



ASX ANNOUNCEMENT

Response to Investor Enquiries

Sydney, Australia, 20 March 2020 – In response to queries being received from investors, Splitit Payments Ltd (ASX: SPT, “Splitit” or the “Company”) advises that it continues to see growth from new business demand as a result of its highly differentiated business model, despite COVID-19.

The Business Model Is Not Exposed to Consumer Default

Splitit has no exposure to consumer defaults. Its unique business model utilises a customer’s existing credit card. Splitit does not engage in direct consumer financing or issue short term consumer loans, and therefore consumer default is not a Splitit business risk. Splitit does not need to monitor and prevent payment defaults or bad debt related risks and is not subject to regulatory oversight or licensing requirements associated with new credit provisions.

Splitit Serves a Different Customer Segment

Unlike other buy now, pay later providers, Splitit serves higher income customers who are typically over 30 years old, have multiple credit cards, and on average, have 70% of unutilised credit available. Effectively using existing credit helps with their credit scores, which becomes critical in these uncertain times.

At a time when access to new credit will become increasingly challenging for consumers, Splitit enables consumers to efficiently utilise the credit they have. Businesses will focus more on conversion and loyalty rather than increasing marketing spend. “We are more relevant than ever to consumers who need flexibility in payment terms on their own earned credit,” says Brad Paterson, CEO and Managing Director of Splitit.






Foundations in Place for Strong Growth

Splitit advises that it primarily uses externally sourced facilities to fund merchants, has no operating debt and maintains a strong balance sheet, with US\$16.3M in cash as at 31 December 2019.

“As per our announcement on 16 March, we do not believe COVID-19 will have a material impact on new merchant acquisition and our ongoing growth plans, despite the impact of any potential travel restrictions or integration delays placed on our expanding network. Our liquidity and balance sheet position remains firmly intact and will allow for implementation of our growth plans, including into 2021.” says Paterson.

“Despite an environment of projected slow down in consumer spending, Splitit is well positioned for growth. Throughout 2019, Splitit created the necessary foundation to enable rapid scale. With our technology, people and strategic partnerships, including Visa and Stripe, we are well positioned to execute on our plans, which includes potential strategic partnerships, new merchant agreements and global financing facilities,” says Paterson.

“Though macro-economic forces are changing around us, our differentiated solution in the market is not. Splitit is needed now more than ever,” adds Paterson.

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Splitit will be issuing its next quarterly report with an update on its key performance metrics towards the end of April 2020.

For more information, please contact:

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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 the need for 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 a number of countries around the world. Headquartered in New York, Splitit has an R&D centre in Israel and offices in London, with plans to establish itself in Australia for its expansion into the Asia-Pacific region.

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






Disclaimer

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

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

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

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

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