



**SPLITIT PAYMENTS LIMITED**  
ARBN 629 557 982

**OPTIONS PROSPECTUS**

For the offer of up to 30,177,515 options exercisable at \$0.20 each and expiring 30 months from the date of issue.

The Offer under this Prospectus closes at 5pm (Melbourne time) on 30 September 2022.

***Important Notice***

*This document is important and should be read in its entirety before deciding whether to apply for the Placement Options. If after reading this Prospectus you have any questions about the Placement Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.*

*The Placement Options offered by this Prospectus should be considered speculative.*

*This document may not be released to US wire services or distributed in the United States except by the Company to institutional accredited investors.*

## Table of Contents

---

<b>Important Notes</b>	<b>2</b>
<b>1 Details of the Offer</b>	<b>5</b>
<b>2 Application for Placement Options</b>	<b>11</b>
<b>3 Effect of the Offer on the Company</b>	<b>12</b>
<b>4 Risk Factors</b>	<b>14</b>
<b>5 Additional Information</b>	<b>18</b>
<b>6 Defined Terms</b>	<b>29</b>
<b>7 Corporate Directory</b>	<b>31</b>

## Important Notes

---

This Prospectus is dated 23 September 2022 and was lodged with ASIC on that date. Neither ASIC nor ASX take responsibility for the content of this Prospectus. No securities will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus. The Company will apply to ASX for the Placement Options to be granted quotation on the ASX.

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. This is an important document that should be read in its entirety. If after reading this Prospectus you have any questions about the Placement Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Placement Options being offered by this Prospectus should be considered speculative. The general advice provided in this Prospectus has been prepared without taking into account your specific personal circumstances.

In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. You should therefore have regard to other publicly available information about the Company before making a decision whether or not to invest in Shares in the Company.

In particular, it is important that you consider the risk factors (see Section 4 of this Prospectus) that could affect the performance of the Company before making an investment decision.

### Overseas Investors

This Prospectus does not, and is not intended to, constitute an offer or invitation in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

The Offer is not being extended, and Placement Options will not be issued, to investors with a registered address which is outside Australia and New Zealand, other than Specified Foreign Investors.

The distribution of this Prospectus (including an electronic copy) outside of Australia and New Zealand may be restricted by law. If you come into possession of the information in this Prospectus, you should observe such restrictions and seek your own advice on such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

### Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company Secretary on +61 3 9614 2444 or at [splitit@cdplus.com.au](mailto:splitit@cdplus.com.au) and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### Forward-looking Statements

This Prospectus contains certain forward-looking statements which are identified by words such as 'anticipates', 'believes', 'could', 'estimates', 'expects', 'forecast', 'likely', 'intend', 'may', 'project', 'should', 'targets', 'aim', 'will' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its Directors and its management, including the risks and uncertainties described in Section 4 “Risk Factors”.

Forward looking statements may include, but are not limited to, statements with regard to projected capital costs, capacity, sale projections and financial performance. Forward looking statements are provided as a guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. You are cautioned not to place undue reliance on forward looking statements and, except as required by law or regulation, the Company assumes no obligation to update these forward-looking statements.

To the maximum extent permitted by law, the Company and its Directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood or fulfilment of any forward looking statement or any event or results expressed or implied in any forward looking statement, and disclaim all responsibility and liability for these forward looking statements (including, without limitation, liability for negligence).

### **Past Performance**

Past performance and any historical financial information given in this Prospectus or incorporated into this Prospectus by reference is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. This historical information is, or is based upon, information that has been released to ASX. For further information, please see past announcements released to ASX.

### **Target Market Determination**

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Placement Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company’s website: <https://www.splitit.com/investors/share-registry-and-adr-information/target-market-determination>.

By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

### **Disclaimer of Representations**

No person is authorised to give any information, or to make any representation, in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not in this Prospectus and not in materials published to the market may not be relied on as having been authorised by the Company, or its related bodies corporate, in connection with the Offer. Except as required by law, and only to the extent so required, neither the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus.

### **Privacy Act**

If you complete an Application Form, you will be providing personal information to the Company (directly or via the Registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian

Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application Form, the Company may not be able to accept or process your application.

### **Miscellaneous**

Unless otherwise stated, all dollar values in this Prospectus are in Australian dollars (A\$).

Capitalised terms used in this Prospectus have the meaning given in the Defined Terms in Section 6 unless the context requires otherwise.

# 1 Details of the Offer

---

## 1.1 Background to the Offer

On 29 August 2022, the Company announced a capital raising of approximately \$11.21 million (before costs) (**Placement**). The capital raising is comprised of the following two tranches:

- (a) the issue of 60,355,000 Shares at an issue price of \$0.175 per Share (**Placement Shares**); and
- (b) subject to Shareholder approval, the issue of 4,071,428 Shares to certain Directors (or their nominees) at an issue price of \$0.175 per Share (**Director Placement Shares**).

The Placement Shares were issued on 5 September 2022 using the Company's available placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A. The Placement Shares were offered to sophisticated and professional investors without disclosure under the Corporations Act.

Under the terms of the Placement, each person or entity to whom Placement Shares were issued (**Placement Participant**) is also entitled to be offered one (1) free-attaching Option for every two (2) Placement Shares issued to that Placement Participant (**Placement Options**).

Similarly, subject to Shareholder approval, each Director who subscribed for Director Placement Shares is also entitled to be offered one (1) free-attaching Option for every two (2) Director Placement Shares subscribed by that Director (**Director Placement Options**).

The Placement Options are being offered under this Prospectus and will be issued without Shareholder approval using the Company's available 15% placement capacity under the ASX Listing Rule 7.1.

The Company expects the issue of the Placement Options to occur on or around 5 October 2022.

The proposed issue of the Director Securities to each of Nandan Sheth, Dawn Robertson, Dan Charron, Vanessa LeFebvre, Jan Koelble and Thierry Denis (or their respective nominees) (**Participating Directors**) is subject to Shareholder approval at an extraordinary general meeting expected to be held at a later date and is not part of the Offer under this Prospectus.

## 1.2 The Offer

Under this Prospectus, the Company is offering up to 30,177,515 Placement Options exercisable at \$0.20 per Placement Option and expiring 30 months from the date of issue.

