



ASX Announcement

28 October 2022

Splitit Q3 FY22 Quarterly Report & Appendix 4C

Executing the Growth Strategy

- Splitit made significant progress in the third quarter executing its growth strategy laid out earlier this year.
- Continued progress on an accelerated pathway to profitability driven by the competitive advantages of the Splitit business model:
 - Continued improvement in Net Transaction Margin (NTM) at 1.49% for the quarter, up 1.23% on the prior year, and up 0.16% on the prior quarter (increases in absolute terms).
 - 40% YoY reduction in operating expenditure.
 - The combination of improving unit economics, whilst reducing operating costs, is driving Splitit towards profitability.
 - Merchant Sales Volume (MSV) of US\$95M is up US\$2M YoY, despite deliberate attrition of higher risk and unprofitable merchants.
- Completed a A\$10.5M institutional placement to unlock the next phase of growth and expansion with large, global enterprise merchants and strategic partners.
- New partnerships with letus and Telispire allow Splitit to enter the property rental market and expand its telecommunications and consumer electronic footprint, along with new merchants such as The Rug Company and Graff continuing to highlight Splitit's strength in luxury items and homewares
- News of the U.S. Consumer Financial Protection Bureau's (CFPB) plans to regulate the Buy Now, Pay Later market the same as credit card providers welcomed by Splitit, whose business model will not be impacted given that it already operates under existing credit card regulations.
- Splitit launched new plan's allowing merchants to pay twice a month and take a 30%-50% deposit upfront, either non-funded or funded. This further differentiates us in an environment where the rising interest rates are making merchant funded instalments more expensive
- Finalised the amendment to its existing Goldman Sachs funding facility, reducing the interest payable with new commercial terms allowing Splitit to be more competitive.
- US\$35M in cash and US\$150M Goldman Sachs credit facility.

Splitit Payments Limited ("Splitit" or the "Company") (ASX:SPT, OTCQX:SPTTY), the only white-label instalment solution allowing customers to pay by instalments using their existing payment card at checkout without increasing their total credit exposure, reports its Q3 FY22 results for the three months ending 30 September 2022.

CEO and Managing Director Nandan Sheth commented, "My first six months have been focused on implementing the building blocks that underpin our new strategy. These building blocks will allow us to go upmarket, distribute through channel partners, be financially stronger, manage cost and risk better, and deliver an innovative next-generation white-label product that empowers consumers, merchants and issuers. We have made solid progress in a very short period of time against our new goals outlined some months ago. This progress will put us on a clear pathway to profitability. Our white-label Instalments-as-a-Service is fully launched with multiple merchants using it. As we suspected, the in-line white-label solution drives significantly better performance for



merchants when compared to the legacy BNPL experience. We remain patient and optimistic as Splitit moves into a new phase of growth and expansion, while also improving our financial performance in today's challenging economic environment."

"Our emphasis on the merchant is resonating with the industry, where merchants have seen their relationships with their customers disintermediated by legacy BNPL lenders harvesting consumer data or looking to acquire their customers directly. We reported that OCM, one of the early adopters of our white-label service, saw total sales increase by 41% and volume of orders increase by 54%. Splitit ensures the customer journey starts and ends with the merchant – not a BNPL lender. Our early success with our white-label approach is proving this matters. Not just Gen Y or Millennials, but across all shopper demographics."

"The rapidly shifting regulatory landscape is putting legacy BNPL lenders under the microscope. As the focus grows to bring the industry in line with consumer lending and credit card regulations, Splitit provides a more future-proof pay-later option as it already operates under current credit card regulations. Splitit's use of global credit card networks also means merchants can easily add their service to new countries or regions through a single integration without the regulatory and procedural hurdles of implementing financing options. Good examples of this are Vestiaire Collective, Lyma Life, Biktrix, N+ Bikes, who have expanded from their original markets into various new markets within North America, APAC, UK.

