



ASX Announcement

31 January 2022

## Q4 FY21 Quarterly Report & Appendix 4C

### *Step change Q4 MSV completes a record year*

- Record Merchant Sales Volume (MSV) of US\$130M up 51% Year on Year (YoY) and up 40% Quarter on Quarter (QoQ)
  - MSV driven by strong performance in APAC, specifically Japan, record MSV over Black Friday and Cyber Monday and significant contribution from the Christmas shopping period
  - FY21 MSV of US\$396M, reflecting a record year and 61% annual MSV growth
- 12-month Active Merchants increased 60% YoY to 1.25K
- 12-month Active Shoppers increasing 43% YoY to 330K
- Continued reduction in borrowing costs highlighting quick pathway to transaction margin growth
- US\$29M in available cash, plus US\$150M Goldman Sachs credit facility able to support US\$650M of annual MSV<sup>1</sup>
- Japan added to Goldman Sachs facility to cater for rapid growth
- US ADR Program launched via OTCQX to enhance Splitit's visibility and trading liquidity with the US investment community and complement its ASX listing
- Seasoned payments industry executive Nandan Sheth appointed as CEO, as announced on 25 January 2022
- **Investor webinar today, Monday 31 January 2022 at 9:30 am AEDT, details below**

**Splitit Payments Limited** ("Splitit" or the "Company") (ASX:SPT, OTCQX:SPTTY), the Company empowering shoppers to use their credit cards to pay in instalments, is pleased to provide an update on its quarterly activities and cash flows for the three months ending 31 December 2021 (Q4 FY21).

**John Harper, Interim CEO of Splitit, commented,** "It is pleasing to have delivered such a strong quarter, with a step-change in MSV driven by our success in APAC, specifically Japan, and a record Black Friday and Cyber Monday trading period. In addition to the broadening merchant base, strong progress was also made across other areas of the business, including the roll out of our refined shopper messaging focused on Splitit's consumer friendly BNPL solution and its value to merchants in reducing conversion friction and driving larger purchases.

"Over the last few months, the tightening of rules by regulators of BNPL providers that issue new debt has continued across multiple geographies. One of Splitit's many points of difference to the multitude of consumer finance BNPL offerings is we don't issue new debt to shoppers, but rather allow them to use the credit they have earned on their existing credit card at the point of sale. Being a technology solution that operates within the highly regulated credit card industry, we have a distinct advantage over issuers of new consumer credit who are under increasing regulatory scrutiny globally. This means we can grow with confidence, and continue to put shoppers at the forefront of our mission while enabling them to collect perks like cash back, rewards and points and enhance rather than damage their credit scores.

"As I reflect on my time as Interim CEO, I am proud of what has been achieved in a short period of time. We have strengthened the team internally, narrowed our focus and reduced expenditure, all contributing to these strong results. We have also simplified and refined our messaging to ensure that Splitit's unique benefits to shoppers and merchants are being effectively articulated. New CEO, Nandan Sheth, inherits a differentiated business model that is unique in the BNPL sector, does not have a heavy reliance on consumer marketing, and does not need to price to cover significant consumer defaults and associated costs. This model provides operating leverage at scale and a pathway to sustainable and profitable growth at superior margins.

<sup>1</sup> Assumes approximate mix of funded/non-funded plans: 75/25



"Splitit remains well positioned as one of the most attractive businesses in the sector on account of its technology-based IP, differentiated business model, along with its valuation disparities relative to current MSV multiples and profitable growth potential.

"The business is at an exciting phase in its journey, and with a seasoned payments industry executive like Nandan at the helm, the possibilities are endless for Splitit. I look forward to working with Nandan to facilitate a smooth handover, and I will remain a close supporter of the company."

## **SPLITIT APPOINTS NANDAN SHETH AS CEO**

As announced on 25 January 2022 the Splitit board of directors has appointed Nandan Sheth as CEO, effective 28 February 2022. A seasoned payments industry executive, Sheth brings experience spanning leadership roles at major banks, professional service firms and Fortune 1000 companies across North America and Europe. His record of entrepreneurial success includes co-founding, scaling and successfully exiting multiple fintech companies, including Harbor Payments (sold to American Express in 2006) and Acculynk (sold to First Data in 2017).