Only Placement Participants may apply for Placement Options under the Offer. No funds are payable under the Offer.

An Application Form in relation to the Offer will be issued to the persons eligible to receive Placement Options under the Offer (or their nominee(s)) together with a copy of this Prospectus in electronic form.

Applications for Placement Options under the Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.

The primary purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any Placement Options that are issued under the Offer and to facilitate the quotation of the Placement Options.

The Offer is being made such that the relief provided under *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Placement Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Placement Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised as a result of the Offer as the Placement Options are offered on a free-attaching basis to the Shares issued under the Placement.

The Company will apply for quotation of the Placement Options (see Section 1.7).

### 1.3 Minimum Subscription

There is no minimum subscription.

### 1.4 Indicative Timetable

Event	Date
Lodgement of Prospectus with ASIC and lodgement of Appendix 2A with ASX	23 September 2022
Opening Date of the Offer	23 September 2022
Closing Date of the Offer	5pm (Melbourne time) on 30 September 2022
Issue of Placement Options	5 October 2022
Commencement of trading on a normal settlement basis of the Placement Options on ASX	6 October 2022

The Directors reserve the right to vary these dates, including the Closing Date, without prior notice but subject to any applicable requirements of the Corporations Act or the ASX Listing Rules. This may include extending the Offer or accepting late acceptances, either generally or in particular cases, closing the Offer earlier than the Closing Date or withdrawing the Offer. No cooling-off rights apply to applications submitted under the Offer. The commencement of quotation of the Placement Options is subject to approval and confirmation from ASX.

### 1.5 Applications

This Offer is not open to the general public and is only open to the Placement Participants (or their nominee(s)). A Placement Participant may only apply for a maximum of one (1) Placement Option for every two (2) Placement Shares that were issued to that Placement Participant.

An Applicant can only apply for the relevant number of Placement Options using the Application Form attached to this Prospectus.

Applicants will need to follow the procedures advised to them by the Company for Applications under this Offer.

### 1.6 Issue and Allotment of Placement Options

The Placement Options will, at the discretion of the Board, be issued as soon as practicable after the Closing Date.

## 1.7 ASX Listing

The Company will make an application to ASX within seven (7) days following the date of this Prospectus for official quotation of the Placement Options.

The Placement Options offered under this Prospectus will only be admitted to quotation by ASX if the conditions for quotation of a new class of securities are satisfied, which include (amongst other things):

- (a) there being a minimum of 100,000 of the Placement Options on issue; and
- (b) there are at least 50 holders with a marketable parcel (within the meaning of the Listing Rules).

If the Placement Options to be issued under this Prospectus are not admitted to quotation within a period of three months from the date of this Prospectus, the Placement Options will still be issued, however, they will not be quoted on ASX.

A decision by ASX to grant official quotation of the Placement Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Placement Options.

## 1.8 Foreign jurisdictions

This Prospectus does not constitute an offer of Placement Options or underlying Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Offer. No action has been taken to register or qualify the Placement Options or the underlying Shares or otherwise to permit an offering of securities to any jurisdiction outside Australia or New Zealand, except to the extent permitted below.

### (a) Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Prospectus may not be distributed, and the Placement Options and the underlying Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Placement Options has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Placement Options that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Placement Options may sell, or offer to sell, such securities or the underlying Shares in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### (b) New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act").



The Placement Options are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

(c) **Singapore**

This Prospectus and any other materials relating to the Placement Options have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Placement Options, may not be issued, circulated or distributed, nor may the Placement Options be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Prospectus.

Any offer is not made to you with a view to the Placement Options or the underlying Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Placement Options, and/or Shares on exercise of Placement Options. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

(d) **United Kingdom**

Neither this Prospectus nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Placement Options.

The Placement Options and the underlying Shares may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Placement

Options has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

**(e) United States**

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Placement Options and the underlying Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, such securities may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The Placement Options and the underlying Shares will only be offered and sold in the United States to:

- (i) "institutional accredited investors" within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- (ii) dealers or other professional fiduciaries organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

**1.9 Market Prices of Existing Shares on ASX**

The highest and lowest closing market prices of Shares on ASX during the period during the three months immediately preceding the date of this Prospectus that the Company's Shares were trading on ASX and the respective dates of those prices were \$0.26 on 28 July 2022 and \$0.11 on 23 June 2022. The latest available closing market price of Shares on ASX immediately before the date of issue of this Prospectus was \$0.13 on 21 September 2022.

**1.10 Substantial Shareholders**

Based on substantial shareholder notices lodged as at the date of this Prospectus, those persons who, together with their associates, have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial shareholder	Number of Shares	Voting Power as at date of this Prospectus
Various associated parties including Viktoria Neil Krain and Jason Julian Krigsfeld <Read the Book No 2 A/C>	57,420,778 <sup>1</sup>	10.80%
Perea Capital Partners, LP	33,000,000 <sup>2</sup>	6.20%

Tiga Trading Pty Ltd, Thorney Technologies Ltd and each of the Thorney Investment Group entities listed in the ASIC Form 603 dated 5 September 2022	35,244,232 <sup>3</sup>	6.63%
---	-------------------------	-------

<sup>1</sup> As disclosed in the ASIC Form 604 relating to the Read the Book Trust dated 30 June 2021 comprising 22,061,723 shares beneficially held by Viktoria Krain and 30,100,000 shares held by Read the Book Trust over which Viktoria Krain has retained voting rights. As 21 September 2022, the Company's share registry indicates that 133,917 shares are held by Mr Jason Julian Krigsfeld and 4,100,000 shares are held by Mr Jason Julian Krigsfeld <Read the Book A/C>. The Company is unable to confirm the extent to which the holder may hold additional shares under a custodian or nominee.

<sup>2</sup> As disclosed in the ASIC Form 604 lodged on 4 July 2022.

<sup>3</sup> As disclosed in the ASIC Form 603 lodged by Tiga Trading Pty Ltd on 5 September 2022 and the ASIC Form 603 lodged by Thorney Technologies Ltd on 5 September 2022.

## 1.11 Major activities and financial information

A summary of the major activities and financial information relating to the Company, for the financial year ended 31 December 2021, can be found in the Company's Annual Report announced on ASX on 28 February 2022 and, for the half-year ended 30 June 2022, the Half Year Financial Report announced on ASX on 31 August 2022. The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of the Annual Report are listed in Section 5.3. Copies of these documents are available free of charge from the Company. The Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

## 1.12 CHESS

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of new Placement Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

## 1.13 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Placement Options under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

You should consult your professional tax adviser in connection with subscribing for Placement Options under the Offer.

