



ASX Announcement

28 February 2022

FY21 Full Year Results

Record MSV surpasses \$500M annualised run rate

- Record annual Merchant Sales Volume (MSV) of US\$396M, an increase of 61% Year on Year (YoY), with an annualised run rate over US\$500M based on Q4
- Active Merchants accelerated to 1.25K, up 60% YoY and Active Shoppers increased to 330K, up 43% YoY
- Google selects Splitit as its first instalment solution in Japan, via new white labelled solution
- US\$150M receivables warehouse facility with Goldman Sachs signed, lowering borrowing costs and improving transaction margins
- Expansion of credit card network with UnionPay and Discover
- Seasoned payments industry executive, Nandan Sheth, appointed as new CEO post period

Splitit Payments Limited ("Splitit" or the "Company") (ASX:SPT, OTCQX:SPTTY), the Company empowering shoppers to use their credit cards to pay in instalments, is pleased to announce its full year results for the financial year 2021 (FY21).

"Splitit has reported a strong year of record growth, hitting an annualised run rate of more than US\$500M in MSV in the final quarter. Merchant acceptance grew 60%, with 1.25K Active Merchants enjoying the flexibility, global scalability and improving cart conversion rates that Splitit offers, especially for higher value purchases. We also saw pleasing growth of 43% in Active Shoppers, which will continue to drive MSV. As a global team, we made a lot of progress over the last six months under Interim CEO John Harper, including improving internal collaboration, simplifying our value proposition for merchants and shoppers, and narrowing our focus on Splitit's core product and geographic markets. I would like to thank John for his commitment and hard work during his tenure, and we are very pleased with the momentum as he hands over to new CEO, Nandan Sheth," said Dawn Robertson, Chair of Splitit.

New CEO, Nandan Sheth, brings 20 years payments experience

Following a global executive search, the Board appointed seasoned payments industry executive, Nandan Sheth, as Splitit's new CEO in January 2022. Sheth brings domain expertise through his work at large payment companies, including Fiserv and American Express, along with major banks and Fortune 100 companies across North America and Europe. He also co-founded, scaled and successfully exited multiple fintech companies, including Harbor Payments (sold to American Express in 2006) and Acculynk (sold to First Data in 2017). Sheth commenced in the role of Splitit CEO on 28 February 2022.

"Attracting a CEO of Nandan's caliber is a strong validation of the value of Splitit's solution and the opportunities ahead for scaling the business. I have every confidence Nandan will take Splitit through this next growth phase and unlock the full potential of the company", Robertson concluded.



The Company advises that it has issued 15,249,675 Performance Rights to Nandan Sheth under the Employee Share Incentive Plan. Further details in respect of the Performance Rights are available in the ASX announcement dated 25 January 2022.

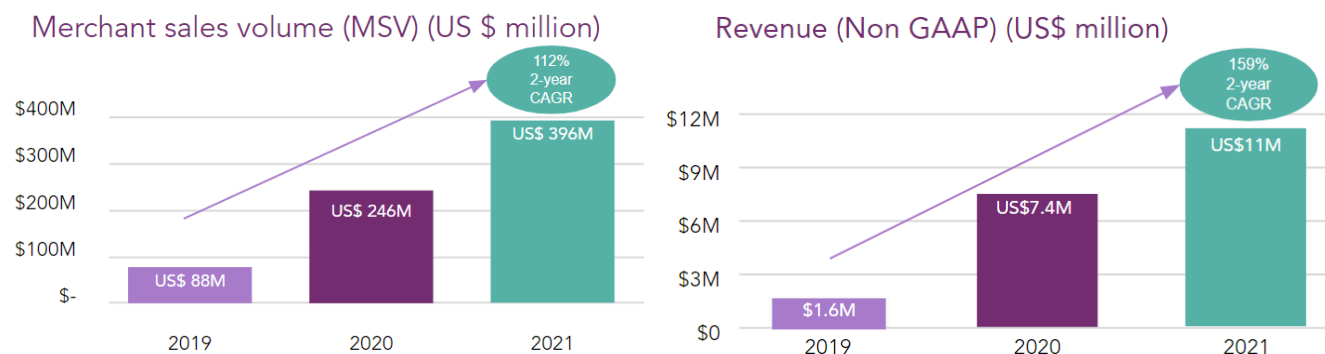
An Appendix 3G in respect of the Performance Rights issued will separately follow this announcement.

