



ASX Announcement

31 July 2023

Q2 FY23 Quarterly Report & Appendix 4C

- Splitit's strategy to scale continued with strong momentum:
 - New Visa partnership will deliver a transformational card-attached instalment platform where Splitit becomes the global merchant and issuer orchestration layer for transactions over the Visa network. First joint product experience to be delivered Q4 2023.
 - Rapid expansion of 'Pay After Delivery' service on AliExpress, one of the largest online marketplaces in the world, live markets include Australia, UK, Spain, Germany, with more new country launches expected in the coming months
 - New partnership with payments platform, Rapyd to offer Splitit to Rapyd's global network of merchants and marketplaces, expected to become an important channel over time
 - Launch of super-fast payment experience, enabling one click instalment checkout in under 2-seconds and supporting instalment payments via GPay and ApplePay
- Revenue (Non IFRS) of \$US3.1M, up 39% YoY, reflecting higher quality MSV
- Merchant Sales Volume (MSV) of US\$112M in Q2 FY23, up 20% Year on Year (YoY); as focus shifts to higher top-line and margin merchants
- Operating Expenses of US\$4.4M, continuing disciplined focus on cost management while building new partnerships and onboarding merchants

Splitit Payments Limited ("Splitit" or the "Company") (ASX:SPT, OTCQX:SPTTY), the only white-label and embedded card-attached instalment solution that allows consumers to pay overtime with their existing credit on their credit cards, is pleased to provide an update on its quarterly activities and cash flows for the period ending 30 June 2023 (Q2 FY23).

Nandan Sheth, CEO of Splitit, commented, "Our revenue growth of 39% YoY and continued cost management initiatives have helped us to preserve and grow margins in an environment with escalating interest rates. We are highly focused on value creation relationships such as AliExpress, Visa and Checkout.com as they will power growth at scale combined with high quality unit economics. Our new collaboration with Visa, signed during the quarter, validates our position as the only instalment service that can unlock value for the existing payment ecosystem. Our joint solution combines the powerful benefits of Visa Instalments coupled with Splitit's universal credit card acceptance, while delivering an optimised instalment experience for consumers and improved sales conversion and increased order size for merchants."

Our strategy to scale also saw us expand our 'Pay After Delivery' service for shoppers on AliExpress into Australia and the UK under partnership with Alipay, and sign a new partnership with Rapyd to access their global network of merchants and marketplaces."

OUTLOOK

Splitit remains highly focused on scaling its white-label instalment solution through distribution partners, signing new large merchants, and developing plugins that significantly enhance our ability to scale, as it works towards its goal of an end of year run rate of \$0.7B MSV. Looking ahead, we expect revenue to continue on its strong growth trajectory, supported by high quality MSV. We will also focus on sustaining and growing our net transaction margin and maintaining disciplined expense management.

Q2 FY23 PERFORMANCE

MSV grew 20% YoY in Q2 2023 to US\$112M reflecting strong volume from existing and new large merchants.

Revenue (Non-IFRS) increased 39% to US\$3.1M, compared to the prior year (US\$2.2M). Revenue also continued to increase QoQ, when compared to the prior quarter helped by the shift away from lower margin merchants.





NTM as a percentage of invoiced MSV was 1.1%, an improvement against the first quarter (0.9%) due to (a) the discipline of pricing new merchants with a strong margin, (b) a full quarter of repriced revenue rates which offset interest rate increases, (c) minimal bad debt exposure, and (d) a disciplined shift away from lower margin merchants. Splitit is confident that NTM will remain strong over the longer-term as the merchant portfolio continues to grow and diversify.

Disciplined expense management remained a priority throughout the quarter as Splitit focused on its pathway to profitability, with Operating Expenses (Non-IFRS) of US\$4.4M, down 14% YoY.

Table 1: Performance Metrics

Operating Metrics	Q2 FY23	YoY Comparison to Q2 FY22
Merchant Sales Volume (MSV) ¹	US\$112M	+20% (US\$94M)
Revenue (Non-IFRS) ²	US\$3.1M	+39% (US\$2.2M)
Revenue (IFRS) ³	US\$3.1M	+26% (US\$2.4M)
Net Transaction Margin % (NTM %) ⁴	1.1%	-0.5% (absolute) (1.6%)
Operating Expenses (Non-IFRS) ⁵	US\$4.4M	-14% (US\$5.1M)

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.

Partnerships

New Visa collaboration for an ultralow friction consumer experience

In May, Splitit was pleased to announce a new two-year partnership with Visa to pilot an enhanced instalment solution that optimises the consumer experience by combining Splitit's Instalments-as-a-Service solution with Visa Instalments (VIS). The combined service will be offered to issuers, acquirers and merchants.