## 2 Application for Placement Options

---

### 2.1 Application Form

Persons entitled to apply for Placement Options under the Offer should complete and submit an Application Form, in accordance with the instructions on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided.

Completed Application Forms must be lodged at any time after the issue of this Prospectus and on or before the Closing Date.

### 2.2 Acceptance of Application

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Placement Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Placement Options.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form, you will be deemed to have represented that you are entitled to apply for Placement Options under the Offer. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Placement Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you have a registered address in Australia, or another country which permits the Company to make the Offer to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Placement Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the Placement Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

## 3 Effect of the Offer on the Company

### 3.1 Use of Funds

No funds will be raised as a result of the Offer.

The Company will receive \$0.20 for each Placement Option exercised. If all Placement Options are issued and exercised, the Company will receive approximately \$6.04 million (before costs). There is no certainty that any of the Placement Options will be exercised.

It is currently intended that any funds raised by the exercise of the Placement Options will be applied towards the general working capital of the Company.

The application of funds will depend on when Placement Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

### 3.2 Effect of the Offer on the Capital Structure

The pro-forma capital structure of the Company following the Offer pursuant to this Prospectus is set out below:

Issued Capital	Number
Shares on issue as at the date of this Prospectus	531,913,554
Placement Options offered under this Prospectus	30,177,515
<b>Total Shares on issue if all Placement Options are exercised (assuming no other convertible securities are converted)</b>	<b>562,091,069</b>
Director Placement Options to be issued subject to Shareholder approval	2,035,714
<b>Total Shares on issue if all Placement Options are exercised and all Director Placement Options are issued and exercised (assuming no other convertible securities are converted)</b>	<b>564,126,783</b>
Performance Rights	38,968,506
Warrants <sup>1</sup>	8,666,668
Various other unquoted Options	28,219,051

<sup>1</sup> The Company has agreed to issue a further 4,333,334 Warrants subject to the Company utilising certain thresholds of the receivables funding facility provided by Goldman Sachs.

### 3.3 Diluting effect of the Offer

On the assumptions that:

- (a) all of the Placement Options offered under this Prospectus are issued and exercised into Shares; and
- (b) no other Securities are issued or exercised (including the Performance Rights and Warrants currently on issue),

the dilutive effect of the Offer on the interests of existing Shareholders' would be 5.67%.

### **3.4 Financial Effect of the Offer**

The Company does not consider that the Offer will have a material effect on the Statement of Financial Position of the Company, as the Placement Options will be issued as free attaching options for no consideration. As noted above, any funds raised from the exercise of Placement Options issued under the Offer will be applied towards the general working capital of the Company.

The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$20,206. Please refer to Section 5.6 for further details on the estimated expenses of the Offer.

### **3.5 Effect of the Offer on Control**

The Offer will not have an impact on the control of the Company.

## 4 Risk Factors

---

### 4.1 Introduction

The Placement Options offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for the Placement Options pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Placement Options or the underlying Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

### 4.2 Specific risks

The following specific risks may significantly impact the Company, its performance and the price of its Shares.

#### **Failure to scale the business and gain market share**

Splitit's ability to increase transaction volumes, merchants, revenue, and ultimately achieve profitability, is dependent on its ability to attract new merchants and partners, as well as the continued relationships with current merchants. There can be no guarantee that these existing relationships will continue or, if they do continue, that these relationships will continue to be successful. Furthermore, the failure to successfully attract new merchants and partners at sufficient scale, or to successfully implement and integrate new merchants and partners to the Platform, may adversely impact Splitit's ability to achieve future profitability.

#### **Failures or disruptions to the Splitit Platform**

Splitit depends on the constant real-time performance, reliability and availability of its technology system and third-party communication networks. There is a risk that these systems may fail to perform as expected or be adversely impacted by a number of factors, some of which may be outside the control of Splitit, including damage, equipment faults, power failure, fire, natural disasters, computer viruses and external malicious interventions such as hacking or denial-of-service attacks. Events of that nature may cause part or all of Splitit's technology system and/or the communication networks used by Splitit to become unavailable. Splitit's operational processes and contingency plans may not adequately address every potential event. This may disrupt transaction flow and adversely impact Splitit's financial performance and reputation.

#### **Security breaches and data protection**

Through the ordinary course of business, Splitit collects a wide range of confidential information. Cyber-attacks may compromise or breach the technology platform used by Splitit to protect confidential information. There is a risk that the measures taken by Splitit may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential information. Any data security breaches or Splitit's failure to protect confidential information could result in the loss of information integrity, or breaches of Splitit's obligations under applicable laws or agreements, each of which may materially adversely impact the Splitit's financial performance and reputation.

#### **Intellectual Property Protection**

Splitit relies on laws relating to trade secrets, copyright and trademarks to assist in protecting its proprietary rights. Although Splitit presently has a number of registered patents and trademarks, there is a risk that unauthorised use or copying of Splitit's software, data, technology or platforms will occur. In addition, there is a risk that the validity, ownership or

authorised use of intellectual property relevant to Splitit's business may be successfully challenged by third parties. This could involve significant expense and potentially the inability to use the intellectual property in question, and if an alternative cost-effective solution were not available, it may materially adversely impact Splitit's financial position and performance.

### **Liquidity and funding risk**

Splitit's current funded business model is reliant on the ability to pay merchants upfront, before collecting payment back in instalments over time. Whilst the Company currently has access to a US\$150m funding facility through Goldman Sachs, should future liquidity be required to fund merchants in excess of what is available to Splitit at the time, there is a risk that merchants may be dissatisfied and unwilling to continue on Splitit's non-funded business model. This could have an adverse impact on Splitit's financial performance.

The Goldman Sachs debt facility has a number of customary financial and performance covenants, including minimum liquidity and net tangible assets requirements. Should Splitit be unable to maintain compliance with all covenants, there is a risk of an event of default under the loan facility. In addition, Splitit may be required to raise additional equity or debt funding in the future to support continued growth in merchant funding and general working capital. An inability to secure required equity and/or debt funding when required may impact both the pursuit of new business opportunities, and also Splitit's ability to continue as a Going Concern.