Sheth's executive leadership experience in the payments sector spans corporate and business development, alliances, product strategy and development, and operations. Prior to joining Splitit, he served as Fiserv's Head of Global Digital Commerce, as well as Head of Fiserv's Carat, an ecosystem of omnichannel commerce solutions for large multinational companies. Prior to that, Sheth was President and COO of Acculynk, the business he co-founded in 2008 and sold to First Data in 2017. His earlier experience includes serving as VP and GM at American Express and co-founding and scaling Harbor Payments (sold to American Express) and e-Debt. He began his career as a VP and Client Partner at AT&T. Sheth holds an MBA from the Cass Business School and a BSc with Honours from City, University of London.



## Q4 PERFORMANCE

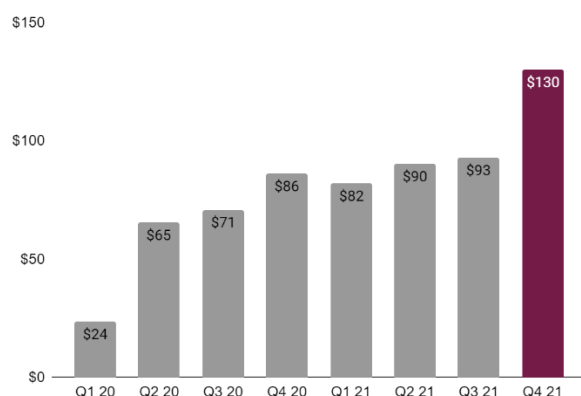
Splitit delivered another record quarter of MSV processed in Q4 FY21 at US\$130M. This reflects 51% YoY growth against Q4 FY20 or, adjusting for the deliberate shift away from debit cards, YoY MSV growth of 60%. MSV was consistently high throughout the quarter, supported by strong sales in APAC, specifically Japan, a record Black Friday and Cyber Monday campaign and busy Christmas trading period. QoQ MSV growth of 40% is nearly double the seasonal upswing reported in Q4 FY20 (22%).

Annual MSV of US\$396M represents YoY growth of 61% against FY20 (US\$246M), or 72% YoY if normalised for the impact of debit cards.

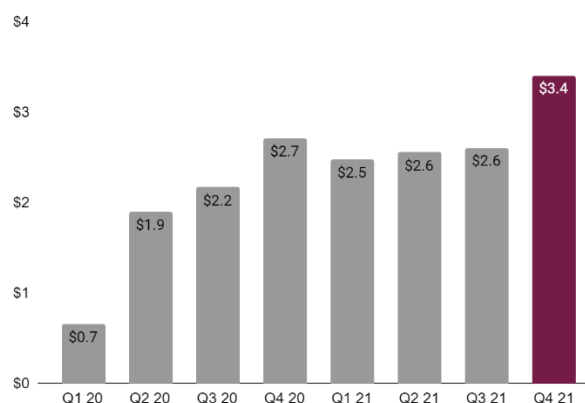
Revenue (Non-GAAP) was US\$3.4M, reflecting a 28% increase YoY. MSV growth was higher than revenue growth in Q4 due to a more diversified merchant base and a higher proportion of MSV through our basic model, consistent with the previous quarter.

Figures 1 and 2: MSV and Revenue Growth

Merchant Sales Volume (MSV) (US\$'million)



Revenue (Non-GAAP) (US\$'million)



New merchant acquisition continued steadily during the quarter with a 7% increase in 12 Month Active Merchants, despite the retail industry's seasonal focus on the busy holiday sales period which typically sees slower new merchant growth. Current Active merchants grew 60% YoY growth, with Splitit now supporting 1.25K Active Merchants to offer its highly integrated solution where Shoppers don't need to leave the merchant's website to process their instalment payment. Pleasingly, two merchants that launched in Q4 have already moved into the top 10 contributors to quarterly MSV. Rare Carat, a top US diamond marketplace, and Gem Shopping Network, a 24/7 live streaming network selling fine jewelry in the US, each highlight the unique value Splitit brings to high value ticket sizes.

Splitit's Average Order Value (AOV) remains over US\$1K and continues as a valuable differentiator for merchants choosing the solution to drive higher value purchases by shoppers who are typically wealthier individuals with good credit ratings and use Splitit as a budgeting tool. This target shopper demographic is far less vulnerable to recessionary trends compared to other BNPL providers which target a more levered or sub-prime market.

Shoppers also continue to be attracted to Splitit as they are still able to collect all the benefits they would normally receive for credit card transactions such as cash back, rewards and points. 12 Month Active Shoppers reached 330K, reflecting 43% YoY growth.



