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Annual Report

2021

Splitit Payments Ltd.

splitit

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Splitit Annual Report 2021
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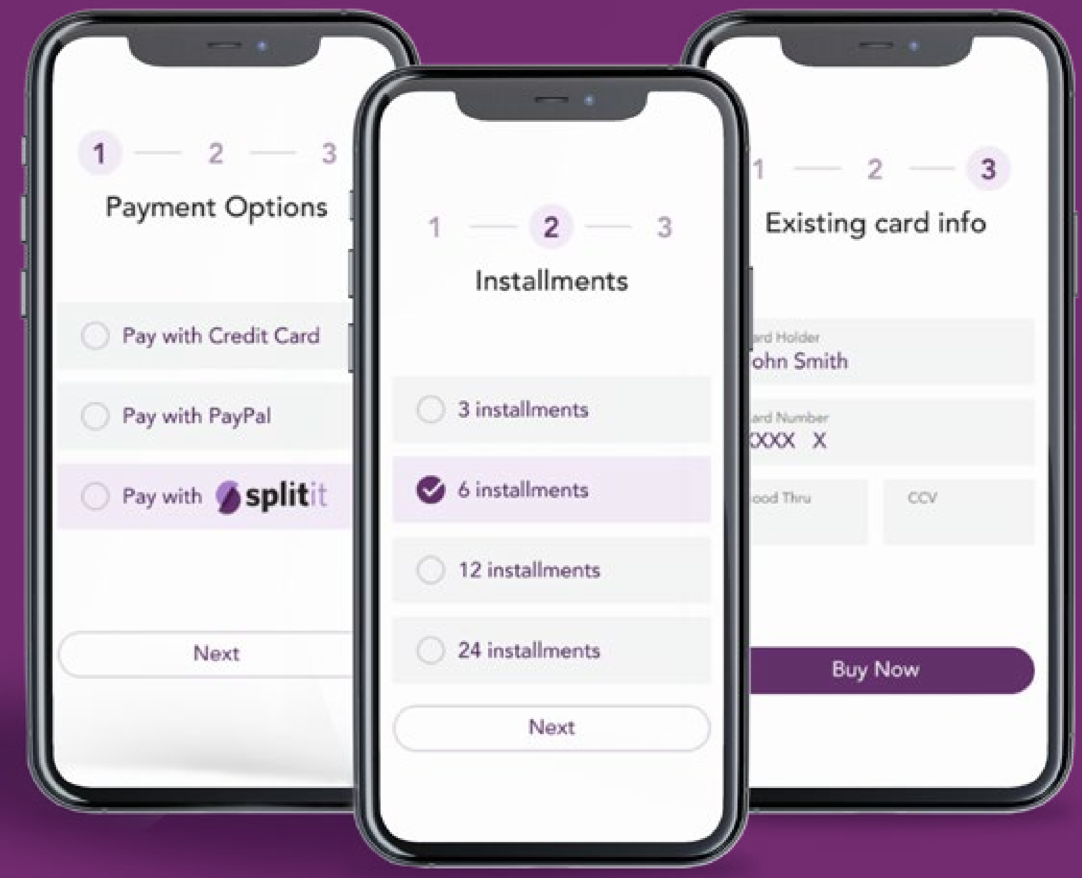
What Makes Splitit Unique?

We created Splitit because nothing like it existed.

It was that simple. We wanted to create a payments solution that made people's lives easier and more seamless by allowing them to leverage their existing credit in a way that worked better for them. So that's what we did.



> Splitit is the only card and network-agnostic solution on the market that can scale globally. Other card-based systems are either post-sale or require merchants to integrate each solution separately into their e-commerce stack, creating excessive tech overhead and increasing maintenance costs.

We aren't like other " buy now, pay later" (BNPL) options. We're entirely different — always free of fees, applications, and credit checks for the shopper. For the responsible credit card user who pays diligently and doesn't want a new loan, Splitit is the smarter, more sensible choice.

Splitit lets shoppers have more control over their purchases by making the most out of the credit cards they already have. Splitit turns larger purchases into more manageable monthly instalments on their favourite Visa, Mastercard, Discover or UnionPay credit cards, all while taking advantage of all the card's benefits and rewards — with no new financing, interest or fees. Splitit is a consumer-friendly option that provides a quick checkout in as few as three clicks. Shoppers can choose the number of instalments and pay in full at any time without penalty.

Splitit helps businesses convert higher-value shoppers. The Splitit shopper tends to be more affluent and spends more. Our average order value (AOV) is over US$1,000, over four times higher than most other BNPL options. Splitit drives larger purchases by giving shoppers the flexibility to upgrade or select other add-ons to their orders and pay over time.

With Splitit, businesses are always in control. Unlike other financing options, merchants always retain complete ownership of their customer data and their customers remain on their website rather than being redirected to another vendor's site at checkout. The result is a faster and simpler user experience that drives higher sales, AOV, brand satisfaction and loyalty.

Splitit is the only card and network-agnostic solution on the market that can scale globally. Other card-based systems are either post-sale or require merchants to integrate each solution separately into their e-commerce stack, creating excessive tech overhead and increasing maintenance costs.

We also operate globally in over 110 countries, supporting 40 different currencies. Any merchant accepting Visa, Mastercard, Discover or UnionPay International can offer Splitit, including receiving cross-border payments.

Our flexible platform also allows businesses to easily integrate Splitit into e-commerce platforms as a white-label or grey-label option which helps open doors for new business opportunities while lowering our reliance on consumer brand building costs. The flexibility allows retailers to offer instalments on private credit cards or luxury brands to create a custom, branded experience.

Splitit's business model is unique amongst our peers, leading to operating leverage at scale and a pathway to sustainable and profitable growth at superior margins. Our unique IP on securing a rolling pre-authorisation limits consumer defaults and provides barriers to entry.

With all the increased discussions of regulating the BNPL industry, we feel we are in a significantly better position as our customers are already subject to existing credit card regulations and protections. Likewise, our merchants are already allowed to surcharge.

To answer the question, what makes Splitit unique? Our technology-focused approach to instalments provides a consumer-friendly option to utilise their existing credit while offering a flexible and globally scalable offering for merchants driving conversion and growth. Splitit's unique IP, global scalability, and white label opportunities provide a differentiated business model, leading to operating leverage at scale and a pathway to sustainable and profitable growth at superior margins.

> Splitit's business model is unique amongst our peers, leading to operating leverage at scale and a pathway to sustainable and profitable growth at superior margins. Our unique IP on securing a rolling pre-authorisation limits consumer defaults and provides barriers to entry.

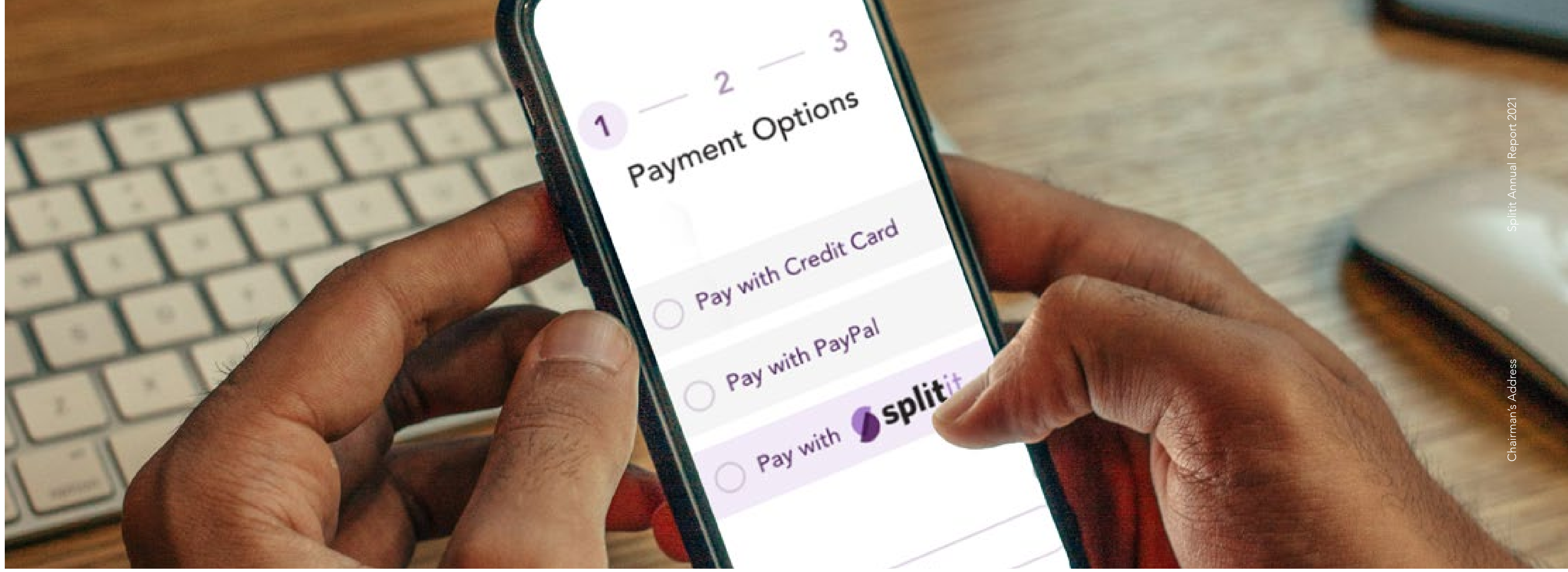
Corporate directory

Directors	Dawn Robertson, Non-Executive Chairman Thierry Denis, Non-Executive Director Jan Koelble, Non-Executive Director Vanessa LeFebvre, Non-Executive Director Scott Mahoney, Non-Executive Director
Local Agent (Company Secretary)	cdPlus Corporate Services Pty Ltd
Registered Office	c/- Coghlan Duffy & Co Lawyers Level 42 Rialto South Tower 525 Collins Street, Melbourne, Victoria 3000 Tel: +61 3 9614 2444
Domicile and Country of Incorporation	A foreign company registered in its original jurisdiction of Israel as Splitit Ltd
Website	www.splitit.com
Australian Registered Business Number	ARBN 629 557 982
Principal place of business	511 Avenue of the Americas #4049 New York, NY 10011, USA
Share Registry	Automic Registry Services Level 3, 50 Holt Street Surry Hills, NSW 2010 Tel: 1300 288 664 or +61 2 9698 5414 (International telephone)
Auditor	Ernst & Young 8 Exhibition Street, Melbourne VIC 3000 Australia
Legal (Israel)	Herzog Fox & Neeman Yitzhak Sadeh St 6, Tel Aviv-Yafo, Israel 6777506 Tel: +972 3 6922020
Securities Exchange Listing	Splitit shares are listed in the Australian Securities Exchange Limited (ASX: SPT) Splitit has a Level 1 American Depository Receipt (ADR) facility trading in the Over-The-Counter (OTC) market in the United States and is managed by The Bank of New York Mellon (ADR Code: SPTTY)

Dear Fellow Shareholder,

I am delighted to present Splitit's annual report for the 2021 financial year.

2021 saw considerable change for our company as we continue our evolution from a start-up to being an established global technology business with a scalable growth runway. Despite challenging market conditions, Splitit delivered strong growth across all key metrics, and is well positioned for 2022 under the leadership of new CEO, Nandan Sheth.



With over 30 years expertise at the executive management level in leadership and collaborative problem-solving Dawn Robertson has been a global business leader for major retailers, department stores and startups, with extensive experience, including Myer, Old Navy, Macys, Sak's Inc, and OCM.

The BNPL sector faced its own set of challenges in 2021 as scrutiny of providers that issue new credit intensified, with commensurate regulatory pressure. While this, to an extent, also impacted our share price, the good news is it has provided us with further opportunities to demonstrate why our business model is unique, and why we believe we have a sustainable future.

Splitit is the only instalment solution providing a consumer-friendly option for shoppers to utilise their existing credit at the point of sale. Because we use a shopper's existing credit card, we avoid the need for applications and redirects, and shoppers love being able to checkout in as few as three clicks. Splitit doesn't charge interest, late fees, or any prepayment penalties while enabling shoppers to continue collecting card perks like cash back, rewards and points.

