



ASX Announcement

15 October 2021

Splitit Annual General Meeting

Chairman's Address

Dear fellow shareholders,

On behalf of the Board, it is my pleasure to welcome you to Splitit's AGM. Recognising many Australians are currently under stay-at-home orders due to COVID-19, we'd like to extend our thanks to all our shareholders for joining us virtually again. I am joined in the meeting by my other Board members, Thierry Denis and Jan Koelble, along with Vanessa LeFebvre and Scott Mahoney who joined the Board in February 2021.

While the formal business of the meeting relates to the 2020 financial year, I am pleased to have this opportunity to also reflect on the current financial year, as we have now entered the fourth quarter of financial year 2021.

Throughout both periods, Splitit has continued to differentiate itself as an innovative and global payment solution. Our technology enables shoppers to use the credit they've earned for monthly interest-free instalments using their existing credit card. Despite an increasingly crowded market, our business has grown strongly across its key metrics of merchant sales volume, revenue, merchants and shoppers. We'll be reporting our Q3 FY21 results in a couple of weeks and will have more to say then on our most recent performance.

Splitit continues to benefit from permanent change in shopper behaviour towards shopping online. This trend was accelerated by COVID-19 which has been a catalyst for merchants to improve their eCommerce offering and shoppers to look for ways to budget more effectively.

The team has worked exceptionally hard to continue signing new merchants, such as Google Japan, which prove the value of our solution for merchants and shoppers alike. At the same time, they've continued to drive product innovation, and delivered new partnerships including with UnionPay International. We have a strong team at Splitit and on behalf of the Board, I'd like to thank each one of them for their hard work and continued commitment.

In 2020 Splitit reported US\$246M merchant sales volume, a year-on-year growth rate of 179%. Merchants and shoppers both grew at over 100% year-on-year, with a number of the world's leading brands signed up to Splitit, including Purple, Canyon Bicycles, Echelon, and Resident Home. This strong



momentum carried into early 2021, with the signing of Google Japan, and the securing of the US\$150M credit facility with Goldman Sachs. The most recently reported H1 results saw MSV grow 94% year-on-year to US\$173M for the 6-month period, with similarly strong growth in revenue, merchants, and shoppers.

Notwithstanding this progress Splitit is at an inflection point, moving from a phase of building strong foundations to one of growing at scale. This ambition was the driver behind our recent decision to change the leadership of the business, and we are thankful to former CEO Brad Paterson for his work and commitment during his two years at Splitit.

We have been fortunate to bring John Harper in as interim CEO for the next 6 months while we conduct our search for Brad's permanent replacement. John is a highly experienced veteran of the retail industry. He has a proven track record of leadership in retail enterprises, including for US department store Macy's as its Chief Operations Officer, where notably he helped to steer the organization through the pandemic, leading all operations including expense and cash flow management. His merchant experience and deep networks will be critical for Splitit as it moves to its next phase of accelerating growth.

John will give a few remarks on his initial impressions of the business and path forward following his first seven weeks in the role shortly. In the coming months John will have the Board's full support as he introduces closer collaboration across the business and a clear product vision.

The fundamentals and growth potential of Splitit are exciting. We have a strong balance sheet and warehouse credit facility with Goldman Sachs which will improve our margins as we move to this lower cost funding. We have great confidence in the future of our business and would like to express our thanks to our shareholders for their continued trust in the Company to deliver on its exciting potential.

Yours sincerely,

Dawn Robertson

Chairman



CEO's Address

Ladies and gentlemen,

It is my honour to be joining you today. As interim CEO, I'm happy to share with you some of my initial impressions of Splitit. I've had the pleasure of meeting most of our team over the last few weeks and have formed a clearer picture of our path forward.

Optimising the team and our experiences

What impresses me is how passionate our team is about the company and our unique product. Many of our people joined the company because of our product and its potential. We have highly skilled and talented people across the board who all have played a role in getting Splitit to where we are today. We have already made strides in becoming a more cohesive team in the short time I have been with the company. But I know we can go farther.

I believe we have an opportunity to ensure we have the right people in the right positions in the coming months. I would also like to continue to foster closer collaboration with our global team and ensure we are all moving in the same direction towards the same goals. To do this, we will be hiring a chief people officer, as well as a product team to ensure our technical engineers can continue to innovate and remain connected to the product needs of our current and future customers.

Narrowing our focus

We are operating in a market that is moving and growing quickly. We need to bring a greater sense of urgency to capitalize on this opportunity from a sales perspective. To do this we need to narrow our geographic focus and improve our core product experience.

The first step is realigning and improving our sales process focussing on the North American and UK markets to win higher-value merchants. We will still explore compelling opportunities in other markets, as we did with Google Japan and tabby, but we will concentrate on these key growth markets with a tremendous amount of untapped potential.

Over the last few weeks, I have been through a process of assessing competing priorities with the aim of helping us drive the greatest value from the investment required. Most of our existing development and sales resources will be focused on supporting and improving our core product, both in its branded and white-label offerings, to attract new merchants that will deliver the MSV needed for us to grow. Whilst a direct sales and partnership led approach to larger merchant acquisition with the core



Splitit product will be our primary focus, this will still continue to be complemented with the ongoing build-out of a scalable SMB acquisition strategy enabled by tools such as Self Onboarding and Splitit Plus. Overall, we will have a tighter focus on costs, emphasising revenue generating spend.

Differentiating ourselves

Splitit has an exceptionally compelling and differentiated product. I see a natural and untapped opportunity in the market, but we need to do a better job of effectively articulating our value. Our strengths are we help shoppers use their existing credit in a smarter way, while continuing to earn all the cash back, rewards and purchase protections built into their cards.

We will continue to evolve and simplify our message while ensuring we have consistent messaging and appearance in all our assets from our website, sales presentations, through to the entire customer journey and checkout experience.

My four decades of retail experience gives me great confidence in our opportunity. I have been on the other side of the table and have a strong understanding of what merchants want and need from their technology partners. I also have built a lot of connections that will be valuable to broadening our market presence, especially in the US.

The approach outlined today will be built out in the weeks and months ahead, which I am confident will deliver improved value for our shareholders. I look forward to keeping you informed of our progress along the way.

Yours sincerely,

John Harper

Interim CEO



About Splitit

Splitit is a global payment solution provider that enables shoppers to use the credit they've earned by breaking up purchases into monthly interest-free instalments using their existing credit card. Splitit enables merchants to improve conversion rates and increase average order value by giving customers an easy and fast way to pay for purchases over time without requiring additional approvals. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 2,000 e-commerce merchants in over 30 countries and shoppers in over 100 countries. 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.

The announcement has been approved and authorised to be given to ASX by Dawn Robertson, Chair of the Board of Splitit.

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