"The Company was able to make two key moves this quarter to improve our financial profile: completing a A\$10.5M capital raise and reducing the interest we will owe on our receivables facility with Goldman Sachs. Additionally, we have bolstered our senior leadership across all sales and growth channels to attract and serve large enterprise merchants, drive distribution through partners and unlock instalments at the point-of-sale for issuers and other key players locked out by legacy BNPL lenders."

Q3 PERFORMANCE

Splitit made significant progress executing its growth strategy in the third quarter after laying out the roadmap in the year's first half. The Company's progress included a A\$10.5M capital raise to unlock the next phase of growth and expansion; strengthening its board and leadership team; securing more favourable commercial terms with Goldman Sachs for its funding facility; and announcing two key partnerships.

Capital raise unlocks the next phase of growth and expansion

Splitit announced it had completed a A\$10.5M placement with institutional investors in September. The Company will leverage this capital to unlock the next phase of growth and expansion with large, global enterprise merchants and strategic partners.

The capital raise brought in several new large institutional investors, with several current institutional investors also participating. The raise also included participation from Splitit's management team and board of directors, adding A\$775,000¹ as a strong show of confidence in the company's direction.

¹ Director Participation (A\$712,500) subject to shareholder approval



The new capital allows Splitit to accelerate its product roadmap so platform partners can embed its service directly into their technology stack while supporting a next-generation one-click instalment checkout, further simplifying the shopper experience.

Splitit will also use the new capital to expand its white-label Instalments-as-a-Service solution. Launched in Q2 2022, Splitit's white-label Instalments-as-a-Service platform eliminates unnecessary consumer friction and improves lacklustre conversion numbers inherent with legacy BNPL options. Splitit's merchant-branded experience embeds into the merchant's checkout flow to allow merchants to focus on delivering a more cohesive shopping experience.

Splitit's flexible platform helps merchants deliver a faster and simpler payment experience that generates incremental sales, Average Order Value (AOV) and brand satisfaction. A single global API makes Splitit's Instalment-as-a-Service the easiest instalment option to adopt, integrate and operate while delivering an uncluttered, simplified experience.

Interest rate reduction via Goldman Sachs facility amendment

Splitit announced that it finalised the previously announced amendment to its existing US\$150M receivables funding facility with Goldman Sachs Bank USA in early August.

The savings will further reduce the Company's expenditures and the operating expenditure reductions initiated throughout H1 2022. The revised facility terms are forecast to save the Company up to US\$5.3M over a two-year period, when including the significant volume and reduced interest rates associated with the special rates negotiated to assist in securing the global merchant expansion as outlined in the AGM Notice of Meeting dated 24 March 2022. Exclusive of the global merchant expansion savings, the forecasted interest savings would still be up to US\$2.1M across two years.

New Instalments-as-a-Service experience delivers impressive results

Splitit's new white-label, merchant-branded experience has shown impressive results with one of the solutions early adopters. OCM.com, part of Dormify, has seen total sales increase by 41% and volume of orders increase by 54% compared to the previous version of Splitit the company used for the past two years.

"First and foremost, the overall implementation is a lot more straightforward and delivers a much-improved shopping experience," said Juanfran Figueredo, Head of Data Analytics at Dormify. "We have exceeded all expectations with performance so far. We anticipated incremental improvement in our key metrics, but having such strong numbers from day one shows just how intuitive it is for our shoppers."

Splitit's white-label instalment platform eliminates unnecessary consumer friction and improves lacklustre conversion numbers inherent with legacy BNPL options.



MSV in the e-learning market tripled in three years

The Company reports that MSV for its education and professional development providers had increased 350% since 2019. The interest in digital learning and professional development has been gaining momentum over the last few years, fueled by the pandemic and the evolution of technology. The global e-learning market was worth \$215 billion in 2021 and is expected to grow 13% annually to reach \$645 billion by 2030.²

Splitit's white-label instalment platform is ideal for global education and professional development services, making it easier to spread the cost of higher ticket education fees over several months without needing a new loan. Additionally, consumers benefit from a zero-friction user experience delivering approval rates upwards of 80%. The company has over 100 clients offering online or offline training, including upGrad, Simplilearn, Fortuna Admissions, ThinkLouder and Knowledgehut.