### **Loss of key management personnel**

Splitit's ability to effectively execute its growth strategy depends upon the performance and expertise of its key management personnel. The loss of key management personnel, or any delay in their replacement, may adversely affect Splitit's future financial performance.

### **Competitors and new market entrants**

There is a risk that new entrants enter the market, which may disrupt Splitit's business and existing market share. Existing competitors as well as new competitors entering the industry, may engage in aggressive customer acquisition campaigns, develop superior technology offerings or consolidate with other entities to deliver enhanced scale benefits. Such competitive pressures may materially erode Splitit's market share and revenue and may materially and adversely impact Splitit's revenue and profitability.

### **Receivables Impairment Expenses**

Splitit's business model exposes the Group to two areas of credit risk:

- (a) merchant default risk, due to shopper collections that are passed to a merchant prior to being collected by Splitit; and
- (b) shopper default risk on a limited amount of payment gateways where a secured pre-authorisation is not possible, or on legacy debit card transactions (i.e. non-secured authorisation model). This risk is now heavily mitigated due to the fact that internal policy and lender covenants restrict non-secured receivables to 10% of the portfolio, larger and/or higher risk merchants have been migrated to secured gateways after going live, and debit card transactions were disabled as an offering after 31 December 2020.

### **Currency risk**

Whilst Splitit expects to continue to derive a majority of its revenue from the United States in US dollars, it also derives revenue in GBP, Euro, Yen, AUD, CAD. It is also required to make payments in all of the aforementioned currencies, as well as the Israel New Shekel (NIS). Accordingly, changes in the exchange rate between the US dollar and any other currencies would be expected to have a direct effect on the performance of Splitit.

### **Macroeconomic factors**

Splitit's business depends on end-customers transacting with merchants, which in turn is affected by macroeconomic conditions that impacts consumer spending power. These factors include unemployment, interest rates, customer confidence, inflation, cost of living, economic recessions, downturns or extended periods of uncertainty or volatility. Unforeseen global events



such as pandemics, war, and natural disasters may also impact macroeconomic conditions and consumer spending. This may subsequently impact Splitit's ability to generate revenue.

Additionally, Splitit is exposed to interest rate movements through its debt facilities. An inability to pass on increased costs to merchants may impact Splitit's profitability.

#### **Litigation, claims and disputes**

Splitit may be subject to litigation and other claims and disputes in the ordinary course of business, including contractual disputes, employment disputes, indemnity claims, and occupational and personal claims. Even if Splitit is ultimately successful, there is a risk that such litigation, claims and disputes could materially and adversely impact Splitit's operating and financial performance due to the time and cost of settling such claims, and also affect Splitit's reputation.

Splitit advises that proceedings have been commenced against the Company in an Israeli court concerning alleged entitlements to finders fees in connection with a pre-IPO capital raise, the Company's IPO and secondary capital raising in May 2019. The Company previously paid approximately US\$480,000 in connection with those agreements. The Company has assessed the claims and intends to vigorously defend them. Furthermore, the Company does not intend to make any provision in its accounts for any claim for cash payments. The claims include the following:

- (a) a claim that the plaintiffs are entitled to 724,792 options to acquire ordinary Shares at an exercise price of AUD\$0.1329 per share, 2,700,000 options to acquire ordinary Shares at an exercise price of AUD\$0.20 per share, and 1,687,500 options to acquire ordinary Shares at an exercise price of AUD\$0.80 per share;
- (b) a claim that the plaintiffs are entitled to a cash payment of approximately AUD\$1,350,000; and
- (c) a claim for compensation relating to the fall in the Company's share price since January 2021.

#### **Laws and regulations**

Splitit is subject to a range of legal and industry compliance requirements in the jurisdictions in which we conduct business. This includes privacy laws, consumer protection laws, contractual conditions, card network rules, Anti-Money Laundering/Counter Terrorism Financing Act in relation to merchant customers, Accounting Standards, ASX listing rules, and relevant local corporate and securities laws. Failure to comply with these obligations, or to appropriately respond to changes in obligations, may result in significantly increased compliance costs, cessation of certain business activities or the ability to conduct business, litigation or regulatory enquiry or investigation and significant reputational damage.

### **4.3 General risks**

The following general risks may significantly impact the Company, its performance and the price or value of the Placement Options or the underlying Shares:

- economic conditions in Australia and internationally;
- investors' sentiment and share market conditions;
- changes in fiscal and monetary policy by governments;
- changes in taxation and other laws;
- natural disasters;
- war or terrorist attacks;
- opposition of environmental or community groups to the Company's activities;

- changes in commodity prices and foreign exchange rates;
- inability of the Company to obtain any necessary regulatory approvals; and
- availability of credit.

### **General investment risk**

There are risks associated with any listed company investment. The price at which Placement Options and Shares are quoted on the ASX may be subject to fluctuations in response to various factors, many of which are outside Splitit's control, such as general movements in stock markets, changes to government fiscal, monetary or regulatory policy, changes in legislation or the regulatory environment, recommendations by brokers and analysts, changes in the market valuation of other comparable companies, changes in general domestic and global economic conditions including interest rates and exchange rates, and general macroeconomic conditions. As a consequence, Shares may trade at a higher or lower price than the exercise price of the Placement Options issued under the Offer.

### **Liquidity risk**

There can be no guarantee of an active market for Placement Options or the underlying Shares, or that the price of Placement Options or underlying Shares will increase. Applicants who wish to sell their Placement Options acquired under the Offer may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market.

### **Dividends**

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

### **Taxation**

The acquisition and disposal of Placement Options will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Placement Options from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for the Placement Options under this Prospectus.

### **Operation in a Highly Regulated Environment**

Changes in legislation, regulation or government policy may have an adverse impact on the Company's operational and financial performance. Uncertainty and conflict between the laws of different jurisdictions that apply to the Company may also have an adverse effect on the operation of the Company. Court decisions concerning the interpretation of legislation, regulations or government policy may also have an adverse effect on the operational and financial performance of the Company.