As credit cards are already highly regulated, shoppers are afforded protections relevant to their market via their issuing bank. By using Splitit they also don't run the risk of compromising their credit scores. In fact, better utilisation of credit card limits only enhances their credit history, which is essential for making important life decisions such as buying a home.

At the same time, merchants enjoy the flexibility and global scalability Splitit offers to help drive higher online sales and conversion rates, especially for larger purchases. Continued investment in our technology and strategic partnerships has made integrating Splitit considerably faster and easier, one of the reasons Google selected us as their first instalment solution in Japan. This partnership is already proving to be tremendously successful.

These developments helped deliver a step change in our performance through the year as more merchants and shoppers elected to use Splitit, highlighted by the record fourth quarter. Merchants Sales Volume (MSV) for the year grew to US$396M, a 61% increase compared to 2020. Revenue (Non-GAAP) also grew strongly to US$11M, reflecting 48% growth, with Active Merchants and Active Shoppers growing 60% and 43%, respectively.

Our confidence in the future is further underpinned by the intellectual property that secures our unique credit card pre-authorisation technology, preventing replication by other providers. This pre-authorisation model also limits consumer defaults compared with other BNPL providers, as credit card issuers secure the transactions.

This is a significant advantage as we don't have to bear the cost of assessing consumer default risk or chasing up outstanding payments, further supporting our pathway to sustainable and profitable growth. Using the existing credit card rails also means our platform can be adopted in new markets without needing an 'on the ground' presence, delivering substantial operating leverage as we scale.

In addition, our use of the existing credit card networks means that surcharging by merchants has always been permitted. Therefore, this doesn't present the same threat for Splitit as it does for new credit providers, adding to pressure on their margins as competition intensifies.

As the only card and gateway-agnostic provider to the credit card industry, the opportunity is vast, over five times larger than the point-of-sale finance market. In the US alone, the point-of-sale financing market is expected to grow to US$182 BN by 2023[1]. By contrast the US credit card market is expected to grow to US$990 BN by 2023[1].

While this opportunity provides an enormous longer-term runway for growth, our immediate imperative during 2021 was to narrow our strategic focus to the key North American and UK markets. We will continue to expand in other regions where we have seen strong success, such as Asia Pacific. However, Splitit needs to be selective about allocating resources outside our two largest and most prospective regions. Similarly, our strategy has evolved to allocate more development and sales resource to our core product this year. This includes both our Splitit branded solution and a white label offering, which provides an additional low-cost revenue stream.

We also simplified the message for merchants and consumers to better promote our unique value proposition. The refined message is being spread across all our touchpoints, such as sales presentations, the customer journey and checkout, along with a refreshed Splitit website which went live in January 2022. This will underpin our ongoing marketing efforts as we ramp up engagement with merchants and consumers.

It was also a year of Board renewal, beginning with my appointment to Chair and two new Non-Executive Directors, Vanessa LeFebvre and Scott Mahoney, in February. Both have added to the Board's skill set and already made valued contributions. In August, the Splitit Board determined that a change in CEO was needed. Accordingly, Mr. John Harper was appointed as Interim CEO, replacing Brad Paterson, while a global search process was conducted.

Under John's leadership, Splitit has made significant strides in optimising the team, narrowing our strategic focus as outlined and helping to differentiate our solution in an increasingly competitive BNPL sector. We have also reduced our operating costs and re-allocated expenditure to revenue generating endeavours. The benefits of these initiatives are beginning to be realised, as demonstrated in our most recent quarterly performance. On behalf of the Board, I would like to thank John and the team for their commitment and hard work during the year.

After year-end, in January 2022, the global CEO search process was completed, with the announcement of the appointment of Nandan Sheth as CEO, effective February 28. Nandan brings more than 20 years of experience and a robust network within the payments and fintech space to Splitit. Given his background, and especially his experience launching successful partnerships, we're extremely confident that he can unlock the company's growth potential.

Lastly, our thanks are extended to our loyal shareholders who continue to support Splitit. In recognition of our growing presence in North America and interest levels among US investors, we recently launched our US ADR program to allow investors previously unable to invest in Splitit to do so. This will also provide enhanced visibility and trading liquidity to complement Splitit's ASX listing.

Splitit is very well positioned for 2022 as we look to build scale in our target regions and deliver further efficiencies across the business. I look forward to updating shareholders on our progress.

Yours sincerely,

Dawn Robertson
Chairman, Splitit Payments Ltd

[1] Reflects estimated outstanding lending balances McKinsey & Company Buy now, pay pater: Five business models to compete, July 2021

Directors' report

Board of Directors

The Directors of the Company at any time during or since the end of the Period are as follows.

Dawn Robertson	
Position	Non-executive Director and Chair of the Board
Qualifications	Ms Robertson holds a B.A. Fashion Merchandising from Auburn University, Auburn, AL.
Biography	Dawn has been a global business leader for major retailers, department stores and startups, with extensive experience, including Myer, Old Navy, Macys, Sak's Inc, and OCM. With over 30 years expertise at the executive management level in leadership and collaborative problem-solving, Dawn has frequently worked directly with boards of Private or Public companies domestically and internationally in order to drive growth, improve weak revenue and scale startups for consumer brands. She is currently serving on the boards of OCM in New York City where she also serves as CEO, Women in Retail Leadership in New York City, The Apparel Group in Dubai UAE, and of Runway of Dreams in New York City. Dawn is a Fellow of the National Association of Corporate Directors in Australia and the USA, a Fellow of the Australian Institute of Company Directors, and a Fellow of the Advisory Board Architects, Denvor, CO.
Interest in ordinary shares	600,000 Fully Paid Ordinary Shares.
Interest in options / performance rights	70,422 Unlisted Director Options exercisable at AUD$1.41 each on or before 11 May 2026 70,422 Unlisted Director Options exercisable at AUD$1.42 each on or before 11 May 2026 90,909 Unlisted Director Options exercisable at AUD$0.28 each on or before 8 February 2027 90,909 Unlisted Director Options exercisable at AUD$0.31 each on or before 20 January 2027

Thierry Denis	
Position	Non-executive External Director. Chair of the Remuneration and Nomination Committee Member of the Audit, Risk and Governance Committee
Qualifications	Mr Denis is a Graduate from the Australian Institute of Company Directors and holds a Diploma in Engineering from ENSEA (Ecole Nationale de l'Electronique et de ses Applications).
Biography	With over 20 years of senior management experience building market leading IT solutions at global electronic payments technology leading, Ingenico, Thierry brings with him a broad executive skill set that spans M&A, product diversification, business development and marketing, as well as his strong sales and technical background. He was most recently President/Managing Director of Ingenico North America and then CEO Advisor & Consultant. Thierry was director of TZ Limited (ASX code: TZL) until 31st March 2020.
Interest in ordinary shares	1,338,462 Fully Paid Ordinary Shares
Interest in options / performance rights	70,422 Unlisted Director Options exercisable at AUD$1.41 each on or before 11 May 2026 90,909 Unlisted Director Options exercisable at AUD$0.31 each on or before 20 January 2027

Jan Koelble	
Position	Non-executive Director Chair of the Audit, Risk and Governance Committee Member of the Remuneration and Nomination Committee
Qualifications	Mr Koelble is a certified International Investment Analyst and a chartered Alternative Investment Analyst and completed the Series 66 – Uniform Combined State Law Exam and Series 7 – General Securities Representative Exam. Mr Koelble holds a Bachelor of Science in Business Administration from the School of Management, Zurich University of Applied Sciences in Switzerland.
Biography	Jan Oliver Koelble is currently the Chief Operating Officer and Cofounder of Clade & Co., a FinTech platform for family offices and institutional debt investors, where he oversees operations, product and business development. Prior to founding Clade, he worked at Credit Suisse in several senior operational and investment management positions for the bank in both New York and Zurich. Most recently, Mr Koelble served as the Chief Operating Officer for financial products in Credit Suisse's Private Banking Americas division and managed Credit Suisse's Swiss Custody Advisory business. Before joining Credit Suisse in New York, Mr Koelble was based in Zurich and worked in the bank's Private Advisor group.
Interest in ordinary shares	99,000 Fully Paid Ordinary Shares (BNP Paribas Nominees Pty Ltd – the registered holder as nominee for Interactive Brokers LLC that beneficially holds the shares for Jan Koelble) 200,000 Fully Paid Ordinary Shares
Interest in options / performance rights	500,000 unlisted Options exercisable at AUD$0.70 each on or before 21 January 2023. 500,000 unlisted Options exercisable at AUD$0.85 each on or before 21 January 2023. 90,909 Unlisted Director Options exercisable at AUD$0.31 each on or before 21 January 2027.

Vanessa LeFebvre	
Position	Non-executive External Director - appointed 27 April 2021 Member of the Remuneration and Nomination Committee
Qualifications	Ms LeFebvre holds a BA, Psychology from the University of Pennsylvania.
Biography	Based in Oregon, US, Vanessa LeFebvre brings 20 years of retail industry experience to the Board. She is currently Senior Vice President, Commercial for Adidas in North America where she is responsible for its wholesale, retail stores and eCommerce channels. Prior to that she held high profile roles at TJX, Macy's and Stitch Fix. She is part of the Wharton Retail Board, a founder member of Chief, and a member of the Runway of Dreams executive council.
Interest in ordinary shares	
Interest in options / performance rights	1,000,000 Unlisted Director Options exercisable at AUD$1.15 each on or before 27 April 2026

Scott Mahoney	
Position	Non-executive External Director - appointed 27 April 2021 Member of the Audit, Risk and Governance Committee
Qualifications	Mr Mahoney holds a Bachelor of Science in Economics from The Wharton School, University of Pennsylvania.
Biography	Based in New York, Scott Mahoney has 20 years of investment experience across asset classes in executive leadership roles at global alternative asset management firms. He is currently an Executive Council Member for alternative investment advisory firm, Aviditi Advisors and a Partner with the FinTech venture capital firm, Tribeca Early-Stage Partners. Scott was previously Deputy Chief Trading Officer at Millennium Management and a Managing Director of Alternative Investments at Credit Suisse Asset Management.
Interest in ordinary shares	
Interest in options / performance rights	1,000,000 Unlisted Director Options exercisable at AUD$1.15 each on or before 27 April 2026

Directors' report cont...

The following persons were Directors of Splitit for a part, or all, of the Period but ceased to be a Director prior to the date of this Report:

Directors	Position	Cessation date
Brad Paterson	CEO & Executive Director	31 August 2021
Spiro Pappas	Non-executive External Director & Chair of the Board	8 February 2021

Local Agent / Company Secretary

cdPlus Corporate Services Pty Ltd is the local agent for, and provides company secretarial services to, the Company.

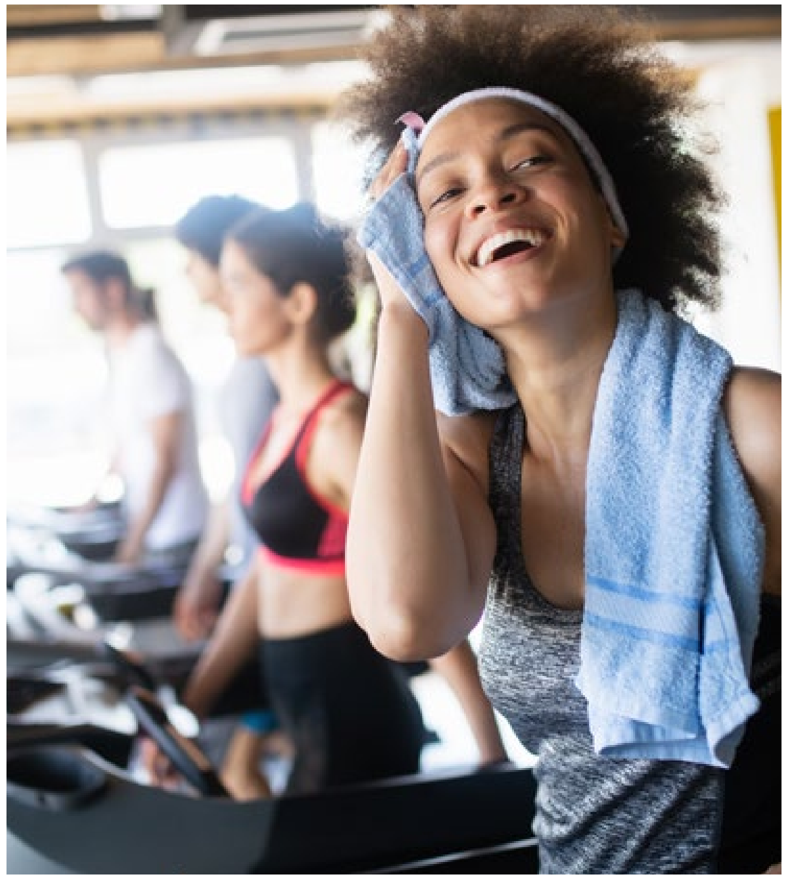
cdPlus Corporate Services Pty Ltd provides corporate governance and company secretarial services to ASX-listed, public unlisted and private companies, with specialist experience in initial public offerings, secondary capital raisings, due diligence projects, ASIC and ASX compliance. The director of cdPlus Corporate Services Pty Ltd, Charly Duffy, is also a director of Coghlan Duffy + Co Lawyers, a boutique corporate and commercial law firm based in Melbourne.