Table 1: Performance Metrics

Operating Metrics	Q4 FY21	YoY Comparison to Q4 FY20	QoQ Comparison to Q3 FY21
Merchant Sales Volume (MSV) <sup>2</sup>	US\$130M	<b>+51%</b> <b>(US\$86M)</b>	+40% (US\$93M)
Revenue (Non-GAAP) <sup>3</sup>	US\$3.4M	<b>+28%</b> <b>(US\$2.7M)</b>	+31% (US\$2.6M)
12M Active Merchants <sup>4</sup>	1.25K	<b>+60%</b> <b>(0.8K)</b>	+7% (1.15K)
12M Active Shoppers <sup>5</sup>	330K	<b>+43%</b> <b>(231K)</b>	+10% (300K)

## Partnerships & Product Innovation

### White Labeling Driving Scale

Another unique feature of Splitit's technology is that in addition to its branded solution, it enables a white-labelled offering where merchants retain their brand and the customer experience. This means Splitit does not rely on having a significant brand presence and consumer engagement in all markets, enhancing its pathway to profitability and providing a low-cost entry point into new markets and verticals by supporting established BNPL providers, helping to deliver scale more quickly.

White-labelling is an attractive option for merchants who wish to retain control of their brand and engagement with shoppers. The Google Store in Japan is an example of an elegant white-label solution which has driven unique benefits for merchant and shoppers alike.

### Integration with leading e-commerce platform Wix

During the quarter, Splitit integrated with Wix, a leading cloud-based web development services company helping small and medium sized businesses create websites and mobile sites. Merchants running a Wix eCommerce website can now easily offer Splitit's instalment payments to their shoppers. Splitit now supports six of the leading global e-Commerce platforms, which also includes Shopify, Magento, WooCommerce, BigCommerce and Salesforce Commerce Cloud.

<sup>2</sup> Underlying MSV for successful transactions where a merchant fee is charged

<sup>3</sup> Revenue invoiced to merchants for the period, translated to reporting currency. Under the funded model, revenue is invoiced upfront at the date of funding. Under the basic model, revenue is invoiced monthly as each installment is processed. This non-GAAP measure has not been independently audited or reviewed, and will differ from GAAP revenue due to IFRS revenue recognition rules.

<sup>4</sup> Number of merchants that have received a payment in the previous 12 months

<sup>5</sup> Number of shoppers that have made a purchase in the previous 12 months



## CORPORATE & CASH FLOW OVERVIEW

### Splitit ADR Program launched through OTCQX market

In November 2021, Splitit launched its sponsored Level 1 American Depositary Receipts Program (ADR Program) in the United States. Through the ADR Program, Splitit has direct exposure to the US investment community via OTCQX, providing enhanced visibility and trading liquidity to complement Splitit's ASX listing. Splitit's ADRs trade under the symbol SPTTY and each ADR represents 40 ASX-traded SPT ordinary shares.

### Cash Flow

The Company's closing cash position was US\$29M. Cash receipts from customers for the period were US\$3.4M<sup>6</sup>, and operational expenditure was US\$6.7M, representing a reduction in operating expenditure on each of the previous four quarters.<sup>7</sup>

Net cash used in operating activities (cash burn) was US\$3.6M for the quarter (exclusive of US\$27.7M<sup>8</sup> net merchant funding outflows, and US\$11k of legacy withholding tax<sup>9</sup>), representing a reduction in cash burn on each of the previous five quarters.

Net financing activities for the period were an inflow of US\$15.6M<sup>10</sup>, primarily driven by a US\$16.3M drawdown on the Goldman Sachs facility with the inclusion of Japan to cater for its rapid growth. This inflow was offset by interest and cost of finance paid of US\$1.1M<sup>11</sup>, which represents a further 11% improvement on the prior quarter, a 49% improvement on Q2, and a 55% improvement on Q1. This highlights the ongoing margin efficiency being driven as higher cost facilities have been repaid throughout the course of the year.

Splitit held US\$43.5M in net cash (see Figure 3), comprised of:

- US\$29M available cash
- US\$81M funded merchant receivables
- (US\$66.5M) debt payable

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<sup>6</sup> Item 1.1 of Appendix 4C

