



ASX ANNOUNCEMENT

26 February 2021

Splitit Reports Record Year with 300% Revenue Growth

Full Year Results FY20

- Merchant Sales Volume (MSV) of US\$246M, up 179% YoY, annualised MSV of US\$345M in Q4
- Gross Revenue (Non GAAP) grew to US\$8.4M, up 300% YoY
- US\$150M receivables warehouse facility with Goldman Sachs to support \$800M¹ of annual MSV
- Total Merchants accelerated to 1.8K, up 144% YoY, supported by self-onboarding via Stripe
- Total Shoppers more than doubled to 432,000, up 106% YoY
- Foundational partnerships formed with Visa, Mastercard and Stripe
- Several new large brands added, with Google Japan a notable signing post year end
- Webinar for investors: 11am AEDT on Monday 1 March 2021, details below

Splitit Payments Limited (“Splitit” or the “Company”) (ASX:SPT), a global payment solutions provider, provides an update on its full year results for the twelve-month period to 31 December 2020.

Brad Paterson, CEO of Splitit commented,

“Splitit delivered a breakout year with record financial and operational results in FY20, despite a globally challenging year due to the COVID-19 pandemic. Our annualised MSV hit US\$345M in Q4 and revenue (non GAAP) increased 300% to US\$8.4M, annualised to US\$11.6M in Q4. We formed foundational partnerships with Stripe, Visa and Mastercard during the year which enabled innovation and is beginning to accelerate merchant acceptance. With our new US\$150M receivables warehouse funding facility from Goldman Sachs in place, we are expecting to deliver another step change in growth in 2021.

“With financial empowerment and responsibility core to our values, 2020 was a year we refreshed our brand and visual identity that positions Splitit as the only buy-now-pay-later solution to empower shoppers to use their existing credit to pay over time. This key difference has been important to our success this year with merchants seeking innovative new ways to improve cart conversion by serving credit cardholders who want the benefits of installment payments, without entering into further debt.”

4X Revenue & Record Volume and Customer Growth

Splitit has delivered another record year of results across its key operational metrics in FY20. MSV rose 179% YoY to US\$246M (FY19: US\$88M), reaching annualised MSV of US\$345M in the final quarter of FY20. This included 3 consecutive quarters of YoY growth above 200%. Growth was particularly strong in Splitit’s largest markets of North America and Europe, up 170% and 184% respectively. Non-GAAP revenue was US\$8.4M, up 300% compared to FY19 (US\$2.1M). GAAP revenue was US\$6.7M, up 309% (FY19: US\$1.6M), with differences between GAAP and Non-GAAP revenue attributable to timing of GAAP revenue recognition under IFRS 9, which recognises merchant fees over the average period from initial payment to the merchant through to the final installment paid by the consumer.

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



Merchant & Shopper Growth Acceleration

Acceptance expanded significantly in FY20 as many of the world's leading brands began accepting Splitit, including Purple, Quiksilver, Canyon Bicycles, The Hut Group, Echelon Fit, Specialized Bicycles, Resident Home and Google Japan which signed up post year end. Total Merchants reached 1.8K, reflecting 144% growth. In addition, Splitit entered the professional services market during the financial year through a new partnership with QuickFee, enabling the clients of accounting and law firms to select Splitit to pay their invoices on their credit card and opening up the \$450BN market for accounting and legal services in the US and Australia.

Total Shoppers more than doubled in FY20, reaching 432K, up 106% while initiating 257K new plans during the year with an Average Order Value (AOV) of over US\$1,000. This higher AOV highlights an advantage that Splitit provides its merchant partners by enabling installments on any transaction at any price point.

Table 1: FY20 Performance Metrics

Operating Metrics	FY20	Comparison to FY19 (YoY)
Merchant Sales Volume (MSV) ²	US\$246M	+179% (US\$88M)
Gross Revenue (Non-GAAP) ³	US\$8.4M	+300% (US\$2.1M)
Revenue (GAAP)	US\$6.7M	+309% (US\$1.6M)
Average Order Value (AOV) ⁴	US\$959	+45% (US\$663)
Plans Initiated ⁵	257K	+94% (133K)
Total Merchants ⁶	1.8K	+144% (720)
12 Month Active Merchants ⁷	771	+100% (386)
Total Shoppers	432K	+106% (210K)
12 Month Active Shoppers ⁸	231K	+94% (119K)

² Underlying MSV for successful transactions on which a merchant fee is charged

³ Revenue attributable to MSV, translated to reporting currency at plan activation date. This non-GAAP measure has been independently audited or reviewed and will differ from GAAP revenue due to IFRS revenue recognition rules and any potential net impact of payment reversals. It provides useful information for readers to assist in understanding the Company's financial performance, by aligning the full Gross Revenue impact with the MSV generated for the period.

⁴ Average value of plans initiated in the period

⁵ Number of plans initiated in the period

⁶ Cumulative number of merchants that accept Splitit

⁷ Number of merchants that have received a payment in the previous 12 months

⁸ Number of shoppers that have made a purchase in the previous 12 months



Partnerships to Drive Innovation & Growth

To deliver a compelling customer experience through its instalment solution and accelerate acceptance of Splitit more widely, the Company formed multiple new partnerships in the financial year, including with Visa, Mastercard and Stripe.

Splitit partnered with Stripe to streamline merchant onboarding and enhance the merchant funding experience. As a result, merchants can now self-onboard to the Splitit platform in over 100 countries while significantly reducing onboarding times as part of the Company's goal to enable any merchant that accepts cards to offer instalments, within minutes.

With a focus on innovation in the instalment payments landscape, Splitit also formed a new partnership with Visa in March 2020. Through this partnership, Splitit is focusing on the acceleration of merchant adoption of instalment payments around the globe. The integration with Visa is now complete with a pilot program launched in late in 2020 with select merchants and issuing bank partners. In partnership with Mastercard, we are also working to accelerate the adoption of Splitit's instalment solution around the world by integrating with its suite of technologies as a network partner and through joint marketing programs.

Well-Funded for Continued Growth

Splitit is well funded to continue its strong growth trajectory with US\$92.8M in cash as at 31 December FY20. In addition, the Company has US\$220M in financing facilities, including its recently announced new US\$150M warehouse facility from Goldman Sachs, available to support merchants adopting its funded model. Current facilities in place are expected to support up to US\$800M of annual MSV⁹

Investor Webinar Details

Splitit will host a webinar for investors on Monday 1 March 2021 at 11am Australian Eastern Daylight Time (AEDT).

CEO and Managing Director, Brad Paterson, and CFO, Ben Malone will provide an overview of the Company's recent performance, followed by a Q&A session.

Date & Time: Monday 1 March 2021 at 11am (AEDT)

Webinar Link: <https://webcast.openbriefing.com/7157/>

Dial ins: Please pre-register via <https://s1.c-conf.com/DiamondPass/10012509-jd75h3.html>

to receive dial ins. International numbers are available.

Conference ID: 10012509

Replay: Will be available at www.splitit.com after the event.

⁹ Assumes approximate mix of funded/non-funded MSV of 75:25



Note: Unless specified otherwise all amounts are in USD and provided on an unaudited basis, AUD amounts have been converted to USD at an average exchange rate over the quarter ending 30 September 2020.

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

About Splitit

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

Disclaimer

References to currency are expressed in Australian dollars.

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

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

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

Actual results, performance or achievements of the Company could be materially different from those expressed in, or implied by, these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will



operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

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