### **General Economic Conditions**

Economic conditions, both domestic and global, may affect the performance of the Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

### **Equity Market Conditions**

Securities listed on the stock market can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of the Shares include economic conditions in both Australia and internationally (particularly Australian, Israeli, US, UK, European, Canadian and Japanese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

#### **Investment speculative**

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Placement Options offered under this Prospectus. Therefore, the Placement Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Placement Options.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Placement Options.

## **5 Additional Information**

---

### **5.1 Terms and conditions of Placement Options**

The terms and conditions of the Placement Options are as follows:

- (a) **(Entitlement):** Each Placement Option gives the holder the right to subscribe for one Share.
- (b) **(Expiry Date):** Unless an Exercise Notice and full payment of the Exercise Price in cleared funds has been received by the Company, the Placement Option will automatically lapse at 5:00pm (Melbourne time) on the date that is 30 months from the date of issue **(Expiry Date)**.
- (c) **(Exercise Price):** Subject to paragraph 5.1(j), the amount payable to exercise each Placement Option is \$0.20 per Option.
- (d) **(Exercise):** A holder may exercise their Placement Options by lodging with the Company, on or before the Expiry Date:
  - (i) a written notice of exercise of Placement Options specifying the number of Placement Options being exercised; and
  - (ii) an electronic funds transfer for the Exercise Price for the number of Placement Options being exercised.
- (e) **(Exercise Notice):** An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds. The Placement Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 Placement Options must be exercised on each occasion.
- (f) **(Timing of issue of Shares on exercise):** Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Placement Options specified in the Exercise Notice.

- (g) **(Transferability):** The Placement Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws.
- (h) **(Ranking of Shares):** All Shares allotted upon the exercise of Placement Options will upon allotment be fully paid and rank *pari passu* in all respects with other Shares.
- (i) **(Quotation):** The Company will apply for quotation of the Placement Options on ASX. The Company will apply for quotation of all Shares allotted pursuant to the exercise of Placement Options on ASX within 5 Business Days after the date of allotment of those Shares.
- (j) **(Reconstruction):** If at any time the issued capital of the Company is reconstructed, all rights of a holder of Placement Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (k) **(Participating rights):** There are no participating rights or entitlements inherent in the Placement Options and holders will not be entitled to participate in new issues of capital offered to Shareholders without first exercising the Placement Options.
- (l) **(Amendments):** A Placement Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the Placement Option can be exercised.

## 5.2 Rights and Liabilities Attaching to Shares

Full details of the rights attaching to the Shares are set out in the Company's Articles of Association, a copy of which can be requested from the Company for no charge.

The following is a summary of the principal rights that attach to the Shares of the Company under the Articles of Association:

<b>Voting</b>	<p>At any general meeting a resolution put to the vote of the meeting is decided on a show of hands of all shareholders entitled to vote or by a written ballot, as determined by the Directors and applicable law. A shareholder or shareholder's proxy entitled to vote at a meeting may demand that a resolution is voted on by a written ballot, either before the proposed resolution is put or immediately after the declaration of the results of a vote by a show of hands.</p> <p>In a ballot, on a show of hands or by any other means of voting, each shareholder is entitled to one vote for each Share held. At meetings of shareholders or classes of shareholders, each shareholder entitled to vote may vote in person or by proxy or by appointed representative. If two or more persons hold Shares jointly, the vote of a senior holder (as determined by the order in which names stand in the register) will be accepted to the exclusion of the vote of the other joint holder.</p>
<b>Dividends</b>	<p>Subject to the applicable law, the Directors may pay a dividend in respect of Shares and may decide the terms on which the dividend is to be paid.</p>
<b>Transfer of Shares</b>	<p>Subject to the Articles of Association, a member may transfer all or any of the member's Shares by submitting to the Company or its transfer agent a proper instrument of transfer in form and substance satisfactory to the Directors, with such other evidence of title as the Directors may reasonably require.:</p> <p>If permitted by law, the Directors may, in their absolute discretion, close the register to transfers of Shares for any period determined by the Directors and the Directors will notify Shareholders of such suspension of registration of transfers.</p>

<b>Meetings and Notice</b>	<p>Notice may be given in such form and manner as the Company may choose, subject to applicable law.</p> <p>Shareholders holding either (i) 5% or more of the outstanding voting rights in the Company or (ii) 5% or more of the issued Shares and 1% of the outstanding voting rights may requisition meetings in accordance with the Israeli Companies Law.</p>
<b>Liquidation rights</b>	<p>If the Company is wound up, subject to any special or preferential rights attaching to any class of Shares, shareholders will be entitled in a winding up of the Company to share in any surplus assets of the Company in proportion to the Shares held by them, less any amounts which remain unpaid on the Shares at the time of distribution.</p>
<b>Alteration of Capital</b>	<p>Subject to applicable law, the Company may alter its share capital by consolidation, subdivision, cancellation or reduction.</p>
<b>Variation of Rights</b>	<p>The rights attaching to a class of Shares may be varied, subject to the ASX Listing Rules and the Israeli Companies Law, by:</p> <ul style="list-style-type: none"> <li>• an ordinary resolution passed by the Company's Shareholders; and</li> <li>• approval by the holders of a simple majority of the affected class of Shares.</li> </ul>
<b>Listing Rules</b>	<p>The Company is admitted to the Official List, and as such despite anything in the Articles of Association, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Articles of Association prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Articles of Association to contain a provision or not to contain a provision the Articles of Association is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Articles of Association is or becomes inconsistent with the Listing Rules, the Articles of Association is deemed not to contain that provision to the extent of the inconsistency.</p>

### 5.3 Continuous Disclosure Obligations

As the Company is admitted to the Official List, the Company is a "disclosing entity" for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations. As a listed company, the Company is required to continuously disclose to the market any information it has, which a reasonable person would expect to have a material effect on the price or value of its Shares.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. In general terms, a transaction specific prospectus is only required to contain information in relation to the effect of the issue of the securities offered by a company and the rights attaching to the securities offered. It is not necessary to include general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before deciding whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosing obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person who so requests during the application period under this Prospectus:
  - (i) the Annual Financial Report of the Company for the year ending 31 December 2021; and
  - (ii) the following continuous disclosure notices given by the Company during the period after lodgement of the Annual Financial Report of the Company for the year ending 31 December 2021 and before lodgement of this Prospectus with ASIC:

19/09/2022	US Consumer Financial Protection Bureau Regulations Update
05/09/2022	Becoming a substantial holder from Tiga Trading Pty Ltd
05/09/2022	Becoming a substantial holder from TEK
05/09/2022	Application for quotation of securities - SPT
05/09/2022	Application for quotation of securities - SPT
05/09/2022	Completion of Placement
31/08/2022	FY22 Half Year Results Announcement
31/08/2022	Appendix 4D and FY22 Half Year Financial Report
29/08/2022	Investor Presentation
29/08/2022	Appendix 3B – Proposed issue of securities
29/08/2022	Appendix 3B – Proposed issue of securities
29/08/2022	Splitit completes A\$10.5m institutional placement
26/08/2022	Trading Halt
01/08/2022	Appendix 3B – Proposed issue of securities
01/08/2022	Progress Report Debt Facility
19/07/2022	Appendix 3G
19/07/2022	Issued Capital – Other
18/07/2022	Director Appointment / Resignation
18/07/2022	Appendix 4C – Quarterly Cashflow
18/07/2022	Appendix 3G

14/07/2022	Appendix 3H – Notification of cessation of securities
06/07/2022	Appendix 2A
06/07/2022	Cleansing Notice
04/07/2022	Change in substantial holding
30/06/2022	Change in substantial holding
30/05/2022	Appendix 3G
30/05/2022	Issued Capital - Other
23/05/2022	Becoming a substantial holder
10/05/2022	Appendix 2A
10/05/2022	Cleansing Notice
05/05/2022	Response to ASX Query
28/04/2022	Appendix 2A
28/04/2022	Issued Capital – Other
28/04/2022	Articles of Association
28/04/2022	Results of Meeting
28/04/2022	Company Presentation
28/04/2022	Chairman's Address to Shareholders
28/04/2022	Appendix 4C – Quarterly Cashflow
27/04/2022	Response to ASX Query
14/04/2022	Appendix 3H – Notification of cessation of securities
24/03/2022	Appendix 3Y – Change of Director's Interest Notice
28/02/2022	Appendix 3G
28/02/2022	FY21 Results Presentation
28/02/2022	Appendix 4G & Corporate Governance Statement
28/02/2022	Notification regarding unquoted securities
28/02/2022	FY21 Results Announcement
28/02/2022	FY21 Annual Report
28/02/2022	FY21 Appendix 4E

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are encouraged to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

## 5.4 Excluded information

Other than as set out in this Prospectus, there is no other information which is required to be included in this Prospectus under section 713(5) of the Corporations Act.

## 5.1 ASIC Determinations

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing Options under this Prospectus.

## 5.2 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer pursuant to this Prospectus.

Except as disclosed in this Prospectus, no amounts have been paid or agreed to be paid (in cash, Shares or otherwise) to any Director or to any company or firm with which a Director is associated, to induce the Director to become, or to qualify as, a director of the Company, or otherwise for services rendered by the Director or the Director's associated firm in connection with the formation or promotion of the Company or the Offer.

### **Directors' Holdings**

At the date of this Prospectus, the Directors hold relevant interests in the following securities:

Name of Director	Shares	Options	Performance Rights	Securities agreed to be issued <sup>1</sup>
Thierry Denis	1,338,462	161,331 <sup>2</sup>	-	The number of options equal to AUD\$100,000 divided by the larger of AUD\$1.10 or the Closing Share Price of the Company Share's on the trading date immediately prior to 20 January 2023 <sup>1</sup> 171,428 Shares <sup>8</sup> 85,714 Options <sup>9</sup>
Dawn Robertson	700,000	322,662 <sup>3</sup>	-	Up to 90,909 Options on or around 20 January 2023 <sup>1</sup> Up to 90,909 Options on or around 8 February 2023 <sup>1</sup> Up to 90,909 Options on or around 20 January 2024 <sup>1</sup> Up to 90,909 Options on or around 8 February 2024 <sup>1</sup> 500,000 Shares <sup>8</sup> 250,000 Options <sup>9</sup>
Jan Koelble	299,000	1,090,909 <sup>4</sup>	-	Up to 90,909 options on or around 21 January 2023 <sup>1</sup> Up to 90,909 Options on or around 21 January 2024 <sup>1</sup> 200,000 Shares <sup>8</sup> 100,000 Options <sup>9</sup>
Vanessa LeFebvre Robinson	-	1,000,000 <sup>5</sup>	-	The number of options equal to AUD\$100,000 divided by the larger of AUD\$1.10 or the Closing Share Price of the Company Share's on the trading date immediately prior to 27 April 2023 <sup>1</sup>



				400,000 Shares <sup>8</sup> 200,000 Options <sup>9</sup>
Scott Mahoney	-	1,000,000 <sup>5</sup>	-	The number of options equal to AUD\$100,000 divided by the larger of AUD\$1.10 or the Closing Share Price of the Company Share's on the trading date immediately prior to 27 April 2023 <sup>1</sup>
Nandan Sheth	-	-	34,018,506 <sup>6</sup>	1,800,000 Shares <sup>8</sup> 900,000 Options <sup>9</sup>
Dan Charron	-	1,000,000 <sup>7</sup>	-	1,000,000 Shares <sup>8</sup> 500,000 Options <sup>9</sup>

<sup>1</sup> Options agreed to be issued in the future as approved by shareholders, subject to the relevant director's continued tenure as a Director as at the relevant date, and Dawn's continued tenure as Chair as at the relevant date. For the terms of these Options, please see the Notice of EGM released to the ASX on 18 March 2021 and Notice of AGM released to the ASX on 24 March 2022.

<sup>2</sup> 70,422 Options exercisable at \$1.41 on or before 11 May 2026; 90,909 Options exercisable at \$0.31 on or before 20 January 2027, vesting on 20 January 2023. These Options were agreed to be issued in consideration for the Director's services as a non-executive Director.

<sup>3</sup> 70,422 Options exercisable at \$1.41 on or before 11 May 2026; 70,422 Options exercisable at \$1.42 on or before 11 May 2026; 90,909 Options exercisable at \$0.28 on or before 8 February 2027, vesting in four equal tranches each quarter ending 8 February 2023; 90,909 Options exercisable at \$0.31 on or before 20 January 2027, vesting in four equal tranches each quarter ending 20 January 2023. These Options were agreed to be issued in consideration for the Director's services as a non-executive Director and Chair of the Board.