¹ Underlying MSV for successful transactions

² 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.

³ Revenue under IFRS, reflective of IFRS 9 Effective Interest Rate (EIR) adjustment

⁴ $NTM(\%) = NTM(\$) / MSV \text{ invoiced to merchants during the period.}$

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

⁵ Operating expenses exclusive of non-cash items (share-based payments, warrant expense, unrealised foreign exchange gains/losses, depreciation and amortisation, amortisation of deferred debt costs, fair value gain/loss on derivatives), and also exclusive of provisions for one-off costs related to the settlement of a customer dispute as disclosed to ASX on 26 July 2023. This non-IFRS profit & loss metric varies from cash flow items within the Appendix 4C, as it is prepared on an accrual accounting basis



Work has begun to integrate Visa Instalments within Splitit's existing API and user experience to provide a fully embedded and universal model that will lead the card-attached instalment market. The combination enables merchants to offer a universally accepted card-attached instalment solution, embedded within their existing credit card process, which will be available through participating acquirers.

An initial pilot of the solution is expected to be launched by Splitit and Visa in the second half of 2023 in select markets.

Splitit partners with Rapyd

During the quarter, Splitit partnered with payments platform, Rapyd to offer Splitit's white-label Instalments-as-a-Service solution to Rapyd's global network of merchants and marketplaces.

Rapyd also enables Splitit's merchants to accept payments from over 100 countries and send payout to over 190 countries, as well as accept over 50 local e-wallets and accept more payment methods including bank transfers and redirects, cards, e-Wallets, cash and Virtual Accounts.

Key Merchants

AliExpress

Following the initial launch of the 'Pay After Delivery' service for shoppers on AliExpress in Germany and Spain, Splitit and Alipay have expanded their partnership into Australia and the UK. In addition, Splitit's traditional instalment offering is now being offered in addition to Pay After Delivery within Spain and Germany. Additional regions and product expansions will continue to be launched in the coming months. The AliExpress June MSV result was 14x what was recorded in March, and Splitit expects to further double Ali monthly volumes before the end of 2023.

The service was developed under Splitit's agreement with Alipay, signed in January 2023, and harnesses Checkout.com's payment-acquiring capabilities. AliExpress is Alipay's global eCommerce marketplace owned by the Alibaba Group.

Product & Platform

White-label developments

Splitit introduced and launched a new super-fast payment experience for its white-label solution, called SplititExpress. It seamlessly enables checkout in under 2-seconds and also supports instalment payments via GPay and ApplePay.

Splitit's White-label plugins are now available for Shopify, WooCommerce, BigCommerce, Magento and SAP Commerce Cloud.

New Developers Site

Splitit released a new developer's site, with an improved UX, making it much easier for merchants to navigate and access key white-label and API documentation, further simplifying the onboarding process.

Merchant Payments System

Splitit announced the launch of our new payment system to streamline and further enhance the merchant payment process. The new payment system is built on cutting-edge architecture designed to handle large volumes of data efficiently, whilst also ensuring secure data transfer and processing.





CASH FLOW OVERVIEW

The Company's closing cash position was US\$13.8M, which included US\$2.8M of pre-drawn Goldman Sachs funds, which are available for receivables funding only, leaving US\$11M (US\$3.6M decrease for the period) available for all operating activities and measurement against debt covenants.

Cash receipts from customers for the period were US\$3.6M⁶, and cash outflows from operational expenditure was US\$4.3M.⁷ Cash receipts were \$1m higher than prior quarter driven by higher revenues across the portfolio, and receipt of the first instalment of revenue from Visa under the recently announced partnership agreement.

Net cash used in operating activities was an outflow of US\$0.9M for the quarter (exclusive of net merchant funding⁸), representing a US\$1.8M improvement on the prior quarter, and a US\$2.6M improvement YoY. Inclusive of the US\$10.9M outflow from merchant funding off the back of stronger funded MSV, the overall net cash outflow from operating activities was US\$11.8M.

Net financing activities for the period were an inflow of US\$4.5M⁹, with a net draw down from Goldman Sachs for the period, to finance strong funded MSV growth.

Splitit held US\$19.7M in net cash, comprised of:

- US\$13.8M cash
- US\$66.1M funded merchant receivables
- (US\$60.2M) debt payable

Combining undrawn loan facilities with closing cash, the Company has a total of US\$103M of liquidity to fuel future growth.