2. Principal activities

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).



3. Review of operations

During the financial year 2021 Splitit continued to grow strongly, further establishing itself as a global technology business with a compelling and differentiated offering and a scalable growth runway.

The Company delivered a record performance during the year across its key performance metrics: Merchant Sales Volume (MSV), Revenue, Active Merchants and Active Shoppers.

Key Full Year Performance Metrics
MSV & revenue acceleration

In FY21, Splitit achieved annual MSV of US$396M representing YoY growth of 61% against FY20 (US$246M). MSV growth was recorded across Splitit's core geographic markets of North America and the United Kingdom and was also strong in the APAC region, specifically Japan. The MSV performance gained considerable momentum in the busy final quarter which includes the Black Friday and Cyber Monday shopping period and Christmas trading period.

During the year, Splitit deliberately shifted away from accepting debit cards to focus solely on credit card transactions. Normalised for the decline in debit cards, MSV growth would have been 72% YoY.

Revenue (Non-GAAP) grew 48% YoY to US$11m for FY21. FY21 MSV growth was higher than revenue growth due to a more diversified merchant base, a slightly higher proportion of MSV through the basic model, and the removal of debit card acceptance (which had a higher associated merchant fee, but was removed due to its bottom-line performance).

Operating Metrics	FY21	Comparison to FY20 (YoY)
Merchant Sales Volume (MSV)[3]	US$ 396M	+61% (US$ 246M)
Revenue (Non-GAAP)[4]	US$ 11M	+48% (US$ 7.4M)
Revenue (GAAP)[5]	US$ 10.5M	+57% (US$ 6.7M)
12M Active Merchants[6]	1.25K	+60% (0.8K)
12M Active Shoppers[7]	330K	+43% (231K)

[3] Underlying MSV for successful transactions on which a merchant fee is charged
[4] 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 instalment 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.
[5] Revenue recognised in accordance with International Reporting Standards (IFRS)
[6] Number of merchants that have received a payment in the previous 12 months
[7] Number of shoppers that have made a purchase in the previous 12 months

Merchant & shopper growth

Merchants continue to select Splitit due to its flexibility, global scalability and ability to help them improve cart conversion rates, especially for higher value items.

Accordingly, merchant adoption of the solution accelerated in FY21, with Splitit reaching 1.25K Active Merchants, representing a 60% YoY increase. Multiple new large merchants with significant addressable MSV signed up to the solution, including MyPillow, Simplilearn, Horizon Fitness, Gem Shopping Network, Rare Carat, PROCAM, Fabergé, KEF and Aftershock PC Australia.

In addition, Splitit became Google's first instalment payment solution in Japan in January 2021. Under the agreement, Splitit is enabling the Google Store Japan to support instalment payments for customers purchasing Pixel mobile phones, with opportunities to expand to additional products and geographies in the future.

The partnership with Google Japan has demonstrated the strength of Splitit's globally scalable model which can easily be adopted in new markets because it leverages the existing global credit card payment infrastructure, without the need for an 'on the ground presence'.

Shoppers also grew in FY21, reaching 330K Active Shoppers and representing 43% growth YoY. Active Shopper growth was driven by uptake of Splitit's consumer friendly BNPL solution which 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. Splitit continues to be the only BNPL solution that allows consumers to use their pre-existing unused credit card balances at the point of sale, with no new debt or credit checks, no application and no interest or late fees.

Splitit's Average Order Value (AOV) remained above US$1K in FY21, as shoppers continued to select Splitit for bigger purchases, such as home furnishing, sporting equipment and luxury items like jewellery.

New Credit Facilities with Goldman Sachs

In February 2021, Splitit signed a US$150 million three-year revolving receivables funding facility with Goldman Sachs Bank USA to support the continued expansion of the business. The facility doubled the size of Splitit's previous funding capacity and is designed to support US$650M of annual MSV. The agreement was later expanded to encompass Splitit's MSV growth in Japan. The facility has already begun to improve the Company's net transaction margins as other higher-cost facilities were repaid throughout FY21.

Product Innovation

White-label offering

This year Splitit extended its technology to offer a white-label version of its platform, which is unique in the BNPL sector. As a technology-focussed model, Splitit is also able to drive scale in its business via a white-label offering. 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. White-labelling also provides a low-cost entry point into new markets by supporting established BNPL providers like tabby (see Partnerships section). The white-label offering supports Splitit's growth opportunities and broadens available revenue streams.

Salesforce Commerce Cloud integration

In September 2021, Splitit completed a new Salesforce Commerce Cloud integration making it quicker and simpler for e-commerce and retail brands to offer Splitit at the online checkout. The new integration will help accelerate adoption with larger merchants.

Splitit integration with Wix

During Q4 Splitit integrated with Wix, a leading cloud-based web development services company. This integration enables merchants with a Wix website to seamlessly offer Splitit's instalment payments to their shoppers. Splitit now supports six of the leading global e-commerce platforms, also including Shopify, Magento, WooCommerce, BigCommerce and Salesforce Commerce Cloud.

Partnerships

Expansion of credit card network with UnionPay & Discover

In April 2021, Splitit partnered with UnionPay International, which has a network of 9 billion card holders globally and is accepted in 180 countries and regions, covering over 55 million merchants. UnionPay credit card holders and merchants are now able to utilise Splitit's solution.

Splitit also partnered with Discover Global Network Cardholders in October 2021, which has more than 50 million merchant acceptance locations and includes the Discover Network, Diners Club International, PULSE and more than 20 alliance partner networks globally.

The new partnerships with UnionPay and Discover added two major global card schemes to Splitit's portfolio of credit card partner networks, including Mastercard and Visa.

White label partnership with tabby

Splitit signed its first white label partnership in June 2021 with leading Middle East BNPL provider, tabby. Under the partnership, tabby has integrated Splitit's technology into its BNPL platform to provide shoppers with an additional option to pay in instalments over time. This strategic partnership provides Splitit with entry into rapidly growing UAE and Saudi markets, estimated to be US$7 billion and US$11 billion in market size respectively.[7]

[7] Source: Kearney Analysis

Mastercard co-marketing campaign

As part of the Company's partnership with Mastercard, Splitit and at-home connected fitness company Echelon Fitness delivered an omnichannel shopper co-marketing campaign in the United Kingdom in April 2021. The campaign promoted the use of Splitit's payments solution via Mastercard to purchase Echelon's home fitness products. Business development efforts remain a focus for Splitit under its partnership with Mastercard.

Corporate Summary

Splitit Launches Sponsored Level 1 ADR Program through USOTCQX market

In November 2021, Splitit announced the launch of its Sponsored Level 1 American Depositary Receipts Program. This program provides access to a broader market of US investors and will enhance visibility and trading liquidity to complement Splitit's ASX listing.

Board and leadership changes

In February 2021, Dawn Robertson was appointed Non-Executive Chairman, replacing Spiro Pappas. Dawn is a global business leader with experience across major retailers, department stores, brands and start-ups. Two new Non-Executive Directors also joined the Board in 2021: Ms Vanessa LeFebvre, who brings nearly 20 years of retail industry experience and Mr Scott Mahoney, who has 20 years of asset management experience in the US.

In August 2021, the Splitit Board determined that a change in CEO was needed to continue building on its achievements and prioritise the goal of expanding its merchant footprint globally. Accordingly, Mr John Harper was appointed as Interim CEO, replacing Brad Paterson, whilst a global search for a permanent CEO was undertaken. John is a veteran retail sector executive with a proven track record of leadership in retail enterprises, including for Macy's as its Chief Operations Officer.

Subsequent to year-end, as announced in January 2022 the Splitit Board of Directors appointed Nandan Sheth as CEO, effective 28 February 2022. A seasoned payments industry executive, Sheth brings experience spanning leadership roles at large payments companies, major banks, Fortune 100 companies, and disruptive technology start-ups across North America and Europe. His record of entrepreneurial success includes co-founding, scaling and successfully exiting multiple payments 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 strategy, scaling innovation, corporate and business development, product development, technology, 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 of Acculynk, the business he co-founded in 2008 and sold to First Data in 2017. His earlier experience includes serving as GM at American Express and co-founding and scaling Harbor Payments (sold to American Express) and e-Debt. Sheth holds an MBA from the Cass Business School and a BSc with Honours from City, University of London.

4. Meetings of Directors held during the year

	Board		Audit, Risk and Governance Committee		Nomination & Remuneration Committee	
	Held[1]	Attended[2]	Held[1]	Attended[2]	Held[1]	Attended[2]
Brad Paterson	7	6	–	–	–	–
Dawn Robertson	12	12	1	1	5	5
Jan Koelble	12	12	4	4	8	7
Scott Mahoney	8	8	3	3	–	–
Spiro Pappas	2	2	–	–	–	–
Thierry Denis	12	12	4	4	8	8
Vanessa LeFebvre	8	5	–	–	3	3

1. Number of meetings held during the time the Director held office or was a member of the Audit, Risk and Governance Committee and/or Remuneration and Nomination Committee.
2. Number of meetings attended.

5. Auditor related information

Indemnification of Auditor

To the extent permitted by law, the Company has agreed to indemnify Ernst & Young, as part of the terms of its audit engagement agreement, against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not apply to any loss arising out of any breach of the audit engagement agreements or from Ernst & Young's negligent, wrongful or willful acts or omissions. No payment has been made under this indemnity to Ernst & Young during or since the end of the financial year.

Non-audit services

The Group may decide to employ the auditor on assignments additional to statutory audit duties where the auditor's expertise and experience with the Group are essential and will not compromise auditor independence.

Details of the amounts paid or payable to Ernst & Young for audit and non-audit services provided during the year are set out in Note 16 to the financial report.