FY21 GROWTH & PERFORMANCE

Splitit achieved record annual MSV growth of 61% YoY compared to FY20, reporting MSV of US\$396M (FY20 US\$246M). On an annualised basis, this represents a run rate over US\$500M in MSV based on Q4 FY21. This growth was reflected across Splitit's core geographic markets of North America and the United Kingdom, along with strong growth in Japan. Normalising for Splitit's deliberate shift away from accepting debit cards to focus solely on credit card transactions, MSV growth would have been 72% YoY.

Revenue (Non-GAAP) grew 48% YoY to US\$11M for FY21 (FY20 US\$6.7M). FY21 MSV growth was higher than revenue growth due to the Company's more diversified merchant base, plus a slightly higher proportion of MSV being generated via the basic model, and the removal of debit card transactions.

Figures 1 and 2: MSV and Revenue Growth in FY21



Merchant & Shopper Growth

12-month Active Merchants grew strongly during the financial year, increasing 60% YoY to 1.25K Active Merchants (FY20 0.8K). Multiple new large merchants with significant addressable MSV adopted Splitit, including Google Japan (see below), MyPillow, Simplilearn, Horizon Fitness, Gem Shopping Network, Rare Carat, PROCAM, Fabergé, KEF and Aftershock PC Australia.

Active Shoppers also grew strongly in FY21. As the only BNPL solution that allows consumers to use their pre-existing unused credit card balances at the point of sale, Splitit's consumer friendly BNPL solution is attractive to shoppers as it allows them to continue collecting cash back, rewards and points, without additional risk to their credit profiles. In addition, it doesn't require shoppers to take on new debt or have credit checks, and has no



application, interest or late fees. Splitit reported 330K Active Shoppers at the end of December 2021, representing 43% growth YoY.

Throughout FY21, Splitit's Average Order Value (AOV) remained above US\$1K, as shoppers continued to select Splitit for higher value purchases, such as home furnishing, sporting equipment and luxury items like jewelry.

Table: Full Year FY21 Key Performance Metrics

Operating Metrics	FY21	Comparison to FY20 (YoY)
Merchant Sales Volume (MSV) ¹	US\$ 396M	+61% (US\$246M)
Revenue (Non-GAAP) ²	US\$.11M	+48% (US\$7.4M)
Revenue (GAAP) ³	US\$10.5M	+57% (US\$6.7M)
12M Active Merchants ⁴	1.25K	+60% (0.8K)
12M Active Shoppers ⁵	330K	+43% (231K)

Google Japan selects Splitit

Splitit became Google's first instalment payment solution in Japan, signing an agreement in January 2021 to enable the Google Store Japan to support instalment payments for customers purchasing Pixel mobile phones. Japan represents a significant market for Splitit in its partnership with Google due to strong credit card use, where 68% of adults hold a credit card⁶. Splitit is also advancing opportunities to expand the agreement to additional products and geographies in the future.

¹ Underlying MSV for successful transactions on which a merchant fee is charged.

² Revenue invoiced to merchants for the period, translated to reporting currency. Under the funded model, revenue is invoiced upfront at the date of funding. Under the basic model, revenue is invoiced monthly as each instalment is processed. This non-GAAP measure has not been independently audited or reviewed, and will differ from GAAP revenue due to IFRS revenue recognition rules.

³ Revenue recognised in accordance with International Financial Reporting Standards.

⁴ Number of merchants that have received a payment in the previous 12 months.

⁵ Number of shoppers that have made a purchase in the previous 12 months.

⁶ [The Global Economy: Percent people with credit cards - Country rankings](#)



Partnerships & Innovation

Splitit signed new partnerships with UnionPay International, part of China UnionPay, and Discover Global Network Cardholders during the financial year. The addition of two major global card schemes to Splitit's portfolio of credit card partner networks, including Mastercard and Visa expands its credit card network significantly.

