants that accept Splitit

⁵ Cumulative number of shoppers that accept Splitit

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Partnerships for Growth

Splitit's foundational partnerships with Stripe, Visa and Mastercard continue to progress well. Joint marketing and business development efforts with Mastercard remain an ongoing focus for Splitit. During the half year, Mastercard, Splitit and at-home connected fitness company Echelon Fitness delivered an omnichannel shopper co-marketing campaign in the United Kingdom.

In April 2021, Splitit partnered with UnionPay International, part of China UnionPay, marking significant progress in the Company's Asia expansion strategy. China UnionPay is a provider of bank card services and a major card scheme in mainland China with a network of 9 billion card holders globally. Under the partnership, UnionPay credit card holders and merchants accepting UnionPay will be given the opportunity to utilise Splitit's instalment solution from June 2021.

Business Outlook

Splitit's innovation is serving the Company well as it adapts to shifting market dynamics. *SplititPlus* will address onboarding and integration complexity, while our new white label offering presents opportunities to expand our sources of revenue.

With the US\$150M Goldman Sachs warehouse facility able to support US\$650M of annual MSV, and drive improved margins throughout H2, the business is well placed to execute on the growth opportunities ahead.

About Splitit

Splitit is a global payment solution provider that enables shoppers to use the credit they've earned by breaking up purchases into monthly interest-free instalments using their existing credit card. Splitit enables merchants to improve conversion rates and increase average order value by giving customers an easy and fast way to pay for purchases over time without requiring additional approvals. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 2,800 ecommerce merchants in over 30 countries and shoppers in over 100 countries. Headquartered in New York, Splitit has an R&D center in Israel and offices in London and Australia. The Company is listed on the Australian Securities Exchange (ASX) under ticker code SPT.

This announcement has been approved and authorised to be given to ASX by Dawn Robertson, Chair of the Board of Splitit.

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Note to market

None of the information included in this announcement should be considered individually material unless specifically stated.

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- 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.

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