Change of external auditor

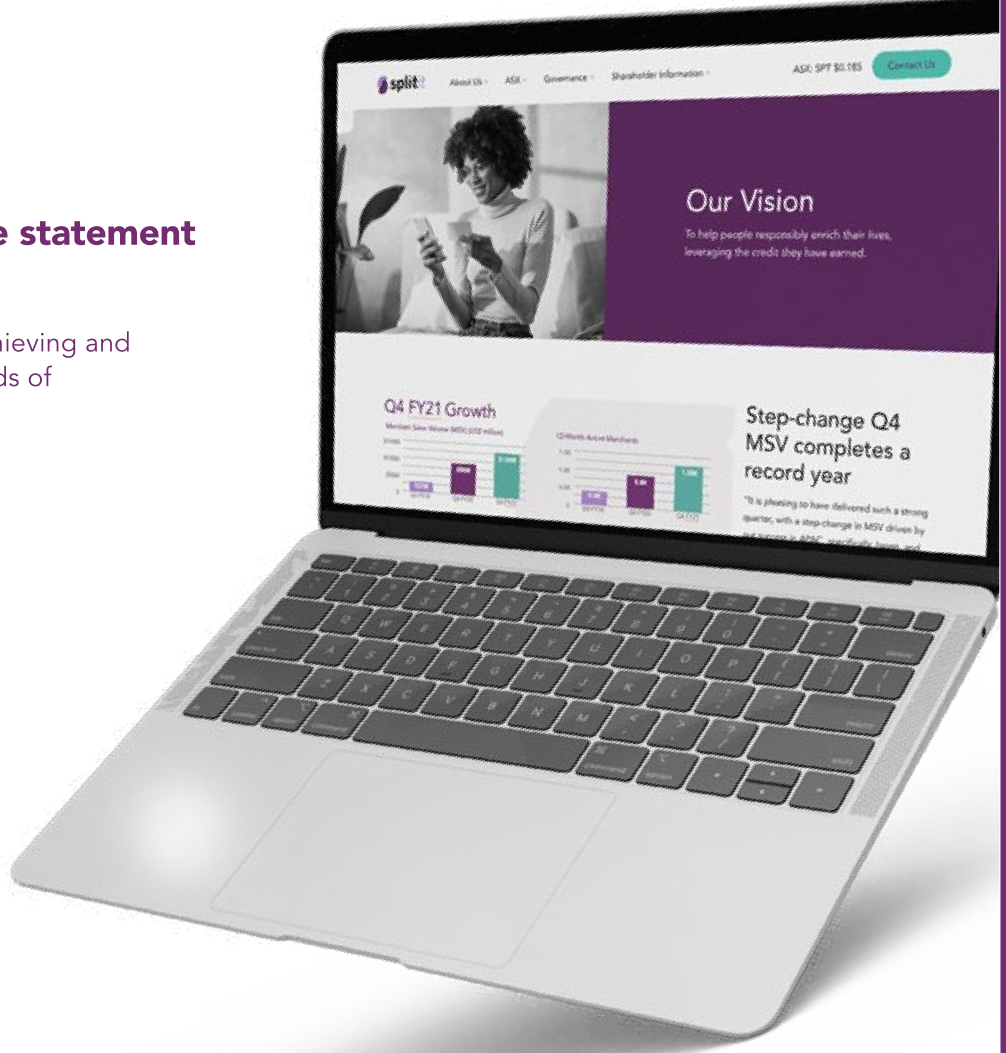
On 25 June 2021, the Group announced the appointment of Ernst & Young as auditor of the Group. The appointment followed the outcome of a tender process and resignation of Brightman Almagor Zohar & Co (A member of Deloitte Touche Tohmatsu).

6. Indemnification and insurance of directors and officers

The Company has agreed to indemnify the Directors, CFO and cdPlus Corporate Services Pty Ltd, on a full indemnity basis and to the full extent permitted by law, against certain losses or liabilities incurred by the Directors and CFO as Officers of the Company or of a related body corporate, or by cdPlus Corporate Services Pty Ltd as local agent of the Company, provided that the loss or liability does not arise out of misconduct, including lack of good faith.

During the financial year, the Company insured its Directors, Secretaries and Officers against liability to third parties and for costs incurred in defending any civil or criminal proceedings that may be brought against them in their capacity as Directors or Officers of the Company. This excludes a liability that arises out of wilful breach of duty or improper use of inside information. The premium also insures the Company for any indemnity payments it may make to its Officers in respect of costs and liabilities incurred. Disclosure of the premium payable is prohibited under the conditions of the policy.

7. Corporate governance statement



The Directors are committed to achieving and demonstrating the highest standards of corporate governance.

The Board of Directors is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance company performance and build sustainable value for shareholders.

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations published by the ASX Corporate Governance Council. The Corporate Governance Statement is available on the company's website at:

https://investors.splitit.com/company-policy/policies-charters/corporate-governance-statement/

8. Events occurring after the end of the reporting period

Subsequent to year-end, as announced in January 2022, the Splitit Board of Directors appointed Nandan Sheth as CEO, effective 28 February. A seasoned payments industry executive, Sheth brings experience spanning leadership roles at large payments companies, major banks, Fortune 100 companies, and disruptive technology start-ups across North America and Europe. His record of entrepreneurial success includes co-founding, scaling and successfully exiting multiple payments companies, including Harbor Payments (sold to American Express in 2006) and Acculynk (sold to First Data in 2017).

Material terms of Sheth's agreement include base salary, annual incentive bonus, sign-on bonus and performance rights. For full details please refer to the January 2022 ASX announcement here.

No other matters have arisen since the end of the year which have significantly affected or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

9. Rounding of amounts

The Company is an entity of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report.

Accordingly, amounts in the Directors' Report have been rounded off to the nearest one thousand dollars ($000) in accordance with that Legislative Instrument, unless stated otherwise.

Signed on 28 February 2022 in accordance with a resolution of Directors.

Dawn Robertson

Dawn Robertson
Chairman, Splitit Payments Ltd

Consolidated statement of profit or loss and comprehensive income

For the year ended 31 December 2021

	Note	31-Dec-2021 $'000	31-Dec-2020 $'000
Income			
Portfolio income	2	7,920	5,172
Transaction revenue	2	2,525	1,515
Other income		62	48
Total income		**10,507**	**6,735**
Cost of Sales	3	(1,224)	(28)
Gross Profit		**9,283**	**6,707**
Depreciation and amortisation expenses		(77)	(276)
Employment expenses	4a	(14,496)	(10,701)
Operating expenses	4b	(16,365)	(12,686)
Impairment expenses	8	(3,850)	(957)
Share based payment expenses	15c	(3,672)	(1,675)
Total expenses		**(38,460)**	**(26,295)**
Operating loss		**(29,177)**	**(19,588)**
Finance income		**31**	**26**
Warrant expenses		(487)	–
Interest and other finance costs		(10,045)	(5,844)
Finance costs	**12b**	**(10,532)**	**(5,844)**
Loss for the year before tax		**(39,678)**	**(25,406)**
Income tax expense	5	(11)	(64)
Loss for the year		**(39,689)**	**(25,470)**
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax)			
Exchange differences on translation of foreign operations		68	–
Total comprehensive loss for the year		**(39,621)**	**(25,470)**
Loss per share attributable to ordinary equity holders			
Basic loss per share (dollars)	6	(0.086)	(0.077)
Diluted loss per share (dollars)	6	(0.086)	(0.077)

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 31 December 2021

	Note	31-Dec-2021 $'000	31-Dec-2020 $'000
Current assets			
Cash and cash equivalents	7	28,933	92,824
Receivables	8	74,143	51,770
Other financial assets	9	200	1,950
Other current assets		998	897
Total current assets		**104,274**	**147,441**
Non-current assets			
Other financial assets	9	–	13
Receivables	8	3,959	–
Property, plant and equipment		150	95
Total Non-current assets		**4,109**	**108**
Total assets		**108,383**	**147,549**
Current liabilities			
Trade and other payables	10	4,281	5,295
Interest bearing liabilities and borrowings	12a	–	32,162
Employee benefit provision		658	517
Total current liabilities		**4,939**	**37,974**
Non-current liabilities			
Interest bearing liabilities and borrowings	12a	64,256	37,409
Total non-current liabilities		**64,256**	**37,409**
Total liabilities		**69,195**	**75,383**
Net assets		**39,188**	**72,166**
Equity			
Issued capital	11	126,091	123,606
Accumulated losses		(102,346)	(62,657)
Reserves		15,443	11,217
Total equity		**39,188**	**72,166**

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 December 2021

	Issued capital $'000	Reserve $'000	Accumulated losses $'000	Total $'000
At 1 January 2021	**123,606**	**11,217**	**(62,657)**	**72,166**
Share options exercised (net of tax)	2,485	–	–	2,485
Shared based payments	–	4,158	–	4,158
FCTR	–	68	–	68
Loss for the period	–	–	(39,689)	(39,689)
Balance at 31 December 2021	**126,091**	**15,443**	**(102,346)**	**39,188**

	Issued capital $'000	Reserve $'000	Accumulated losses $'000	Total $'000
At 1 January 2020	**44,014**	**9,542**	**(37,187)**	**16,369**
Issue of shares – capital raising	82,332	–	–	82,332
Capital raising cost (net of tax)	(3,777)	–	–	(3,777)
Share options exercised (net of tax)	1,037	–	–	1,037
Shared based payments	–	1,675	–	1,675
Loss for the period	–	–	(25,470)	(25,470)
Balance at 31 December 2020	**123,606**	**11,217**	**(62,657)**	**72,166**

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 31 December 2021

	Note	31-Dec-2021 $'000	31-Dec-2020 $'000
Loss after income tax		**(39,689)**	**(25,470)**
Adjustments to reconcile to net cash flow from operating activities:			
Share based payments		3,672	1,675
Depreciation and amortisation		77	276
Unrealised foreign exchange (gain) / loss		828	(3,024)
Warrant expenses		487	–
Interest and other finance costs		10,046	5,844
Net loss on disposal of assets		–	61
Expected credit loss provision movement		1,558	300
Other non-cash movements			
Net (increase)/decrease in operating assets			
Receivables		(27,761)	(46,096)
Other current assets		(229)	(335)
Net increase/(decrease) in operating liabilities			
Trade payable		(1,536)	3,713
Other current liabilities		141	(23)
Total adjustments		**(12,717)**	**(37,609)**
Net cash outflows from operating activities		**(52,406)**	**(63,079)**
Cash flows from investing activities			
Payments for plant and equipment		(132)	(65)
Proceeds from disposal of assets		–	68
Net cash inflows / (outflows) from investing activities		**(132)**	**3**
Cash flows from financing activities			
Proceeds from issue of shares		–	82,332
Costs of share issues		–	(3,777)
Proceeds from exercise of share options		2,485	1,037
Proceeds from borrowings		66,808	68,113
Repayment of borrowings		(70,964)	(555)
Transaction costs related to loans and borrowings		(2,874)	(1,061)
Interest paid		(6,822)	(3,765)
Loan termination fees		(1,390)	–
Payments to / (from) restricted cash		1,750	(1,863)
Net cash inflows / (outflows) from financing activities		**(11,007)**	**140,461**
Net increase/(decrease) in cash and cash equivalents		**(63,547)**	**77,385**
Effects of exchange rate changes on cash and cash equivalents		(346)	3,769
Cash and cash equivalents at beginning of the period		92,824	11,670
Cash and cash equivalents at end of the period	**7**	**28,933**	**92,824**

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

Notes to consolidated financial statements

1. Description of business and general

Splitit Payments Limited ("the Company"), and controlled entities (collectively, "the Group"), is a for-profit company incorporated in Israel and listed on the Australian Securities Exchange (ASX).

Basis of preparation

The general purpose Financial Report:

- has been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the international Accounting Standards Board (IASB);
- is presented in US dollars ($), which is the Company's functional and presentation currency (unless otherwise stated) and rounded to the nearest one thousand dollars ($000) in accordance with ASIC Legislative Instrument 2016/191, unless stated otherwise;
- has been prepared in accordance with the historical cost convention, except for certain financial assets and liabilities, which have been recognised at fair value; and
- was authorised for issue by the Board of Directors on 28 February 2022. The Directors have the power to amend and reissue the Financial Report.

The presentation of certain items has also been adjusted as necessary to provide more meaningful information in the context of the Group. Where the presentation or classification of items in the Financial report is amended, comparative amounts are also reclassified unless it is impractical. The adjustments made to the presentation of items had no impact on the net assets or net loss of the Group.

Going concern

As at 31 December 2021 the Group had $39.188 million of consolidated net assets and incurred a loss after tax of $39.689 million and had net cash outflows from operations of $52.406 million for the year ended 31 December 2021.

As at 31 December 2021 the Group had $28.933 million of cash and cash equivalents and current receivables of $78.102 million, plus $83.577m undrawn in relation to the Goldman Sachs revolving credit facility. The Group is actively engaged in negotiations with Goldman Sachs to further expand merchant receivables eligibility criteria of the facility across additional geographies and merchant categories and concentration, in an effort to reduce internal cash outflow requirements of forecast receivable origination. The Group can also be more selective with its funding to new and certain existing merchants to reduce the cash flow impact of origination. In addition, the Group's forecast operational expenditure contains multiple variable components which have a level of discretion in managing cash outflows including reducing certain expenditures at short notice, if required. The Group also periodically reviews its capital management strategy to ensure funding initiatives are in place to support medium-term growth objectives.

