BUSINESS OPERATIONS UPDATE

<u>Hhighlights</u>

- 380 Active Merchants operating in 27 countries around the world
- Splitit transacted with 88,000 new shoppers last year, taking the Total Number of Unique Shoppers to the end of 2018 to 118,000
- Underlying Merchant Transactions in Q4 CY18 up 269% year-on-year to $32M: a record to date
- Total Merchant Fees received to the end of Q4 CY18: $1.45M
- Average Order Value per instalment plan in Q4 CY18: $1,050
- New Get Now, Pay Later solution secures first Active Merchant

Sydney, Australia, 29 January 2019 – Splitit Payments Ltd a foreign company registered in its original jurisdiction of Israel as Splitit Ltd (ASX:**SPT**, "**Splitit**" or the "**Company**"), a leading global monthly instalment payment solution, is pleased to provide the following business operations update:

Performance Update

The recent onboarding of key new merchants and increasing momentum across existing merchants globally has led to a trend of continuous strong growth across all key performance metrics, including: the number of Active Merchants, the number of Unique Shoppers, Underlying Merchant Transactions, and Merchant Fees.

Since the Replacement Prospectus was lodged (20 December 2018) with stated figures to Q3 CY18, growth has accelerated across the key performance metrics as follows:
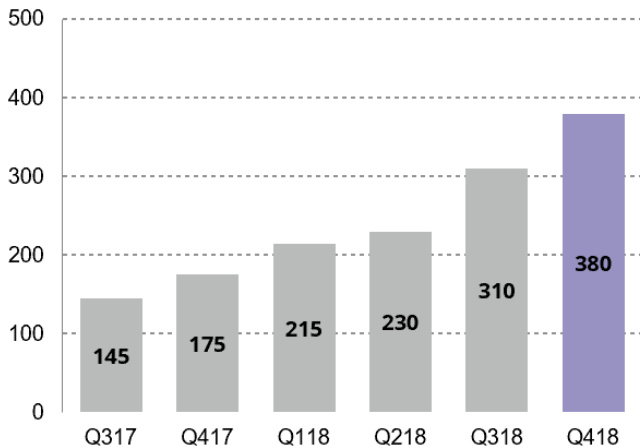
	as at Q3 CY18	as at Q4 CY18	% Increase
Total Active Merchants	310	380	**+23%**
Total No. of Unique Shoppers	82,000	118,000	**+44%**
Underlying Merchant Transactions (Quarterly)	$20,850,000	$31,793,000	**+52%**
Merchant Fees* (Quarterly)	$348,000	$423,000	**+22%**
Average Order Value	$895	$1,050	**+17%**

When comparing the December quarter to the prior corresponding quarter, Splitit delivered the following outstanding growth figures:
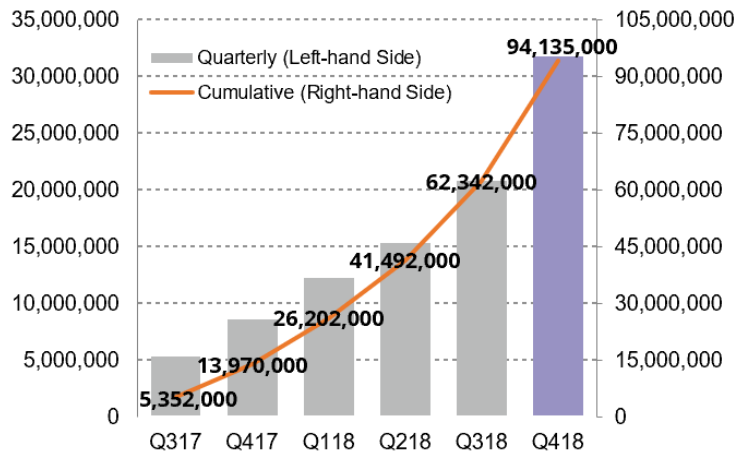
	as at Q4 CY17	as at Q4 CY18	% Increase
Total Active Merchants	175	380	**+117%**
Total No. of Unique Shoppers	30,000	118,000	**+293%**
Underlying Merchant Transactions (Quarterly)	$8,618,000	$31,793,000	**+269%**
Merchant Fees* (Quarterly)	$124,000	$423,000	**+241%**
Average Order Value	$924	$1,050	**+14%**