<sup>4</sup> 500,000 Options exercisable at \$0.70 on or before 21 January 2023; 500,000 Options exercisable at \$0.85 on or before 21 January 2023; 90,909 Options exercisable at \$0.31 on or before 21 January 2027, vesting on 21 January 2023. These Options were agreed to be issued in consideration for the Director's services as non-executive Director.

<sup>5</sup> Exercisable at \$1.15 on or before 27 April 2026. These Options were agreed to be issued in consideration for the Director's services as non-executive Director.

<sup>6</sup> Subject to various time and performance based vesting conditions. These Performance Rights were agreed to be issued in consideration for the Director's services as Chief Executive Officer.

<sup>7</sup> Exercisable at \$0.21 on or before 18 July 2027, vesting in eight equal tranches each quarter ending 18 July 2024. These Options were agreed to be issued in consideration for the Director's services as non-executive Director.

<sup>8</sup> Shares to be issued under the Placement, subject to shareholder approval, at \$0.175 per Share.

<sup>9</sup> Free-attaching options to be issued under the Placement on the basis of one option for every two Shares subscribed for under the Placement, exercisable at \$0.20 on or before the Placement Options Expiry Date.

### **Remuneration of Directors**

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is set by ordinary resolution of Shareholders in general meeting in accordance with the Articles of Association, the Israeli Companies Law and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director and the Company's approved Remuneration Policy. The current total maximum aggregated amount of remuneration of non-executive Directors has been set at an amount not to exceed USD\$600,000 per annum. A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approvals) as the other Directors determine

where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Company has entered into deeds of indemnity, access and insurance with each Director. Under these deeds, the Company has agreed to indemnify, to the extent permitted under Applicable Laws, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason of (whether solely or in part), being or acting as an officer of the Company. These liabilities include losses or liabilities incurred by the Director to any other person as an officer of the Company, including legal expenses. The Company has also agreed to maintain in favour of each officer a directors' and officers' policy of insurance for the period that they are officers and for seven years after they cease to act as officers.

Details of remuneration provided to Directors and their associated entities for the two financial years prior to the date of this Prospectus are as follows:

Director	Financial Year Ending 31 December 2020*	Financial Year Ending 31 December 2021*	Proposed remuneration for Financial Year Ending 31 December 2022*
Thierry Denis <sup>1</sup>	USD\$31,800.00	USD\$56,833.33	USD\$66,500
Dawn Robertson <sup>1,2</sup>	USD\$31,800.00	USD\$90,625.00	USD\$100,000
Jan Koelble <sup>1</sup>	USD\$31,110.00	USD\$45,833.33	USD\$66,500
Vanessa LeFebvre Robinson <sup>1</sup>	N/A	USD\$33,333.33	USD\$50,000
Scott Mahoney <sup>1</sup>	N/A	USD\$33,333.33	USD\$50,000
Nandan Sheth <sup>3</sup>	N/A	N/A	USD\$704,658
Dan Charron <sup>1, 4</sup>	N/A	N/A	USD\$22,877

\*Inclusive of superannuation / retirement benefits (as applicable). The remuneration set out in the table above does not include any share-based payments.

<sup>1</sup> On the second anniversary of the appointment of the non-executive director, and each anniversary thereafter, subject to approval or modification by shareholder approval and the non-executive director remaining a director as at the relevant anniversary, the non-executive director shall be issued a number of options in the Company under the employee Share Incentive Plan equal to AUD\$100,000 divided by the greater of (i) AUD\$1.10; and (ii) the closing share price of the Company's shares traded on the ASX on the trading day immediately prior to the issue date of these options. All options issued on each anniversary shall be vested on the 12 month anniversary of the date of issue and will expire on the fifth (5<sup>th</sup>) anniversary of its issue date. Each Option shall be exercisable at an amount equal to 108% of the average closing price of the Company's shares traded on the ASX over the 60 days on which trades in the Company's shares were recorded up to and including the day immediately prior to the date of issue of the option.

<sup>2</sup> On the date of appointment as Chair of the Board, and each anniversary thereafter, subject to approval or modification by shareholder approval and Dawn Robertson remaining as Chair of the Board as at the relevant anniversary, Dawn Robertson will be issued a number of Options equal to AUD\$100,000 divided by the greater of (i) AUD\$1.10; and (ii) the closing share price of the Company's shares traded on the ASX on the trading day immediately prior to the issue date of these options. All options issued on each anniversary shall be vested on the 12 month anniversary of the date of issue and will expire on the fifth (5<sup>th</sup>) anniversary of its issue date. Each Option shall be exercisable at an amount equal to 108% of the average closing price of the Company's shares traded on the ASX over the 60 days on which trades in the Company's

shares were recorded up to and including the day immediately prior to the date of issue of the option.

<sup>3</sup> Nandan Sheth's ongoing annual base salary for his services as Chief Executive Officer is USD\$600,000. Amount shown reflects the pro rata amount to be paid based on Nandan Sheth commencing employment as CEO on 28 February 2022, plus USD\$200,000 sign-on bonus. Further details of Nandan Sheth's remuneration are set out in the ASX Announcement released to ASX on 25 January 2022. Nandan Sheth is not paid any additional remuneration for his services as a Director.

<sup>4</sup> Dan Charron is entitled to USD\$50,000 per annum for his services as non-executive Director. Amount shown reflects the pro rata amount to be paid based on Dan Charron's appointment as a Director on 18 July 2022.

### 5.3 Related party transactions

There are no related party transactions involved in the Offer, however, as set out in Section 1.1, the Participating Directors will receive the Director Securities in respect of their relevant subscriptions, subject to Shareholder approval.

### 5.4 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, all persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus does not have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer; or
- (c) the Offer of the Placement Options pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any of those persons for services provided by those persons in connection with the formation or promotion of the Company or the offer of the Placement Options pursuant to this Prospectus.

Coghlan Duffy + Co Lawyers has acted as Australian legal adviser to the Company in relation to this Prospectus and the Offer. It is estimated that the Company will pay Coghlan Duffy + Co Lawyers approximately \$15,000 (excluding GST and disbursements) for those services up until the date of lodgement of the Prospectus with ASIC. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Prospectus with ASIC, Coghlan Duffy + Co Lawyers has been paid fees totalling approximately \$194,452 (excluding disbursements) for legal services provided to the Company.