Entering new markets and vertical growth

Splitit entered new markets and continued strong vertical growth in the quarter. The Company announced new partnerships with letus, a cloud payment platform for the property rental market and Telispire, a wholly owned subsidiary of the National Rural Telecommunications Cooperative (NRTC).

The partnership with letus brings a first-of-its-kind payment option to the company's cloud payment platform for property managers and owners. It allows tenants to spread the costs of expenses such as rent or security deposits over several monthly instalments on their preferred credit cards with no additional interest charges.

Telispire has elected to integrate Splitit's Instalments-as-a-Service into its PHOENIX state-of-the-art back office and billing system, allowing Telispire's mobile virtual network operator (MVNO) customers to offer instalment payments devices and services to its subscribers easily. As one of the largest technology providers and aggregators for MVNOs in the United States, Telispire offers a turn-key mobile telecom service for local and regional operators, utilities, co-ops and cable companies.

Performance Metrics

Splitit's key metrics reflected the heightened focus on accelerating its pathway to profitability. Net Transaction Margins (NTM) grew to 1.49% (up 1.23% YoY, and up a further 0.16% compared to prior quarter) whilst reducing its operating expenses by 40% YoY. The combination of improving unit economics, whilst reducing operating costs, is driving Splitit towards profitability

Splitit grew MSV by US\$2M YoY to US\$95m reflecting continued solid underlying momentum and the exiting of unprofitable merchants. YoY revenue declined 9%, driven largely by timing differences on invoicing.³

² Straights Research, "[E-Learning Market to reach USD 645 Billion in market size by 2030, growing at a CAGR of 13%](#)"

³ Funded invoices are raised upon the funding of the transaction on the shipment of goods, with some reported MSV trailing into the following quarter until transactions are funded

Table 1: Performance Metrics

Operating Metrics	Q3 FY22	YoY Comparison to Q3 FY21
Merchant Sales Volume (MSV) ⁴	US\$95M	+2% (US\$93M)
Revenue (Non-IFRS) ⁵	US\$2.4M	-9% (US\$2.6M)
Net Transaction Margin % (NTM %) ⁶	1.49%	+1.23% (absolute) (0.26%)
Operating Expenses (Non-IFRS) ⁷	US\$4.6M	-40% (US\$7.6m)

Note: Given the seasonal nature of the business, YoY growth rates are considered the most relevant measurement. Quarterly metrics are presented in the Appendix for reference

Strengthened Board and leadership

The Company announced two additions to its Board. Payments industry veteran Dan Charron was named as Non-executive Director, while Splitit CEO Nandan Sheth was appointed Managing Director. Mr. Charron has 30 years of payments, fintech and merchant services experience, including senior executive and board-level roles at some of the largest fintech companies in the world. He most recently served as Chairman Global Business Solutions at Fiserv, joining the company through its merger with First Data In 2019.

Additionally, the company added key leadership support with three new senior executives to bolster growth: John Beisner as VP of Enterprise Sales, Glenn Drake as GM of Integrated Payments and ISOs, and Greg Esser as VP of Partner Growth.

⁴ Underlying MSV for successful transactions

⁵ 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 (non-funded) model, revenue is invoiced monthly as each instalment is processed. This non-IFRS measure has not been independently audited or reviewed, and will differ from IFRS revenue due to IFRS revenue recognition rules.

⁶ $NTM(\%) = NTM(\$) / MSV$ invoiced to merchants during the period.