* Important to note that there is an ongoing scheduled fee element to Merchant Fees – that is, not all merchant fees for every transaction are received in the quarter that the transaction is initiated. Under Splitit's unfunded plans, whereby the merchant is not upfronted the purchase amount but receives it in instalments, Splitit also receives the corresponding merchant fees in instalments.
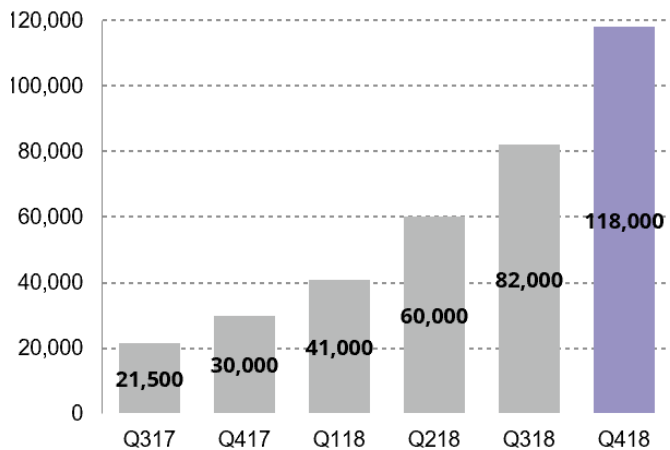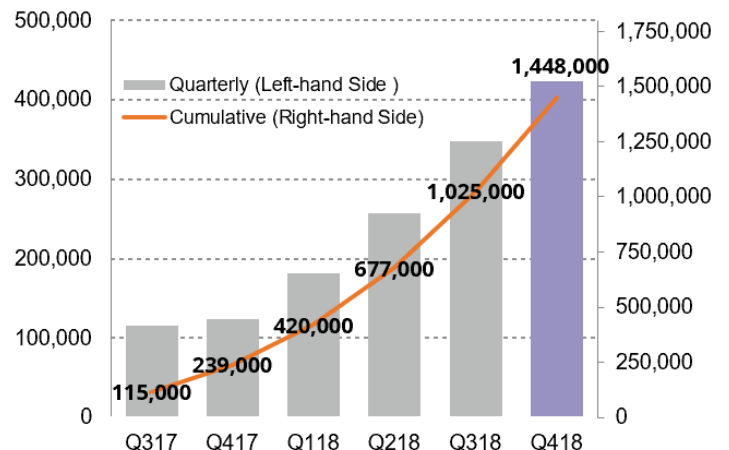
Active Merchants
(Cumulative)

Quarter	Value
Q317	145
Q417	175
Q118	215
Q218	230
Q318	310
Q418	380

Underlying Merchant Transactions
(AUD)

Quarterly (Left-hand Side)
Cumulative (Right-hand Side)

Quarter	Cumulative
Q317	5,352,000
Q417	13,970,000
Q118	26,202,000
Q218	41,492,000
Q318	62,342,000
Q418	94,135,000

Unique Shoppers
(Cumulative)

Quarter	Value
Q317	21,500
Q417	30,000
Q118	41,000
Q218	60,000
Q318	82,000
Q418	118,000

Merchant Fees
(AUD)

Quarterly (Left-hand Side)
Cumulative (Right-hand Side)

Quarter	Cumulative
Q317	115,000
Q417	239,000
Q118	420,000
Q218	677,000
Q318	1,025,000
Q418	1,448,000

The number of Active Merchants and shoppers using Splitit's solution continues to increase, delivering significant growth in Underlying Merchant Transactions and therefore Merchant Fees. Total Underlying Merchant Transactions since launch to the end of Q4 CY18 reached $94M, with the Q4 CY18 period alone delivering $32M, up 52% on the previous quarter, and up 269% year-on-year. Total Merchant Fees since launch to Q4 CY18 stand at $1.45M with the December quarter being a record month for the Company, reaching $423K. Merchant Fees are up 22% on the previous quarter and 241% year-on-year.

Product Development

Splitit's new *Get Now, Pay Later* solution secured its first Active Merchant in December, with AUD$1.7m of Underlying Merchant Transactions processed to date. *Get Now, Pay Later*

enables merchants to offer shoppers the option to try out items for up to 90 days before any payment is charged to the credit card.

The item cost is put on hold on the credit card to protect the merchant, ensuring that payment is made in the event the item is not returned and the shopper does not actively finalise the purchase.

If the shopper decides to return the item, the hold is released, and the shopper is not charged any interest or fees. If the shopper decides to keep the item, the shopper can either pay in full or start an instalment payment plan, which again does not involve any interest or additional fees to the shopper.

Get Now, Pay Later is a great solution in this age of online shopping, allowing shoppers to try, fit and feel before paying, just as you would in a brick and mortar store.

Outlook

Splitit continues to onboard new merchants and the global pipeline continues to thicken with both direct and distribution channels shaping up to deliver significant results through 2019 and beyond.

Opportunities all over the world continue to present themselves, as existing and new verticals embrace payment disruptors. With high cart abandonment rates translating into billions of dollars in lost revenue for retailers globally, and as shoppers struggle to make their desired purchases while managing their cash flow, Splitit intends to continue to meet both merchant and shopper needs.

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About Splitit

Splitit is a payment method solution enabling customers to pay for purchases with an existing debit or credit card by splitting the cost into interest and fee-free monthly payments, without the need for additional registrations or applications. Splitit enables merchants to offer their customers an easy way to pay for purchases in monthly instalments with instant approval, decreasing cart abandonment rates and increasing revenue. Serving many of Internet Retailer's top 500 merchants, Splitit's global footprint extends to hundreds of merchants in a number of countries around the world. Headquartered in New York, Splitit has an R&D centre in Israel and offices in London, with plans to establish itself in Australia for its expansion into the Asia-Pacific region.