Splitit is now available to UnionPay International's global network, including UnionPay card holders and merchants accepting UnionPay. The UnionPay global acceptance network reaches 180 countries and regions, covering over 55 million merchants. Similarly, the Discover Global Network Cardholders has more than 50 million merchant acceptance locations and includes the Discover Network, Diners Club International, PULSE and more than 20 alliance partner networks globally.

Splitit also continued to innovate during the year, including extending its technology to provide white label offerings of its instalment solution for both merchants, such as Google, and third party BNPL partners such as leading Middle East provider, tabby. The white label solution accelerates Splitit's growth opportunities while broadening future revenue streams.

Splitit also completed integrations with Salesforce Commerce Cloud and Wix, helping Splitit to support six of the leading global e-commerce platforms.

New Credit Facilities with Goldman Sachs: Improving transaction margins

To support the continued expansion of the business, Splitit signed a new US\$150M three-year revolving receivables funding facility with Goldman Sachs Bank USA in February 2021. The facility doubled the size of Splitit's previous funding capacity and can support US\$650M of annual MSV. The agreement was later expanded to encompass Splitit's MSV growth in Japan.

The facility has already begun reducing borrowing costs and improving transaction margins throughout the second half of the year as other higher-cost facilities were repaid throughout FY21.

ADR Program launched to complement ASX listing

In November 2021, Splitit launched a sponsored Level 1 American Depositary Receipts Program (ADR Program). The ADR Program enables Splitit to have direct exposure to the US Investment community and offers enhanced trading liquidity to complement Splitit's listing on the Australian Securities Exchange. Splitit's ADRs trade under the symbol SPTTY and represent 1 ADR for every 40 ASX-traded SPT ordinary shares.

Note: Unless specified otherwise, all amounts are in USD. Foreign currency amounts have been converted to USD at an average monthly exchange rate.



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 3,000 eCommerce merchants in over 30 countries and shoppers in over 100 countries. Headquartered in New York, Splitit has an R&D centre in Israel and offices in London and Australia. The Company is listed on the Australian Securities Exchange (ASX) under ticker code SPT. The Company also trades on the US OTCQX under ticker codes SPTTY (ADRs) and STTTF (ordinary shares).

Key Points	
Consumer friendly for shoppers	As the only BNPL player allowing shoppers to use their pre-existing unused credit card balances at the point of sale, Splitit offers a consumer friendly BNPL solution with no new debt or credit checks, no application, no interest or late fees charged. It also allows shoppers to continue collecting perks like cash back, rewards and points as they would on normal credit card transactions, without any risk of damaging their credit profile.
Unique benefits for merchants	Splitit is highly integrated (shoppers don't need to leave the merchant's website), easy to implement and offers longer and flexible loans, reducing shopper friction and driving sales conversion rates. It also offers merchants the option of a funded or non-funded model.
Globally scalable model, boosted by white labelling	Splitit is fundamentally a technology business leveraging the existing global credit card payment rails. This means its branded or white label solution can be adopted in new markets without the need for an 'on the ground' presence, delivering strong operating leverage, enhanced scalability and a cost-effective pathway to profitability.
Already subject to existing credit card regulatory framework, and allows merchant surcharging	As a technology solution that operates within the highly regulated credit card industry, Splitit has a distinct advantage over BNPL competitors who are under increasing global regulatory scrutiny due to their consumer financing models. In addition, mounting sector-wide pressure to allow merchant surcharging will not impact Splitit, as merchants are already allowed to surcharge on credit cards.
Unique IP	Splitit's protected IP secures the pre-authorisation on a consumer's credit card limits consumer defaults, as the transactions are secured by the credit card issuers. This unique business model provides operating leverage at scale and a pathway to future profitability without the same associated risk.



The announcement has been approved and authorised to be given to ASX by Dawn Robertson, Chairman 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.

Disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should seek appropriate advice before making investment decisions.

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 historical 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



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

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