NTM (\$) = Revenue (Non-IFRS) less variable transaction costs (finance costs directly associated with receivables funding, third party revenue share, processing costs) less Bad Debts (transaction losses)

⁷ Operating expenses exclusive of non-cash items (share-based payments, warrant expenses, unrealised foreign exchange gains/losses, depreciation and amortisation, amortisation of deferred debt costs). This non-IFRS profit & loss metric varies from cash flow items within the Appendix 4C, as it is prepared on an accrual accounting basis



CFPB REGULATORY UPDATE

The U.S. Consumer Financial Protection (CFPB) put the BNPL industry under the microscope after recently releasing a report, "Buy Now, Pay Later: Market trends and consumer impacts."⁸ The CFPB plans on issuing guidance and rules to ensure BNPL lenders adhere to many of the baseline protections that Congress has already established for credit cards. The CFPB outlined three key areas causing significant harm to consumers:

1. Inconsistent Consumer Protections
2. Data Harvesting and Monetisation
3. Debt Accumulation and Overextension

The regulatory news directly validates Splitit's approach and business model in several ways, with each of the three key areas of focus above creating no impact on Splitit's business model for the following reasons:

1. Splitit already operates under the current credit card regulations, specifically, Regulation Z of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act).
2. Splitit's white-label Instalments-as-a-Service offering puts merchants in control of their data, allowing them to nurture and retain customers, driving loyalty and brand consistency
3. Splitit leverages existing credit without needing a new loan

CASH FLOW OVERVIEW

The Company's closing cash position was US\$35.2M, with a net overall cash increase for the period of US\$4.3m. The closing cash position included US\$14.9 of pre-drawn Goldman Sachs funds, which are available for receivables funding only and not for other operational activities, leaving US\$20.3M available for all operating activities and measurement against debt covenants.

Cash receipts from customers for the period were US\$2.4M⁹, and cash outflows from operational expenditure were US\$4.6M, representing the lowest operating expenditure levels for 2.5 years.¹⁰

Net cash used in operating activities (cash burn) was US\$2.5M for the quarter (exclusive of net merchant funding¹¹). Inclusive of the US\$2.4M inflow from merchant funding, the overall net cash outflow from operating activities was US\$0.1M.

Net financing activities for the period were an inflow of US\$5.5M¹². This includes US\$7.2M of equity raised through the aforementioned Placement, less placement costs, interest and other debt-related costs. Interest expense of US\$1M represented another QoQ decrease, with the impact of the Goldman Sachs warehouse cost reduction now being reflected.

⁸ https://files.consumerfinance.gov/f/documents/cfpb_buy-now-pay-later-market-trends-consumer-impacts_report_2022-09.pdf

⁹ Item 1.1 of Appendix 4C

¹⁰ Item 1.2 of Appendix 4C. Breakdown of operating expenditure by category also shown in item 1.2

¹¹ Item 1.8 of Appendix 4C

¹² Item 3.10 of Appendix 4C



Splitit held US\$30.2M in net cash, comprised of:

- US\$35.2M cash
- US\$57.5M funded merchant receivables
- (US\$62.5M) debt payable

Combining undrawn loan facilities with closing cash, the Company has a total of US\$123M of liquidity to fuel future growth.

Note: Unless specified otherwise, all amounts are in USD and provided on an unaudited basis.

Issue of shares on conversion of performance rights

Splitit also advises that it has issued 100,000 fully paid ordinary shares ("Shares") on conversion of that same number of unlisted performance rights ("Performance Rights") after the satisfaction of the relevant time-based vesting conditions and performance-based vesting conditions relating to the Performance Rights. A cleansing statement in respect of the Shares is set out below and an Appendix 2A will follow this announcement.