The Directors have therefore prepared the financial report on a going concern basis, which contemplates the Group's continuity of normal business activities, including meeting its operating commitments and lending covenant obligations, realising its assets and settling its liabilities in the ordinary course of business.

Changes in accounting policies

During the financial year ended 31 December 2021, the Group amended its accounting policy in respect of Cost of Sales with interest and other borrowing related expenses now reported within Finance costs, receivable impairment expenses now reported as a separate line on the consolidated statement of profit or loss and comprehensive income and bank fees now being reported as part of Cost of Sales whereas previously, they were in operating expenses. The revised treatment more fairly presents the economic substance of the expenses and aligns with the Company's operations. It also provides more useful information to analysts and investors regarding the results of the Group's operations and allows easier comparison with other industry participants. The change has been applied retrospectively and impacted the comparative period as follows:

- a decrease in Cost of Sales for the year ended 31 December 2020 of $5.448m;
- a decrease in Operating expenses for the year ended 31 December 2020 of $0.028m;
- an increase in Receivable impairment expenses for the year ended 31 December 2020 of $0.397m; and
- an increase in Finance costs for the year ended 31 December 2020 of $5.079m.

In a further change during the financial year ended 31 December 2021, the Group changed the presentation of impairment expenses related to merchant guarantees in relation to non-funded merchants on the consolidated statement of profit or loss and comprehensive income. Previously these were disclosed in operating expenses but they are not included in impairment expenses. Comparative information has been updated to reflect the new presentation as follows:

- a decrease in Operating expenses for the year ended 31 December 2020 of $560k; and
- an increase in Impairment expenses for the year ended 31 December 2020 of $560k.

Impact of new and amended accounting standards

The Group has adopted the relevant new and amended accounting standards that became applicable from 1 January 2021. These did not have a material impact on the financial statements of the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

Critical accounting judgements and estimates

The preparation of financial statements requires the Group to make judgements, estimates and assumptions. These are based on historical experience and other factors considered to be reasonable under the circumstances, but which are inherently uncertain, the results of which form the basis of certain assets and liabilities. Consequently, future actual results could differ from these estimates. The impact of the COVID-19 pandemic remains uncertain. To the extent necessary, the Group has used judgements, estimates and assumptions that reflect this uncertainty and further details may be found in the following notes to the financial statements:

- Note 2 Revenue recognition;
- Note 8 Receivables; and
- Note 15 Share based payments.

2. Segment information and Revenue recognition

The Group's reportable operating segments have been identified based on the financial information currently provided to the Chief Operating Decision Makers (CODMs). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chief Executive Officer and the Chief Financial Officer. For management reporting purposes, the Group has identified one reportable segment. The Group operates predominantly in one business segment being the provision of payment solution services. Group performance is evaluated by executive management based on operating profit or loss and is measured consistently with the information provided in these consolidated financial statements. Income can be attributed to the three geographic regions that Splitit operates in, being North America, United Kingdom & Europe and Australia, as follows:

	31-DEC-21 $'000	31-DEC-20 $'000
Income – North America	7,485	5,265
Income – UK & Europe	3,277	1,971
Income – Australia	190	130
Income prior to IFRS 9 EIR adjustment	**10,952**	**7,366**

The Group recognises Portfolio income in the Consolidated statement of profit or loss and comprehensive income under IFRS 9 *Financial Instruments* using the EIR method.

	31-DEC-21 $'000	31-DEC-20 $'000
Income prior to IFRS 9 EIR adjustment	10,952	7,366
IFRS 9 adjustment	(507)	(679)
Total income under IFRS 9 & IFRS 15	**10,445**	**6,687**
Portfolio income	**7,920**	**5,172**
Transaction revenue	**2,525**	**1,515**
	10,445	**6,687**

Accounting policies

Portfolio income from funded plans

Portfolio income from funded plans is the difference between the consumer's underlying order value processed on the company's platform and the amount paid to the merchant by the Group, also referred to as Merchant fees. The Group generally pays merchants the net amount of the order value less the merchant fees, which consists of fixed and variable rates.

Portfolio income is recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income using the Effective Interest Rate (EIR) method, accreting the Merchant fees over the average period from initial payment to the merchant by the Group to the final instalment paid by the consumer. The EIR adjustment is calculated based on the estimated future cash receipts over the expected life of the financial asset. In making their judgement of the estimated future cashflows and the expected life of the customer portfolio receivable balance, the Directors have considered the historical repayment pattern of the funded receivables on a portfolio basis. These estimates require significant judgement and will be reviewed on an ongoing basis and where required, appropriate adjustments to the recognition of Portfolio income will be made. The adjustment is referred as unearned future income and is recorded as a reduction in the portfolio receivable balance in Note 8.

Transaction revenue from non-funded plans

The Group generates transaction revenue via transaction fees for delivery of completed transactions. When the Group receives a fee from the merchant, either fixed or a percentage of the transaction value and revenue is recognised on completion of a successful transaction when instalment payment is collected from consumers.

Revenue from instalment payment is considered a distinct service and recognised by reference to the stage of completion of a contract or contracts in progress at balance date, as required by IFRS 15 *Revenue from Contracts with Customers.* The Group does not have contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds 1 year. Therefore, the Group does not adjust any of the transaction prices for the time value of money.

3. Cost of sales

A summary of the Group's cost of sales included within the Statement of Profit or Loss and Comprehensive Income is shown as below:

For the 12 months to:	31-DEC-21 $'000	31-DEC-20 $'000
Processing & bank fees	544	28
Revenue share	614	–
Other	66	–
Total cost of sales	**1,224**	**28**

4. Expenses

A Employment expenses

For the 12 months to:	31-DEC-21 $'000	31-DEC-20 $'000
Wages and salaries	10,537	7,411
Employee on-costs	2,667	1,781
Other	1,292	1,509
Total employment expenses	**14,496**	**10,701**

B Operating expenses

For the 12 months to:	31-DEC-21 $'000	31-DEC-20 $'000
Consultant and contractor costs	4,611	2,271
Marketing expenses	5,760	5,190
Technology related expenses	2,150	2,096
Net Foreign currency (gains) / losses	1,735	(3,024)
General and administrative expenses	2,109	6,153
Total operating expenses	**16,365**	**12,686**

Accounting policies

Functional and presentation currency

The Group performed a reassessment of the functional currency for subsidiaries, resulting in it changing their functional currency to the local currency in their jurisdiction, effective 1 January 2021. The change in functional currency was driven by a reassessment of the primary and where necessary, secondary indicators of economic environment that impacts the cash inflows and outflows of the companies. Local currencies were determined to be the currency that predominantly impacted each of the companies. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated Financial Statements are presented in US dollars ($), which is the Company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exercise rates, are generally recognised in the Consolidated Statement of Profit or Loss and Comprehensive Income. Foreign exchange gains and losses are presented on a net basis within operating expenses.

5. Taxation

Income tax expense for the year is calculated at the Israeli corporate tax rate of 23% and the Group is subject to income tax where it has foreign operations. A summary of the Group's income tax expense included within the Statement of Profit or Loss and Comprehensive Income is shown as below:

	31-DEC-21 $'000	31-DEC-20 $'000
	23%	23%
(a) Income Tax Expense	$'000	$'000
Loss before income tax expense	(39,689)	(25,470)
Prima facie income / (benefit) tax at 23%	(9,128)	(5,858)
Tax effect of amounts not deductible (taxable) in calculating taxable income	1,188	(319)
Effect of deferred tax on temporary differences, foreign tax rate & tax losses not brought to account	7,940	6,177
Prior year tax expenses	11	64
Income tax expense / (benefit)	**11**	**64**
(b) Deferred tax asset		
Temporary differences	245	1,579
Tax losses – income	19,307	11,625
	19,553	13,204
Deferred tax liability offset against deferred tax assets	–	(237)
Deferred tax assets not brought to account	**19,553**	**12,967**
(c) Deferred tax liability		
Deferred tax liability	–	(237)
Offset against deferred tax assets recognised	–	237
Balance	**–**	**–**

At 31 December 2021, the Group had $83,945,502 (2020: $50,542,764) of unrecognised tax losses. The potential tax benefit relating to future tax losses, in addition to the deferred tax assets detailed above, has not been recognised due to the history of recent losses incurred by the Group. These unrecognised deferred tax assets do not expire.

6. Loss per share

	31-DEC-21 $'000	31-DEC-20 $'000
Loss attributable to owners of the Group for basic earnings	(39,689)	(25,470)
Weighted average number of ordinary shares for basic EPS	460,972,665	330,679,164
	Dollars	Dollars
Basic and Diluted loss per share*	**(0.086)**	**(0.077)**

*As at 31 December 2021, the Group has share-based payment options and performance rights granted to employees and key management personnel – refer to disclosure note 15. These options (36,547,109) and performance rights (2,000,000) could potentially dilute basic loss per share in the future but were not included in the calculation above due to being anti-dilutive for the financial year(s) presented.

Basic EPS amounts are calculated by dividing the net loss after income tax by the weighted average number of security outstanding by the year.

7. Cash and cash equivalents

For the 12 months to:	31-DEC-21 $'000	31-DEC-20 $'000
Cash at bank	28,933	92,793
Short-term deposits	–	31
Total cash and cash equivalents	**28,933**	**92,824**

Accounting policies

Cash and cash equivalents in the Consolidated Statement of Financial Position comprises cash at bank and in hand, cash in transit and cash in escrow for daily receipts and settlements. Cash and cash equivalents also comprise short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Receivables

	31-DEC-21 $'000	31-DEC-20 $'000
Portfolio receivables – face value	80,938	52,170
Portfolio receivables – unearned future income	(1,180)	(679)
Total portfolio receivables	**79,758**	**51,491**
Trade and other receivables	202	579
Total receivables before provision for expected credit loss	**79,960**	**52,070**
Provision for expected credit losses		
Opening balance at 1 January	(300)	–
Amounts written off	1,596	97
Remeasurement of allowance*	(3,154)	(397)
Closing balance at 31 December	**(1,858)**	**(300)**
Total receivables	**78,102**	**51,770**

*The impairment expense disclosed on the consolidated statement of profit or loss and comprehensive income includes impairment expenses of $696k (2020: $560k) that do not relate to receivables. These impairment expenses relate to merchant guarantees in relation to non-funded merchants. (see note 13d for more details).

Splitit's business model exposes the Group to two areas of credit risk:

1. Merchant default risk, due to shopper collections that are passed to a merchant prior to being collected by Splitit
2. Shopper default risk on a limited amount of payment gateways where a secured pre-authorisation is not possible, or on legacy debit card transactions (i.e. non-secured authorisation model). Internal policy and lender covenants restrict non-secured receivables to 20% of the portfolio, larger and/or higher risk merchants have been migrated to secured gateways after going live, and debit card transactions were disabled as an offering after 31 December 2020. However, periods of risk exposure remain in the period before a transition to a secured gateway occurs, or from legacy debit card plans.

The Group has recognised receivable impairment expenses for the year amounting to $3.154m (2020: $0.397m). The increase in expected credit losses recognised in the current year is mainly driven by the credit default risk associated with historical non-secured transactions, as well as merchant defaults.

To mitigate credit risk, the Group has shifted away from debit card transactions after 31 December 2020 and significantly reduced its exposure to non-secured credit authorisation models.

Accounting policies

The allowance for expected credit losses (ECLs) represents the difference between cash flows contractually receivable by the Group and the cash flows the Group expects to receive.

For trade and other receivables, the Group has applied the standard's simplified approach permitted under IFRS 9 *Financial Instruments* and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Portfolio receivables are amounts due from consumers for outstanding installment payments from funded plans on orders processed on the Group's platform. The Group's business model is to hold the receivables with the objectives to collect contractual cash flows. Portfolio receivables are measured at amortised cost using the Effective Interest Rate (EIR) method. The Group applies the general approach permitted under IFRS 9 *Financial Instruments* to account for ECL on portfolio receivables.