<sup>7</sup> Item 1.2 of Appendix 4C

<sup>8</sup> Item 1.8 of Appendix 4C

<sup>9</sup> Item 1.6 of Appendix 4C

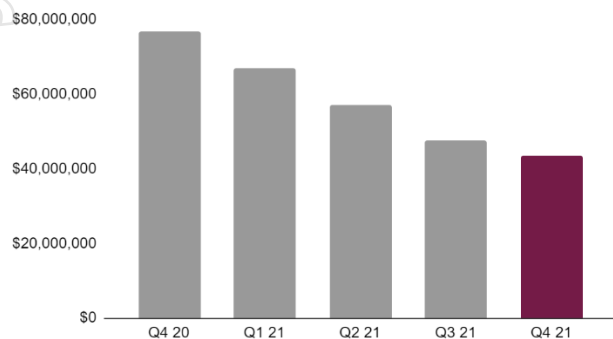
<sup>10</sup> Item 3.10 of Appendix 4C

<sup>11</sup> Item 3.9 of Appendix 4C

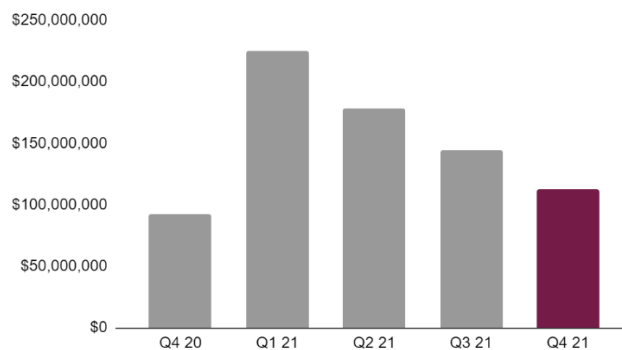


Figures 3 and 4: Capital Management

Net Cash + Receivables - Debt (US\$)



Total Liquidity (Cash + Undrawn Loans) (US\$)



Combining undrawn loan facilities with closing cash, the Company has a total of US\$112.5M of liquidity to fuel future growth (see Figure 4 above).

**Note:** Unless specified otherwise, all amounts are in USD and provided on an unaudited basis. Foreign currency amounts have been converted to USD at an average monthly exchange rate throughout the quarter.

## Q4 INVESTOR WEBINAR DETAILS

Splitit will host a webinar for investors today, Monday 31 January 2022, at 9:30 am Australian Eastern Daylight Time (AEDT).

Interim CEO, John Harper, and CFO, Ben Malone will provide an overview of the Company's recent performance, followed by a Q&A session.

**Date & Time:** Monday 31 January 2022 at 9:30 am (AEDT)

**Zoom Link:** [https://splitit.zoom.us/webinar/register/WN\\_YzzydvnURzC3idG6c2Eu1g](https://splitit.zoom.us/webinar/register/WN_YzzydvnURzC3idG6c2Eu1g)

**Replay:** Available at [www.splitit.com](http://www.splitit.com) after the event.



## ISSUE OF SHARES ON EXERCISE OF OPTIONS

Splitit also advises that it has issued 882,191 fully paid ordinary shares ("**Shares**") on exercise of that same number of unlisted options under the Company's 2013 Employee Share Incentive Plan. A cleansing statement in respect of the Shares is set out below and an Appendix 2A in respect of the Shares will follow this announcement.

### *Cleansing Statement*

The Company hereby notifies ASX under section 708A(5)(e) of the Act that:

- (a) today, 31 January 2022, the Company completed the issue and allotment of 882,191 fully paid ordinary shares;
- (b) the Company issued the shares without disclosure under Part 6D.2 of the Act;
- (c) the Company provides this notice under section 708A(5)(e) of the Act;
- (d) as a disclosing entity, the Company is subject to regular reporting and disclosure obligations;
- (e) as at the date of this notice:
  - i. the Company has complied with the provisions of Chapter 2M and section 674 of the Act as they apply to the Company;
  - ii. there is no information that has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - A. the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;  
or
    - B. the rights and liabilities attaching to the shares.



## About Splitit

Splitit is a global payment solution provider that enables shoppers to use the credit they've earned by breaking up purchases into monthly interest-free instalments using their existing credit card. Splitit enables merchants to improve conversion rates and increase average order value by giving customers an easy and fast way to pay for purchases over time without requiring additional approvals. Splitit serves many of Internet Retailer's top 500 merchants and is accepted by more than 3,000 eCommerce merchants in over 30 countries and shoppers in over 100 countries. Headquartered in New York, Splitit has an R&D centre in Israel and offices in London and Australia. The Company is listed on the Australian Securities Exchange (ASX) under ticker code SPT. The Company also trades on the US OTCQX under ticker codes SPTTY (ADRs) and STTTF (ordinary shares).

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

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

## Contact Information

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## Note to market

None of the information included in this announcement should be considered individually material unless specifically stated.