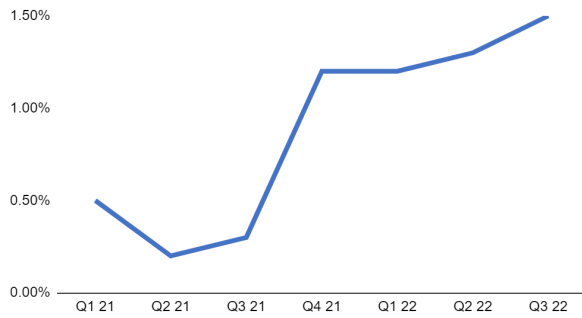
Cleansing Statement

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

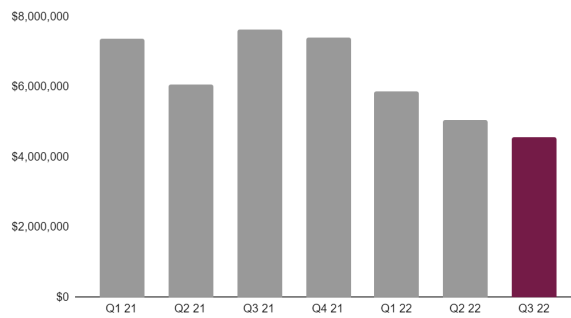
- a) today, 28 October 2022, the Company completed the issue and allotment of 100,000 fully paid ordinary shares;
- b) the Company issued the shares without disclosure under Part 6D.2 of the Act;
- c) the Company provides this notice under section 708A(5)(e) of the Act;
- d) as a disclosing entity, the 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.

Appendix – Quarterly Metrics

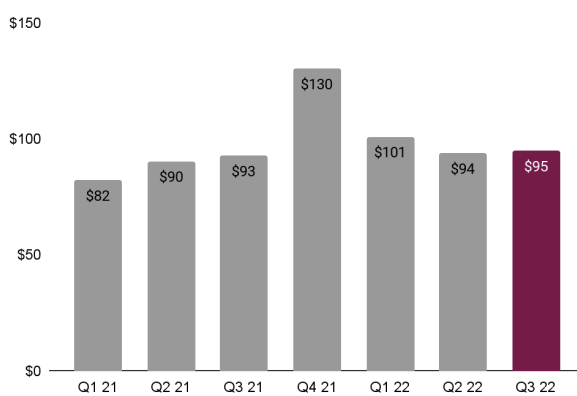
Net Transaction Margin %



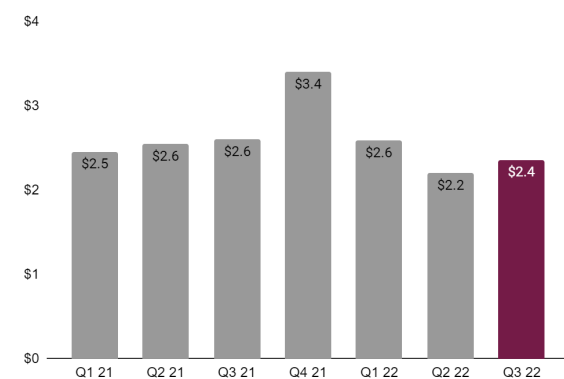
Operating Expenses (Non IFRS)



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



Revenue (Non-IFRS) (US\$ million)



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About Splitit

Splitit is a global payment solution provider that lets shoppers 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 Atlanta, 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 instalment offering that allows shoppers to use their pre-existing unused credit card balances at the point of sale, Splitit offers a consumer-friendly 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 more flexible plans, 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 Instalments-as-a-Service	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 needing 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 legacy BNPL providers 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-authorization 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.

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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 Q3 FY22 were US\$205k. These payments were related to salaries, director fees and expenses paid to directors (including the CEO / Managing Director) and their associates.

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Appendix 4C

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

Name of entity	
SPLITIT PAYMENTS LTD	
ABN	Quarter ended ("current quarter")
629 557 982	30 Sept 2022

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	2,383	7,134
1.2	Payments for		
	(a) research and development	(728)	(1,853)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(384)	(1,990)
	(d) leased assets	-	-
	(e) staff costs	(2,671)	(8,616)
	(f) administration and corporate costs	(792)	(3,474)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	58	75
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(23)	(103)
1.7	Government grants and tax incentives	-	-
1.8	Other – Merchant Receivables Funding	2,392	16,791
	Other – Cost of Sales	(298)	(1,207)
	Other one-off costs - CEO replacement (termination costs, sign-on bonus, agency placement fees)	-	(533)
1.9	Net cash used in operating activities	(63)	6,224

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

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(55)	(57)
	(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)	-	-
2.6	Net cash used in investing activities	(55)	(57)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities	7,181	7,181
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	10	114
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(394)	(394)
3.5	Proceeds from borrowings	-	896
3.6	Repayment of borrowings (See note 6)	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Interest and other costs of finance paid	(1,052)	(3,717)
	Other – Goldman Sachs Minimum Utilisation Fees	(249)	(1,396)
3.10	Net cash used in financing activities	5,496	2,684