The Group uses ageing of portfolio receivables as the basis for ECL measurement. At each reporting date, the Group assesses impairment risk on initial recognition of the portfolio receivables and movements in the ageing of outstanding instalment payments to estimate the ECL. Judgement is applied in measuring the Provision for expected credit losses and determining whether the risk of default has increased significantly since initial recognition of the Portfolio receivables. The Group considers both quantitative and qualitative information, including historical loss experience, internal expert risk assessment and data examination, and forward-looking information and analysis.

The Group considers forward looking adjustments, including macro-economic seasonality trends that are not captured within the base expected credit loss calculations. The inclusion of forward looking information increases the degree of judgement required to assess effects on the Group's ECL. IFRS 9 requires the Group to classify portfolio receivables into three stages, which measure the ECL based on credit migration between the stages. The Group has defined these stages on this page.

Stage	Ageing	Measurement basis
1	Not yet due	While the portfolio receivables are not yet due, an ECL has been determined based on a probability of a default event occurring within 12 months of the outstanding instalment balance.
2	1 to 90 days past due	Although there is no objective evidence of impairment, when a consumer has not paid by the due date, it is an indication that credit risk increased. The allowance provided for is measured at an amount equal to the lifetime ECL for Stage 2 portfolio receivables. Lifetime ECL is the expected credit losses result from all possible default events over the expected life of the receivables.
3	Greater than 91 days past due	When the portfolio receivable is greater than 91 days past due, there is considered to be objective evidence of impairment and the Group is entitled to retain the withholding reserve amount in the event of default. Ageing greater than 91 days is considered to have an adverse impact on the estimated future cash flows of the portfolio receivable. Similar to Stage 2, the allowance provided for is measured at an amount equal to the lifetime ECL.

Receivables are written off when the Group has no reasonable expectation of recovery. Prior period receivables are either fully written off or collected during the current reporting period. Any subsequent recoveries following write off are credited to Receivable impairment expenses within the Consolidated Statement of Profit or Loss and Comprehensive Income.

31-DEC-2021	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total ($'000)
Portfolio receivables – face value	78,585	576	1,777	**80,938**
Provision for ECLs	(18)	(139)	(1,701)	**(1,858)**
Net portfolio receivables	**78,567**	**437**	**76**	**79,080**
31-DEC-2020	**Stage 1 $'000**	**Stage 2 $'000**	**Stage 3 $'000**	**Total ($'000)**
Portfolio receivables – face value	51,740	268	162	**52,170**
Provision for ECLs	(74)	(80)	(146)	**(300)**
Net portfolio receivables	**51,666**	**188**	**16**	**51,870**

The Group's portfolio receivables are short-term in nature, the staging transfer disclosures have not been provided.

9. Other financial assets

	31-DEC-21 $'000	31-DEC-20 $'000
Restricted cash	200	1,950
Term deposits	–	13
Total other financial assets	**200**	**1,963**
Total Current	**200**	**1,950**
Total Non-Current	**–**	**13**

Other financial assets include restricted cash of $0.2m (2020: $1.95m). Restricted cash are cash assets held with financial institutions as collateral for daily cash settlements with merchants and payments to funding providers.

10. Trade and other payables

Trade and other payables for goods and services provided to the Group prior to the end of the financial reporting period and that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables are carried at amortised cost and are not discounted due to their short-term nature. At 31 December 2021, the carrying value of payables and other financial liabilities approximated their fair value.

	31-DEC-21 $'000	31-DEC-20 $'000
Trade payables and accrued expenses	2,780	3,543
Accrued interest expense	1,166	644
Other	335	1,108
Total trade and other payables	**4,281**	**5,295**

11. Issued capital

Ordinary shares are classified as issued capital. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds raised via the issue of new shares.

Information relating to employee options, including details of options issued, exercised and lapsed during the financial year and options, performance rights outstanding at the end of the reporting period, is disclosed in Note 15.

The number of ordinary shares issued by the Group is shown in the table below. All ordinary shares are fully paid. There was no on-market share buy-back during the financial year.

	Number	$'000
At 1 January 2021	447,728,903	123,606
Issue of shares – capital raising	–	–
Capital raising costs (net of tax)	–	–
Share options exercised	19,595,550	2,485
Performance rights vested	2,050,000	–
At 31 December 2021	**469,374,453**	**126,091**
At 1 January 2020	311,533,161	44,014
Issue of shares – capital raising	116,005,144	82,332
Capital raising costs (net of tax)	–	(3,777)
Share options exercised	16,640,598	1,037
Performance rights vested	3,550,000	–
At 31 December 2020	**447,728,903**	**123,606**

12. Interest bearing liabilities and borrowings

A Summary of facilities

All borrowings are initially recognised at cost, being the fair value of the consideration received net of transaction costs associated with the borrowings. After initial recognition, interest bearing borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any borrowing costs and any discount or premium on settlement.

Foreign currency denominated borrowings are translated to US dollars at the applicable exchange rate at each reporting date with the gain or loss attributable to exchange rate movements recognised in the Statement of profit or loss and other comprehensive income. Borrowings are classified as non-current liabilities when the Group has an unconditional right to defer settlement for at least 12 months from reporting date.

	31-DEC-21 $	31-DEC-20 $
Current liabilities		
Secured loans	–	32,162
Total Current liabilities	**–**	**32,162**
Non-current liabilities		
Secured loans	66,423	38,000
Deferred debt costs*	(2,167)	(591)
Total Non-current liabilities	**64,256**	**37,409**
Total interest bearing liabilities and borrowings	**64,256**	**69,572**

* Deferred debt costs comprise the unamortised value of borrowing costs in establishment of debt facilities. These costs are deferred on the balance sheet as part of the amortised cost of the liability and amortised to finance costs in the Statement of profit or loss and other comprehensive income.

As at 31 December 2021, the Group had a Goldman Sachs Bank USA ("GS") funding facility in place. Drawdown amounts under the funding facility are secured against a portion of the Group's Receivables. Changes on the funding facilities from 31 December 2020 as follows:

1. On 10 September 2019 and 25 May 2020, the Group entered into a loan agreement with Shaked Partners Fund L.P. and certain of its affiliates (collectively, "Shaked"), pursuant to which Shaked provided a 13,000,000 USD funding facility. Drawings under this facility incurred a weighted average interest rate of 8% p.a. and the facility matures in May 2022.

   In May 2021, the Shaked facility was fully repaid.

2. In November 2020, the Group restructured the existing loan agreements with an individual lender, pursuant to which the lender provided a credit facility equivalent to 31,582,000 USD which matured in May 2021.

   In June 2021, this facility was fully repaid.

3. On 29 June 2020, the Group entered into a loan agreement with Global Credit Investments Pty Ltd ("GCI"), pursuant to which GCI provided a 25,000,000 USD funding facility. Drawings under this facility will incur a weighted average interest rate of 11% p.a. and the facility matures in July 2023.

   In August 2021, this facility was fully repaid.

4. On 5 February 2021, the Group entered into a loan agreement with Goldman Sachs Bank USA ("GS"), pursuant to which GS will provide 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 will incur an interest rate of 6.85% plus benchmark rate p.a. As at 31 December 2021, the credit facility has $66.423 million drawn.

   In addition, 13 million warrants with a strike price of AUD$1.30, issued in three equal tranches being granted in consideration for the advancement of certain thresholds of credit under the funding facility. Further details of these warrants can be found in Note 15, Part D.

   Tranche 1 of the warrants was issued at the date when credit facility was drawn and tranche 2 was issued after credit facility drawn balance exceeded $50 million. At 31 December 2021 tranche 3 has not yet been issued. The issuance details as follows:

	Tranche 1	Tranche 2
Number of warrants issued	4,333,334	4,333,334
Warrants issued date	20 Apr 2021	29 Jul 2021
Fair value per warrant (AUD$)	0.47	0.22

The warrants granted are initially recorded at fair value in accordance with IFRS 2 *Share based payments* and will be amortised over the term of the contract. At 31 December 2021, the Group has expensed $487k to the Statement of profit or loss and other comprehensive income in relation to the fair value of warrants issued.

B Finance costs

Finance costs consist of interest, warrant expenses and other finance costs that are incurred in connection with the borrowing of funds. Finance costs are expensed to the Statement of profit or loss and other comprehensive income using the effective interest rate method.

	31-DEC-21 $'000	31-DEC-20 $'000
Warrant expenses	487	–
Interest & borrowing expenses	7,344	5,079
Termination fee paid on credit facilities	1,390	–
Amortisation of deferred debt costs	1,311	762
Other	–	3
Total finance costs	**10,532**	**5,844**

C Changes in interest bearing liabilities and borrowings arising from financing activities

The table below details changes in the Group's interest bearing liabilities and borrowings from financing activities, including both cash and non-cash changes.

	31-DEC-21 $'000	31-DEC-20 $'000
Opening balance	69,571	–
Cash drawdowns of borrowings	66,795	69,465
Capitalisation of cash drawdowns of borrowings	(2,874)	(1,352)
Foreign exchange rate adjustments in profit and loss	417	1,252
Repayment of borrowings	(70,964)	(555)
Amortisation of debt costs	1,311	762
Closing balance	**64,256**	**69,571**

D Defaults and covenants

At 31 December 2021, the Group has no defaults on debt obligations or breaches of lending covenants (31 December 2020: Nil). Under the terms of the Group's borrowing facilities, the Group is required to comply with lending covenants, including maintaining a minimum unrestricted cash balance.

E Fair value of interest bearing liabilities

As at 31 December 2021, the carrying amount of interest bearing liabilities and borrowings was $64.26m and approximates its fair value, after accounting for deferred debt costs.

13. Capital and financial risk management

In the course of its operation the Group is exposed to certain financial risks that could affect the Group's financial position and performance. The note explains the sources of risks below, how they are managed by the Group and exposure at reporting date:

- Interest rate risk, Note 13(a);
- Foreign exchange risk, Note 13(b);
- Liquidity risk, Note 13(c); and
- Credit risk, Note 13(d).

Information about the Group's objectives for managing capital is contained in Note 13(e).

Risk management approach

The Group's treasury and internal risk teams are responsible for performing the day-to-day management of the Group's capital requirements and the financial risks identified above. These activities are overseen by the Audit, Risk and Governance committee. The overall objectives of the treasury team is to:

- ensure that the Group has funds available to meet all financial obligations, working capital requirements;
- monitor and ensure compliance with all relevant financial covenants under the Group's debt facilities;
- reduce the impact of adverse interest rate or foreign exchange movements on the Group;
- diversify banking counterparties to mitigate counterparty credit risk; and
- ensure the Group's funding operations team operates in an appropriate control environment, with effective systems and procedures.

A Interest rate risk

Nature and source of risk

Interest rate risk represents the potential for changes in market interest rates to impact the total expense on floating rate borrowings (cash flow Interest rate risk) held by the Group.

Exposure

As at the reporting date, the Group had one funding facility in place which has variable interest rate borrowings. Information about the Group's funding facilities is contained in Note 12.

The table below shows the sensitivity analysis on the impacts to the Group's net loss and equity of a reasonable change in benchmark interest rates. The results are mainly driven by the various benchmark rate components on the interest rates on the loan agreement with GS.

	31 Dec 21 $'000
25bps decrease	25
100bps increase	(272)

B Foreign exchange risk

Nature and source of risk

Foreign exchange risk represents the potential for changes in market foreign exchange rates to impact the cash flows arising from the Group's foreign denominated financial assets and financial liabilities (cash flow foreign exchange rate risk) held by the Group.