In accordance with ASX Listing Rule 4.7C, payments to related parties and their associates for Q2 FY23 were US\$219K. These payments were related to salaries, director fees and expenses paid to directors and their associates, including the CEO.

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

⁶ Item 1.1 of Appendix 4C

⁷ Item 1.2 of Appendix 4C. Breakdown of operating expenditure by category also shown in item 1.2

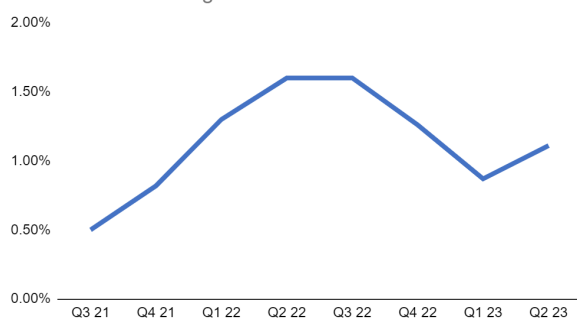
⁸ Item 1.8 of Appendix 4C

⁹ Item 3.10 of Appendix 4C

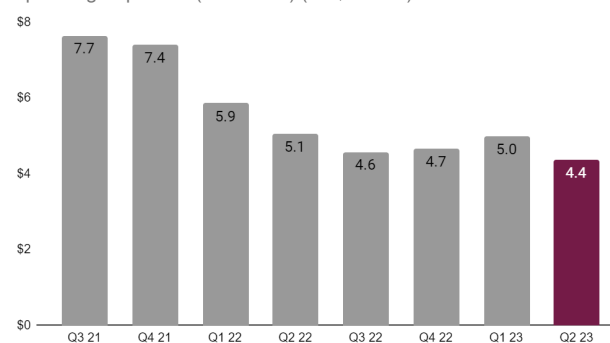


Appendix – Quarterly Metrics

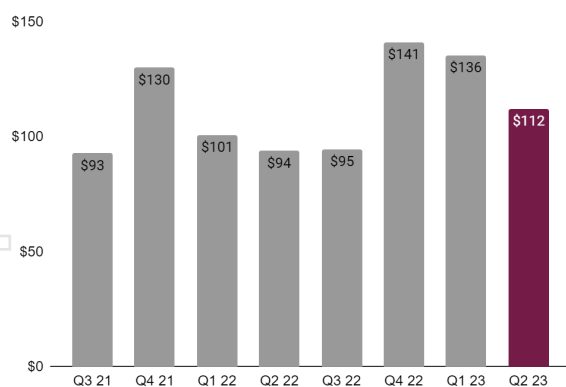
Net Transaction Margin %



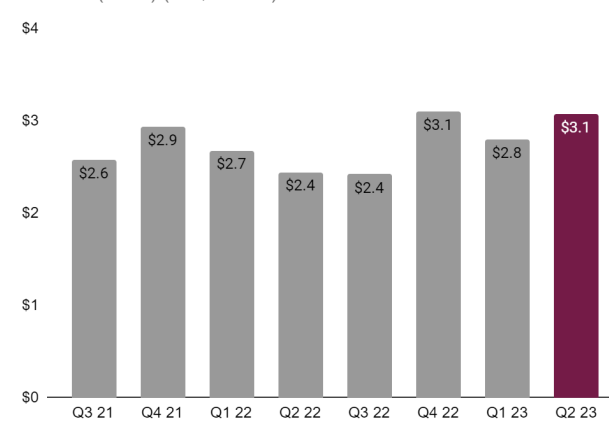
Operating Expenses (Non IFRS) (US\$'million)



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

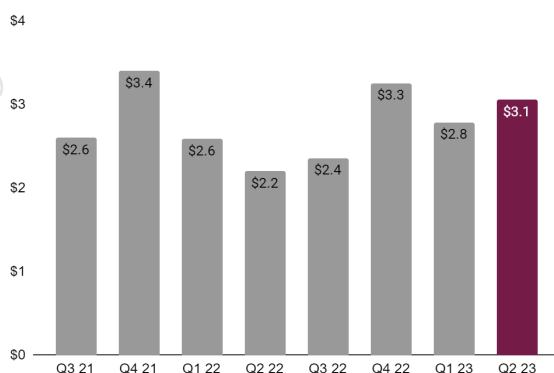


Revenue (IFRS) (US\$'million)