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	30,887	28,933
4.2	Net cash used in operating activities (item 1.9 above)	(63)	6,224
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(55)	(57)
4.4	Net cash from financing activities (item 3.10 above)	5,496	2,684
4.5	Effect of movement in exchange rates on cash held	(1,087)	(2,606)
4.6	Cash and cash equivalents at end of period	35,178	35,178

Note: Cash and cash equivalents at the end of the period include US\$14.9M of pre-drawn Goldman Sachs funds which are used for receivables funding only and not for other operational activities.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	35,178	30,887
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	35,178	30,887

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	205
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

The above relates to payment of Directors' salaries and fees, including the CEO / Managing director

7.	Financing facilities <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>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000								
7.1	Loan facilities*	150,000	62,542								
7.2	Credit standby arrangements	-	-								
7.3	Other (please specify)	-	-								
7.4	Total financing facilities	150,000	62,542								
7.5	Unused financing facilities available at quarter end		87,458								
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" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Lender</th> <th style="text-align: center;">Interest Rate / Management Fees</th> <th style="text-align: center;">Maturity Date</th> <th style="text-align: center;">Secured / Unsecured</th> </tr> </thead> <tbody> <tr> <td>Goldman Sachs Bank USA</td> <td>Benchmark Rate + 3.05% to 5.85%</td> <td>5th February, 2025</td> <td style="text-align: center;">Secured</td> </tr> </tbody> </table> <p>On 5 February 2021 Splitit Treasury USA LLC and Splitit Treasury Europe DAC entered into a loan agreement with Goldman Sachs Bank USA ("GS") pursuant to which GS has provided a 150,000,000 USD three-year revolving funding facility. The facility is used to fund merchant receivables at a rate of 95% of the Gross Receivable (less merchant fees), based on geographic and other eligibility criteria. Drawings under this facility incur an interest rate of 3.05% to 5.85% plus benchmark rate p.a. As at 30 September 2022, the credit facility has \$62.542 million drawn.</p> <p>Splitit Treasury USA LLC, a Delaware limited liability company, was formed on November 6, 2020. Splitit Treasury Europe DAC, an Irish designated activity company, was formed on November 18, 2020. Each of these entities is a special purpose entity that is consolidated for financial reporting purposes within the Group and which have been structured to be "bankruptcy remote." Splitit Treasury USA LLC and Splitit Treasury Europe DAC are separate legal entities from Splitit USA Inc., Splitit UK Ltd. and each other member of the Group. The assets of Splitit Treasury USA LLC and Splitit Treasury Europe DAC will not be available to creditors of Splitit USA Inc., Splitit UK Ltd. or any other member of the Group. Drawdown amounts under the GS facility are secured against receivables owned by Splitit Treasury USA LLC that were acquired from Splitit USA Inc. and receivables owned by Splitit Treasury Europe DAC that were acquired from Splitit UK Ltd. None of Splitit USA Inc., Splitit UK Ltd. nor any member of the Group other than Splitit Treasury USA LLC and Splitit Treasury Europe DAC is an obligor under the GS facility. The foregoing statements in this paragraph are applicable to the Group from the date of the abovementioned companies' respective incorporations.</p>			Lender	Interest Rate / Management Fees	Maturity Date	Secured / Unsecured	Goldman Sachs Bank USA	Benchmark Rate + 3.05% to 5.85%	5 th February, 2025	Secured
Lender	Interest Rate / Management Fees	Maturity Date	Secured / Unsecured								
Goldman Sachs Bank USA	Benchmark Rate + 3.05% to 5.85%	5 th February, 2025	Secured								

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash used in operating activities (item 1.9)	(63)
8.2	Cash and cash equivalents at quarter end (item 4.6)	35,178
8.3	Unused finance facilities available at quarter end (item 7.5)	87,458
8.4	Total available funding (item 8.2 + item 8.3)	122,636
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1,947
	<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>	
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: 28 October 2022
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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.