Exposure

As at the balance date, the Group had the following exposure to cash flow foreign exchange rate risk:

Foreign denominated financial assets and financial liabilities	31-DEC-21 $'000	31-DEC-20 $'000
Financial assets **Cash and cash equivalents**		
GBP £	630	388
AUD $	2,117	52,135
EUR €	4,517	9,205
ILS ₪	60	1,473
JPY ¥	274,122	–
SGD $	84	–
CAD $	318	–

Receivables and other financial assets		
GBP £	3,225	906
AUD $	754	–
EUR €	6,479	6,678
JPY ¥	2,262,687	–
SGD $	469	–
CAD $	531	–
Financial liabilities		
Trade and other payables		
GBP £	84	100
AUD $	(5)	231
EUR €	44	–
ILS ₪	177	524
CAD $	30	–
Interest bearing liabilities		
GBP £	2,310	1,793
EUR €	6,210	16,053
JPY ¥	1,850,000	–

As at the reporting date, as illustrated in the table below, with all other variables held constant and if exchange rates had moved, the impact on net loss and equity for the next 12 months would be:

Loss for the year (higher) / lower	31-DEC-21 $	31-DEC-20 $
GBP/USD +10%	(197)	(82)
GBP/USD -5% $	99	41
AUD/USD +10%	(208)	3,977
AUD/USD -5%	104	(1,988)
EUR/USD +10%	(536)	(22)
EUR/USD -5%	268	11
ILS/USD +10%	4	29
ILS/USD -5%	(2)	(15)
JPY/USD +10%	(596)	–
JPY/USD -5%	298	–
SGD/USD +10%	(41)	–
SGD/USD -5%	20	–
CAD/USD +10%	(64)	–
CAD/USD -5%	32	–

Sensitivity analysis performed above is not to be considered a projection

C Liquidity risk

Nature and source of risk

Liquidity risk represents the risk that the Group will be unable to meet financial obligations as they fall due.

To manage this risk, sufficient capacity under the Group's liquid assets such as cash and cash equivalents (as disclosed in Note 7) and financing facilities (as disclosed in Note 12) are maintained to meet the funding assets identified in the Group's latest forecasts. This is achieved through obtaining and maintaining funding from a range of sources (e.g. banks and Australian capital markets), maintaining sufficient undrawn debt capacity and cash balances, and managing the amount of borrowings that mature, or facilities that expire, in any one year.

Exposure

The contractual maturity of cash on term deposit, interest bearing liabilities and the interest payment profile on interest bearing liabilities are shown below. Estimated interest and principal payments are calculated based on the foreign exchange rates prevailing at year end. Timing of payments are based on current contractual obligations.

31-DEC-2021	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	Greater than 3 years $'000	Total $'000
Financial assets					
Cash and cash equivalents	28,933	–	–	–	28,933
Receivables	74,143	3,959	–	–	78,102
Other financial assets	200	–	–	–	200
Other	998	–	–	–	998
Total financial assets	**104,274**	**3,959**	**–**	**–**	**108,233**
Financial liabilities					
Trade and other payables	(4,281)	–	–	–	(4,281)
Interest bearing liabilities	–	–	(64,256)	–	(64,256)
Total financial liabilities	**(4,281)**	**–**	**(64,256)**	**–**	**(68,537)**
Estimated interest payments and lender fees	(5,045)	(5,045)	(420)	–	(10,510)
Net portfolio receivables	**94,948**	**(1,086)**	**(64,677)**	**–**	**29,186**

31-DEC-2020	Less than 1 year $'000	1 to 2 years $'000	2 to 3 years $'000	Greater than 3 years $'000	Total $'000
Financial assets					
Cash and cash equivalents	92,824	–	–	–	92,824
Receivables	51,770	–	–	–	51,770
Other financial assets	1,950	13	–	–	1,963
Other	743	–	–	–	743
Total financial assets	**147,287**	**13**	**–**	**–**	**147,300**
Financial liabilities					
Trade and other payables	(5,295)	–	–	–	(5,295)
Interest bearing liabilities	(32,162)	(38,000)	–	–	(70,162)
Total financial liabilities	**(37,457)**	**(38,000)**	**–**	**–**	**(75,457)**
Estimated interest payments and lender fees	(4,901)	(3,403)	–	–	(8,304)
Net portfolio receivables	**104,929**	**(41,390)**	**–**	**–**	**65,539**

D Credit risk

Nature and source of risk

Credit risk is the risk that a shopper or merchant to a financial asset held by the Group fails to meet their financial obligations. The Group's financial assets that are subject to credit risk are bank deposits, receivables and other financial assets.

The Group utilises its secured gateway payment platforms and risk assessment to mitigate credit risk for its portfolio receivables. The Group regularly reviews the adequacy of the expected credit loss provision to ensure the it is sufficient to mitigate credit risk exposure in relation to the financial reporting. Expected credit loss provision disclosed in Note 8 represents management's best estimate at reporting date based on their experienced judgement.

Additionally, the Group makes available to its merchants guarantees that may require the Group to make payments to those merchants in instances where non-secure gateway consumer transactions default. In 2021 expenses totalled $696k (2020: $560k), which are disclosed as part of the impairment expense on the consolidated statement of profit or loss and comprehensive income. On 4 February 2022, the Group's Platform Agreement was updated, with retroactive effect to all existing and new merchants, so that the Group will take no liability for shopper defaults on any plan irrespective of the date the plan was initiated. As a result, the Group does not expect to incur expenses related to this guarantee arrangement in 2022.

The maximum exposure to credit risk at the reporting date is the carrying amount of the Group's financial assets which are recognised within the consolidated statement of financial position net of any provision for losses.

E Capital management

The Group reviews its capital management position on a regular basis to ensure that it maintains adequate funding for short-term and medium-term obligations.

The Group periodically reviews its capital management strategy to ensure that funding initiatives are in place to support medium-term growth objectives.

The Group's cash and net debt position at the reporting date is as follows:

	31-DEC-21 $'000	31-DEC-20 $'000
Cash and cash equivalents	28,933	92,824
Restricted cash	200	1,950
Interest bearing liabilities	(64,256)	(70,162)
Net (debt)/cash position	**(35,123)**	**24,612**

14. Key Management Personnel

Compensation of Key Management Personnel (KMP) includes Executive KMP and Non-Executive Directors. The compensation of KMP included in the Group's statements comprises:

	31-DEC-21 $'000	31-DEC-20 $'000
Short-term employee benefits – Executive KMP	736	547
Short-term employee benefits – Non-executive KMP	317	272
Termination benefits	–	325
Post-employment benefits	–	52
Share based payments	407	416
Total remuneration of KMP of the Group	**1,460**	**1,612**

15. Share based payments

The Group remunerates eligible employees through its Share Incentive Plan (SIP). The plan is designed to align executive and employee interests with those of security holders by incentivising participants to deliver long-term shareholder returns. A summary of the SIP is described as below:

SIP category	Measurement basis
Performance rights	Executives are granted performance rights to acquire the Group's securities for nil consideration. These rights vest after completion of a required service period and when certain hurdle requirements, which are set when the rights are granted, are met.
Share options	The Group's share options are granted annually to eligible employees for a predetermined exercise price. Options granted under the plan are subject to a required service period.

The share based payments reserve is used to recognise the grant date fair value of the SIP issued to employees but not exercised. The movement in the share options, performance rights and reserve are as follows:

A The movement of share options during the period was as follows:

	31-DEC-21 $'000	Weighted average exercise price ($ AUD)	31-DEC-20 $'000	Weighted average exercise price ($ AUD)
Opening balance at the beginning of the year	55,280,691	$0.36	60,533,523	
Granted during the period	8,036,266	$1.21	13,635,000	
Exercised during the period	(21,228,476)	$0.27	(17,662,181)	
Forfeited during the period	(5,541,372)		(1,225,651)	
Outstanding at the end of the year	**36,547,109**	**$0.58**	**55,280,691**	**$0.36**

B The movement in the number of performance rights during the period was as follows:

	31-DEC-21 $'000	31-DEC-20 $'000
Opening balance at the beginning of the year	3,050,000	12,100,000
Granted during the period	2,000,000	–
Exercised during the period	(2,050,000)	(3,550,000)
Forfeited during the period	(1,000,000)	(5,500,000)
Outstanding at the end of the year	**2,000,000**	**3,050,000**

Weighted average remaining contractual life of performance rights as at 31 December 2021 was 2.5 years (2020: 0.95 years).

C Expenses and movements relating to share based payment plans

The following table and movements were recognised within share based payment expense and reserve in relation to the SIP.

For the 12 months to:	31-DEC-21 $'000	31-DEC-20 $'000
Performance rights	450	361
Share options	3,582	2,124
Forfeited during the period	(360)	(810)
Total share based payments	**3,672**	**1,675**

D Valuation

SIP category	Measurement basis
Performance rights	The number of securities deferred under the SIP as at reporting date relating to performance rights were granted during financial year 2021 and hurdle requirements are non-market related. All tranches issued are subject to each employee's continued employment with Splitit Payments Ltd (otherwise at the discretion of the Board of Directors). The fair value of these securities is estimated at the date of grant using a Hull-White model taking into account the terms and condition upon which the rights were granted. Fair value of the FY21 issuance are: • Tranche 1 being 1,000,000 units issued to interim CEO: $0.45 AUD • Tranche 2 being 1,000,000 units issued to CFO: $0.41 AUD At 31 December 2021, there were 2,000,000 units of SIP remain outstanding.
Share options	The Group's share options are granted annually to eligible employees for a pre-determined consideration. Options granted under the plan are subject to a required service period. The number of securities granted and deferred under the share options plan during the year relating to incentive payments earned by the employees. The fair value of these securities is estimated at the date of grant using a Hull-White model taking into account the terms and conditions upon which the options were granted. The fair value ranged from $0.24 AUD - $1.11 AUD per security.

A number of assumptions were used in valuing the SIPs – share options at the grant date as shown in the table below:

	FY21 issuance		FY20 issuance
Assumption	**Warrants***	**SBP**	**SBP**
Security price at issuance date ($ AUD)	$0.49 - $0.85	$0.50 - $1.60	$0.50 - $1.60
Risk free rate	0.76% - 0.79%	0.31% - 0.46%	0.31% - 0.46%
Volatility	80%	75%	75%
Expected dividend yield	0%	0%	0%
Early exercise multiple	3	3	3

*Details of GS credit funding facilities and warrant expenses recognised as finance costs are disclosed in note 12

16. Auditor's remuneration

During the year, the following fees were paid or payable for services provided by the auditor of the Group, Ernst & Young (2020: Deloitte), or its related practice:

For the 12 months to:	31-DEC-21 $'000	31-DEC-20 $'000
Audit and review of statutory financial statements of the Group	147	55
Other assurance services and agreed-upon procedures services or contractual agreements	–	124
Total auditor's remuneration	**147**	**179**

17. Group structure

The ultimate controlling entity is Splitit Payments Limited (a foreign company registered in its original jurisdiction of Israel as Splitit Ltd).

The Consolidated Financial Statements include the financial statements of Splitit Payments Limited and its subsidiaries. Subsidiaries are listed in the following table:

		% Equity interest	
Name	**Country of incorporation**	**2021**	**2020**
Splitit Australia Capital Pty Ltd	Australia	100%	100%
Splitit Australia Pty Ltd	Australia	100%	100%
Splitit Operations CA Ltd	Canada	100%	N/A
Splitit Capital Inc.	United States	100%	100%
Splitit Capital USA Inc.	United States	100%	100%
Splitit Capital USA Revere LLC	United States	100%	100%
Splitit Capital USA GCI LLC	United States	100%	100%
Splitit Treasury USA LLC	United States	100%	N/A
Splitit USA Inc.	United States	100%	100%
Splitit Capital UK Ltd	United Kingdom	100%	100%
Splitit UK Ltd	United Kingdom	100%	100%

18. Other Group accounting matters

Other accounting policies

This section contains other accounting policies that relate to the financial statements as a whole, detail of any changes in accounting policies and the impact of new or amended accounting policies.

Principle of consolidation

These consolidated financial statements comprise the assets and liabilities of all controlled entities at 31 December 2021 and the results of all controlled entities for the financial year unless otherwise stated. Controlled entities are:

- all entities over which the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity; and
- fully consolidated from the date on which control is transferred to the Group, and, where applicable, deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of controlled entities, and the balances and effects of transactions between all controlled entities are eliminated in full.

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Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages, salaries and leave entitlements.

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rate which expected to be paid when the liability is settled.