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



About Splitit

Splitit powers the next generation of Buy Now, Pay Later (BNPL) through its merchant-branded Instalments-as-a-Service platform. Splitit is solving the challenges businesses face with legacy BNPL while unlocking BNPL at the point of sale for card networks, issuers and acquirers all through a single network API. Splitit's Instalments-as-a-Service platform mitigates issues with legacy BNPL like the declining conversion funnel, clutter at the checkout and a lack of control of the merchant's customer experience while putting the power back in the hands of merchants to nurture and retain customers, drive conversion and increase average order value. Splitit's white-label BNPL is the easiest instalment option for merchants to adopt, integrate and operate while delivering an uncluttered, simplified experience embedded into their existing purchase flow. Headquartered in Atlanta, Splitit has an R&D centre in Israel and offices in London and Australia. Splitit is listed on the Australian Securities Exchange (ASX) under ticker code SPT and also trades on the US OTCQX under ticker SPTTY (ADRs) and STTTF (ordinary shares).

Splitit's Key Points of Differentiation

What is Splitit's Instalments-as-a-Service?

Splitit's Instalments-as-a-Service platform is a new way to drive BNPL through a white-label, merchant-branded experience embedded within their existing checkout flow. Unlike legacy BNPL services that originate new loans, Splitit unlocks existing consumer credit on credit cards for 0% interest* instalments. Any consumer with available credit on their credit card is automatically pre-qualified to use Splitit for the value of that available credit. There's no application, registration or redirects and no additional interest, hidden fees (credit card terms and conditions may apply) or credit checks, making it the most seamless and frictionless BNPL checkout experience for consumers online and in-store.

** No interest is payable to Splitit. The cardholder may be liable to pay interest to the issuer of their payment card if the instalments are not paid in full by the due date.*





Splitit is a consumer-friendly option for shoppers	Splitit offers a consumer-friendly solution with no new debt or credit checks, no application, no interest or late fees charged (credit card terms and conditions may apply). Splitit is the instalment offering that allows shoppers to use their issued but unused credit on major credit cards at the point of sale. 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. Splitit's white-label platform delivers one-click instalments embedded into the merchant's existing checkout flow. The merchant-branded experience reduces the clutter and confusion of multiple payment logos in the checkout, ensuring brand consistency while driving loyalty and repeat purchases.
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 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 in accordance with credit card rules.
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.

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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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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 June 2023

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6 months) \$US'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,624	6,223
1.2	Payments for		
	(a) research and development	(595)	(1,340)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(367)	(780)
	(d) leased assets	-	-
	(e) staff costs	(2,684)	(5,551)
	(f) administration and corporate costs	(670)	(1,803)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	36	99
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(3)	(7)
1.7	Government grants and tax incentives	-	-
1.8	Other – Merchant Receivables Funding	(10,899)	5,012
	Other – Cost of Sales	(226)	(446)
1.9	Net cash used in operating activities	(11,784)	1,407

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(5)	(14)
	(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	(5)	(14)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities	-	498
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(4)
3.5	Proceeds from borrowings	12,120	15,102
3.6	Repayment of borrowings	(6,118)	(28,763)
3.7	Transaction costs related to loans and borrowings	(22)	(330)
3.8	Dividends paid	-	-
3.9	Other - Interest and other costs of finance paid	(1,377)	(2,925)
	Other – Goldman Sachs Minimum Utilisation Fees	-	(250)
	Other - Movement in Restricted Cash	(137)	(201)
3.10	Net cash used in financing activities	4,466	(16,873)

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	21,405	29,799
4.2	Net cash used in operating activities (item 1.9 above)	(11,784)	1,407
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(14)
4.4	Net cash from financing activities (item 3.10 above)	4,466	(16,873)
4.5	Effect of movement in exchange rates on cash held	(308)	(545)
4.6	Cash and cash equivalents at end of period	13,773	13,773
<i>Note: Cash and cash equivalents at the end of the period include US\$2.8M of pre-drawn Goldman Sachs funds which are used for receivables funding only and not for other operational activities.</i>			

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	13,773	21,405
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)	13,773	21,405

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	219
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		
<i>The above relates to payment of Directors' salaries and fees, including the CEO / Managing director</i>		

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	60,181								
7.2	Credit standby arrangements	-	-								
7.3	Other (please specify)	-	-								
7.4	Total financing facilities	150,000	60,181								
7.5	Unused financing facilities available at quarter end		89,819								
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 + 3.05% to 5.85%</td><td>5th February, 2025</td><td>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 June 2023, the credit facility has \$60.2 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)	(11,784)
8.2	Cash and cash equivalents at quarter end (item 4.6)	13,774
8.3	Unused finance facilities available at quarter end (item 7.5)	89,819
8.4	Total available funding (item 8.2 + item 8.3)	103,592
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9
<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: 31 July 2023

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.