The Company entered into a mandate with Canaccord Genuity (Australia) Limited (**Lead Manager**) in connection with the Placement for the provision of lead manager services and bookrunner services, including the coordination and management of the Placement (**Lead Manager Mandate**).

Under the Lead Manager Mandate, on completion of the issue of the Placement Shares, the Company paid the Lead Manager \$506,982 (**Placement Fee**), representing a capital raising fee of 2.8% and a management fee of 2.0% of the gross proceeds of the issue of the Placement Shares (**Lead Manager Fee**). A further \$34,200 will be required to be paid by the Company to the Lead Manager if the Director Placement Shares are issued upon the Company obtaining Shareholder approval for such issue. The Company must also reimburse the Lead Manager for all out-of-pocket expenses in connection with the Lead Manager Mandate (including the Lead Manager's legal fees up to a maximum of \$25,000). No further fees are payable to the Lead

Manager in respect of the offer of the Placement Options. The Lead Manager Mandate contains additional provisions, including warranties and indemnities given by the Company in favour of the Lead Manager, which are considered standard for agreements of this nature.

During the 24 months preceding lodgement of this Prospectus with ASIC, the Lead Manager has been paid fees totalling approximately \$506,982 (excluding disbursements), being the Placement Fee, for services provided in connection with the promotion of the Company.

## **5.5 Consents**

Each of the parties referred to in this Section:

- (a) does not make the Offer under this Prospectus;
- (b) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties, other than as specified below;
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of the party; and
- (d) did not authorise or cause the issue of all or any part of this Prospectus.

Coghlan Duffy + Co Lawyers has given its written consent to being named as the legal adviser to the Company in this Prospectus. Coghlan Duffy + Co Lawyers has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Canaccord Genuity (Australia) Limited has given its written consent to being named as the Lead Manager to the Placement in this Prospectus. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

There are several parties referred to in this Prospectus who have not made statements included in this Prospectus and there are no statements made in this Prospectus on the basis of any statements made by those persons. Those persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## **5.6 Estimated Expenses of the Offer**

The estimated expenses of the Offer under this Prospectus including legal fees, ASX and ASIC fees are estimated to be \$20,206 (excluding GST).

## **5.7 Litigation**

The Directors are not aware of any material legal proceedings pending or threatened against the Company. Notwithstanding the foregoing, the Company notes the litigation proceedings disclosed in connection with the Litigation, Claims and Disputes risk disclosed on page 16.

## **5.8 Governing law**

The information in this Prospectus, the Offer and the contracts formed on acceptance of the Offer are governed by the law applicable in Victoria. Any person who applies for Placement Options submits to the non-exclusive jurisdiction of the court of Victoria and the courts competent to hear appeals from those courts.

## **5.9 Directors' Consent**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Dawn Robertson', with a stylized, flowing script.

Dawn Robertson  
Chairman  
Splitit Payments Limited

## 6 Defined Terms

---

**\$** means an Australian dollar.

**AEST** means Australian Eastern Standard Time.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Placement Options made on an Application Form.

**Application Form** means the application form accompanying this Prospectus relating to the Offer.

**Articles of Association** means the Articles of Association of the Company as at the date of this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** means the Listing Rules of the ASX.

**Board** means the board of Directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**CHES** means ASX Clearing House Electronic Sub register System.

**Closing Date** has the meaning given to it in Section 0.

**Closing Share Price** means, as the context requires, the closing price of the Company's shares traded on the ASX.

**Company** means Splitit Payments Limited (ARBN 629 557 982).

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director Placement Options** means 2,035,714 free-attaching Options proposed to be issued to the Participating Directors under the Placement subject to shareholder approval.

**Director Placement Shares** means 4,071,428 Shares proposed to be issued to the Participating Directors under the Placement subject to shareholder approval.

**Director Securities** means the Director Placement Shares and Director Placement Options.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Offer** means the offer of Placement Options under this Prospectus.

**Official List** means the official list of the ASX.

**Official Quotation** means quotation of Securities on the Official List.

**Opening Date** has the meaning given to it in Section 0.

**Option** means the right to acquire one Share in the capital of the Company.

**Participating Directors** has the meaning given in Section 1.1.

**Placement** has the meaning given in Section 1.1.

**Placement Shares** means the 60,355,000 Shares issued under the Placement.

**Placement Options** means the 30,177,515 free attaching Options offered under this Prospectus exercisable at \$0.20 per Option and expiring 30 months from the date of issue.

**Placement Participant** means a person or entity to whom Placement Shares were issued under the Placement.

**Prospectus** means this prospectus dated 23 September 2022.

**Section** means a Section of this Prospectus.

**Securities** mean any securities including Shares or Options issued or granted by the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** or **Registry** means Automic Pty Ltd.

**Shareholder** means a holder of Shares.

**Specified Foreign Investors** means certain sophisticated, professional and institutional investors in New Zealand, Hong Kong, United Kingdom, Singapore and the United States of America who were issued Placement Shares under the Placement pursuant to an exemption from the applicable prospectus or registration requirements under local securities laws.

**Statement of Financial Position** means the statement of financial position of the Company as set out in the most recent audited accounts of the Company lodged with ASX prior to the date of this Prospectus.

## 7 Corporate Directory

<b>Directors</b>  Dawn Robertson Nandan Sheth Daniel Charron Jan Koelble Thierry Denis Vanessa LeFebvre Scott Mahoney	<b>ASX Code</b>  SPT
<b>Company Secretary</b>  cdPlus Corporate Services Pty Ltd	<b>Website</b>  <a href="https://www.splitit.com/">https://www.splitit.com/</a>
<b>Registered office</b>  c/- Coghlan Duffy & Co Level 42, Rialto South Tower, 525 Collins Street Melbourne VIC 3000	<b>ASX Code</b>  SPT
<b>Registry*</b>  Automic Pty Ltd Level 5, 126 Phillip Street Sydney New South Wales 2000  <i>* This entity is included for information purposes only.  Automic Pty Ltd has not been involved in the preparation  of this Prospectus.</i>	<b>Website</b>  <a href="https://www.splitit.com/">https://www.splitit.com/</a>