## Disclaimer

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

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

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

Actual results, performance or achievements of the Company could be materially different from those expressed in or implied by these forward-looking statements. The forward-looking statements contained within the presentations are not guarantees or assurances of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which may cause the actual results, performance or achievements of the Company to differ materially from those expressed or implied by forward-looking statements. For example, the factors that are likely to affect the results of the Company include general economic conditions in Australia and globally; exchange rates; competition in the markets in which the Company does and will operate; weather and climate conditions; and the inherent regulatory risks in the businesses of the Company. The forward-looking statements contained in this announcement should not be taken as implying that the assumptions on which the projections have been prepared are correct or exhaustive. The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement. The Company disclaims any responsibility to update or revise any forward-looking statements to reflect any change in the Company’s financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by law. The projections or forecasts included in this presentation have not been audited, examined, or otherwise reviewed by the Company’s independent auditors.

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

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## Annexure

In accordance with ASX Listing Rule 4.7C, Splitit provides the following information:

Payments to related parties and their associates for Q4 FY21 were US\$67k. These payments were related to salaries, director fees and expenses paid to directors and their associates.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Name of entity</b>	
SPLITIT PAYMENTS LTD	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
629 557 982	31 December 2021

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (12 months) \$US'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	3,379	11,210
1.2	Payments for		
	(a) research and development	(472)	(2,107)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(1,054)	(7,864)
	(d) leased assets	(131)	(398)
	(e) staff costs	(3,541)	(14,942)
	(f) administration and corporate costs (see note 6)	(1,472)	(5,389)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	31
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(11)	(461)
1.7	Government grants and tax incentives	-	(386)
1.8	Other – Merchant Receivables Funding	(27,669)	(31,112)
	Other – Cost of Sales	(279)	(988)
<b>1.9</b>	<b>Net cash used in operating activities</b>	<b>(31,250)</b>	<b>(52,406)</b>

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(6)	(132)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash used in investing activities</b>	<b>(6)</b>	<b>(132)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	451	2,485
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	16,293	66,808
3.6	Repayment of borrowings (See note 6)	-	(70,964)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

3.9	Other – One-off transaction costs relating to restricted cash and loan establishment (see note 6)	(87)	(2,874)
	Other - Interest and other costs of finance paid	(1,083)	(6,822)
	Other – One-off Interest and other costs of finance paid upon loan termination		(1,390)
	Other – movement in restricted cash (see note 6)		1,750
<b>3.10</b>	<b>Net cash used in financing activities</b>	<b>15,574</b>	<b>(11,007)</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	44,705	92,824
4.2	Net cash used in operating activities (item 1.9 above)	(31,250)	(52,406)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6)	(132)
4.4	Net cash from financing activities (item 3.10 above)	15,574	(11,007)
4.5	Effect of movement in exchange rates on cash held	(90)	(346)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>28,933</b>	<b>28,933</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	28,933	44,705
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>28,933</b>	<b>44,705</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$US'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	67
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p><i>The above relates to payment of Directors' salaries and fees.</i></p>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>								
7.1	Loan facilities*	150,000	66,423								
7.2	Credit standby arrangements	-	-								
7.3	Other (please specify)	-	-								
7.4	<b>Total financing facilities</b>	150,000	66,423								
7.5	<b>Unused financing facilities available at quarter end</b>		83,577								
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <table border="1"> <thead> <tr> <th>Lender</th><th>Interest Rate / Management Fees</th><th>Maturity Date</th><th>Secured / Unsecured</th></tr> </thead> <tbody> <tr> <td>Goldman Sachs Bank USA</td><td>Benchmark Rate + 6.85%</td><td>5<sup>th</sup> February, 2024</td><td>Secured</td></tr> </tbody> </table>			Lender	Interest Rate / Management Fees	Maturity Date	Secured / Unsecured	Goldman Sachs Bank USA	Benchmark Rate + 6.85%	5 <sup>th</sup> February, 2024	Secured
Lender	Interest Rate / Management Fees	Maturity Date	Secured / Unsecured								
Goldman Sachs Bank USA	Benchmark Rate + 6.85%	5 <sup>th</sup> February, 2024	Secured								

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash used in operating activities (item 1.9)	(31,250)
8.2	Cash and cash equivalents at quarter end (item 4.6)	28,933
8.3	Unused finance facilities available at quarter end (item 7.5)	83,577
8.4	Total available funding (item 8.2 + item 8.3)	112,510
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.6
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		

8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer: N/A
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer: N/A
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: N/A
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
6. Prior period reclassifications resulting in \$500,000 increase in operating expenses, and a corresponding \$500,000 reduction in financing expenses. No overall impact on overall costs.

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