Future impact of Accounting Standards and Interpretations issued but not yet effective

There are no accounting standards or interpretations issued but not yet effective that are expected to have a material impact to the Group.

19. Events occurring after the reporting period

Subsequent to year-end, as announced in January 2022, the Splitit Board of Directors appointed Nandan Sheth as CEO, effective 28 February. A seasoned payments industry executive, Sheth brings experience spanning leadership roles at large payments companies, major banks, Fortune 100 companies, and disruptive technology start-ups across North America and Europe. His record of entrepreneurial success includes co-founding, scaling and successfully exiting multiple payments companies, including Harbor Payments (sold to American Express in 2006) and Acculynk (sold to First Data in 2017).

Material terms of Sheth's agreement include base salary, annual incentive bonus, sign-on bonus and performance rights. For full details please refer to the January 2022 ASX announcement here.

No other matters have arisen since the end of the year which have significantly affected or may significantly affect, the operations of the Group, the results of those operations of the state of affairs of the Group in future financial periods.

Director's declaration

In accordance with a resolution of the Directors of Splitit Payments Limited, I state that:

In the opinion of the Directors:

A. The financial statements and notes of the consolidated entity are:

1. Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the period ended on that date; and

2. Complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in note 1 section of the financial statements.

B. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

Dawn Robertson
Chair & Non-executive Director
28 February 2022

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent auditor's report to the members of Splitit Payments Limited

Opinion

We have audited the financial report of Splitit Payments Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Going concern basis of preparation of financial statements

Why significant	How our audit addressed the key audit matter
As described in Note 1 of the financial report, the financial report has been prepared on a going concern basis, which contemplates the Group's continuity of normal business activities, including meeting its commitments, realising its assets and settling its liabilities in the ordinary course of business. The Group incurred a loss after tax of $39.689 million and had net operating cash outflows of $52.406 million during the year ended 31 December 2021. The Directors have considered, among other factors, existing cash and cash equivalents, current receivables and undrawn amounts available in relation to the Group's revolving credit facility, and forecasts of future cash flows for a period in excess of 12 months from 31 December 2021. Note 1 of the financial report describes further factors, options and strategies that the Directors considered in arriving at their conclusions. The cash flow forecasts involve judgments and estimations based on management's view of business operations, expected growth and market conditions. Assessing the appropriateness of the Group's basis of preparation of the financial statements on a going concern basis required judgment in assessing the Group's forecast cashflows for a period of at least 12 months from 31 December 2021. The availability of sufficient cash flows and/or funding is critical to the ongoing viability of the business and, as such, was a significant aspect of our audit.	Our audit considered the requirements of ISA 570 *Going Concern* (ISA 570). Our audit procedures included the following: ▶ Obtained and evaluated management's assessment of the Group's ability to continue as a going concern, including the related forecast cash flows for the 12 month period ending 31 December 2022. ▶ Assessed the forecast cash flow assumptions based on historical results, publicly-available information and the Group's strategic plans; ▶ Reviewed the financial position of the Group at 31 December 2021 and the Group's ongoing ability to settle its debts as and when they become due; ▶ Enquired of management as to whether they are aware of any events or conditions through to the date of our audit report that may cast significant doubt on the entity's ability to continue as a going concern; and ▶ Assessed the appropriateness of the Group's going concern basis of preparation disclosures within the financial report for consistency with International Accounting Standards.

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Provision for expected credit losses

Why significant	How our audit addressed the key audit matter
As at 31 December 2021, the carrying value of Receivables was $78.102 million, which includes a provision for expected credit losses (ECL) of $1.858 million as disclosed in Note 8 of the financial report. The provision for expected credit losses is determined in accordance with IFRS 9 *Financial Instruments*. This was a key audit matter due to the size of the receivables, and the degree of judgment and estimation uncertainty associated with the provision for ECL calculation. Key areas of judgment applied in measuring the provision for ECL include: ▶ the application of the impairment requirements of IFRS 9 within the Group's ECL methodology; ▶ the identification of exposures with a significant increase in credit risk; and ▶ assumptions used in the ECL calculation (for exposures assessed on an individual or collective basis).	Our audit procedures included the following: ▶ Assessed the Group's ECL methodology and calculation against the requirements of IFRS 9; ▶ Assessed the reasonableness of management's key assumptions and recent historical loss data used, including their appropriateness for estimating expected future losses, in determining ECL; ▶ Tested the integrity of data inputs on a sample basis; ▶ Assessed the mathematical accuracy of the ECL calculation; and ▶ Considered the adequacy and appropriateness of the disclosures related to the provision for ECL within the financial report.

Effective interest rate

Why significant	How our audit addressed the key audit matter
As described in Note 2 of the financial report, Portfolio income from funded plans is calculated and recognised using the effective interest rate (EIR) method in accordance with IFRS 9 *Financial Instruments*. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of portfolio receivables, excluding the expected credit losses. Portfolio income of $7.920 million was recognised during the year ended 31 December 2021. The EIR method is based on a management IFRS 9 adjustment calculation, which contains key estimates and assumptions, including: ▶ the timing and value of estimated future cash flows; ▶ percentage of merchant fees charged on funded plans; and ▶ the period over which historical repayment patterns are assessed. This was a key audit matter due to degree of judgment and estimation uncertainty involved in the key estimates and assumptions.	Our audit procedures included the following: ▶ Assessed management's IFRS 9 adjustment calculation against the principles of IFRS 9; ▶ Assessed the reasonableness of management's key assumptions used in determining estimated future cash flows and the percentage of merchant fees charged on funded plans; ▶ Assessed the reasonableness of the period over which and the type of data used as inputs into the key assumptions; ▶ Tested the integrity of data inputs on a sample basis; and ▶ Assessed the mathematical accuracy of the IFRS 9 adjustment calculation.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2021 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with International Financial Reporting Standards, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The financial report of Splitit Payments Limited for the year ended 31 December 2020 was audited by Brightman Almagor Zohar & Co. (a Firm in the Deloitte Global Network) who expressed an unmodified opinion on that financial report on 26 February 2021.

The partner in charge of the audit resulting in this independent auditor's report is Ashley Butler.

Ernst & Young

Ernst & Young
Melbourne
28 February 2022

Additional securities exchange information

The following information was applicable as at 2 February 2022.

1. Substantial Shareholders

The following holders are registered by SPT as a substantial holder of the voting shares below:

Holder Name	Number of ordinary shares disclosed in last ASIC notice [1]	% of issued capital[2]	Number of ordinary shares registered in holder's name as at 2 February 2022[5]	% of issued capital[6]
Viktoria Neil Krain[3]	52,161,723	11.09%	2,457,457[7]	0.52%
Read the Book Trust[4]	57,420,778	12.21%	24,129,070[8]	5.13%

[1] As disclosed in the last notice lodged with the ASX by the substantial shareholder.
[2] The percentage is based on the number of shares set out in the notice lodged with the ASX relative to the total issued capital of the Company at 2 February 2022.
[3] As disclosed in the ASIC Form 604 relating to the Read the Book Trust dated 30 June 2021 comprising 22,061,723 shares beneficially held by Viktoria Krain and 30,100,000 shares held by Read the Book Trust over which Viktoria Krain has retained voting rights.
[4] As disclosed in the ASIC Form 604 dated 30 June 2021, including 22,061,723 shares beneficially held by Viktoria Krain and 30,100,000 shares held by Read the Book Trust over which Viktoria Krain has retained voting rights.
[5] The Company is unable to confirm the extent to which the holder may hold additional shares under a custodian or nominee.
[6] The percentage is based on the number of shares in the holder's name as at 2 February 2022 relative to the total issued capital of the Company at 2 February 2022. The Company is unable to confirm the extent to which the holder may hold additional shares under a custodian or nominee.
[7] 700,000 shares held by Viktoria Neil Krain < Brian Sweeney > and 1,757,457 shares held by Viktoria Neil Krain.
[8] 24,129,070 shares held by Mr Jason Julian Krigsfeld <Read the Book No 2 A/C>.

2. Number of Security Holders

Securities	Number of Holders
Ordinary Shares	17,334
Unlisted Options (Options)	66
Performance Rights	2
Warrants	1

3. Voting Rights

Securities	Number of Holders
Ordinary Shares	Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders: (a) each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative; (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.
Options	Options do not carry any voting rights.
Performance Rights	Performance Rights do not carry any voting rights.
Warrants	Warrants do not carry any voting rights.

4. Distribution Schedule

Ordinary Shares

Spread of Holdings	Holders	Securities	%
1 - 1,000	5,457	3,248,691	0.69%
1,001 - 5,000	6,485	16,745,016	3.56%
5,001 - 10,000	2,159	16,589,013	3.53%
10,001 - 100,000	2,842	85,626,082	18.21%
100,001 - 9,999,999,999	391	348,047,842	74.01%
Totals	**17,334**	**470,256,644**	**100.00%**

Options

Spread of Holdings	Holders	Securities	%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	19	1,409,602	4.00%
100,001 - 9,999,999,999	47	33,815,316	96.00%
Totals	**66**	**35,224,918**	**100.00%**

Performance Rights

Spread of Holdings	Holders	Securities	%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
100,001 - 9,999,999,999	2	2,000,000	100.00%
Totals	**2**	**2,000,000**	**100.00%**

Warrants

Spread of Holdings	Holders	Securities	%
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	0	0	0.00%
10,001 - 100,000	0	0	0.00%
100,001 - 9,999,999,999	1	8,666,668	100.00%
Totals	**1**	**8,666,668**	**100.00%**

5. Holders of Non-Marketable Parcels

Date	Closing price of shares	Number of holders
2 February 2022	AUD$0.21	8,850

6. Top 20 Shareholders

The top 20 largest fully paid ordinary shareholders together hold 51.03% of the securities in this class and are listed below:

Rank	Date	Securities	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	45,525,850	9.68%
2	CITICORP NOMINEES PTY LIMITED	38,434,938	8.17%
3	MR JASON JULIAN KRIGSFELD <READ THE BOOK NO 2 A/C>	24,129,070	5.13%
4	GIL DON	18,552,432	3.95%
5	UBS NOMINEES PTY LTD	17,516,220	3.72%
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	16,967,368	3.61%
7	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	15,235,589	3.24%
8	RIVERVIEW FLATS PTY LTD	15,071,582	3.21%
9	UBS NOMINEES PTY LTD	9,344,287	1.99%
10	IBI TRUST MANAGEMENT <ALON FEIT A/C>	8,012,659	1.70%
11	ORIENT GLOBAL HOLDINGS PTY LTD <ALNALL A/C>	4,768,095	1.01%
12	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,611,471	0.98%
13	TOMANOVIC MULTIOWN PTY LTD <AFS SUPER FUND A/C>	4,000,000	0.85%
14	BRAD PATERSON & KATY PATERSON <PATERSON FAMILY A/C>	3,585,566	0.76%
15	HARPER PAPPAS AND CO PTY LTD	3,086,582	0.66%
16	MR MATHEW EDWARDS	2,952,219	0.63%
17	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,463,259	0.52%
18	IBI TRUST MANAGEMENT <ROEY SHOCHAT A/C>	1,950,575	0.41%
19	MR LISHENG WANG	1,883,653	0.40%
20	IBI TRUST MANAGEMENT <KOBI DAVID A/C>	1,869,945	0.40%
		239,961,378	**51.03%**

7. Unquoted Securities

Options

The following Options over unissued ordinary shares are on issue:

Class	Date of Expiry	Exercise Price	Number of Options
Unlisted Options	16/09/2024	AUD$0.20	4,820,013
Unlisted Options	21/01/2023	AUD$0.70	500,000
Unlisted Options	21/01/2023	AUD$0.85	500,000
Unlisted Options	31/05/2025	AUD$0.50	3,960,000
Unlisted Options	01/06/2025	AUD$0.45	650,000
Unlisted Options	26/01/2025	AUD$0.82	150,000
Unlisted Options	18/05/2025	AUD$0.466	2,200,000
Unlisted Options	01/02/2025	AUD$050	800,000
Unlisted Options	27/01/2025	AUD$0.50	700,000
Unlisted Options	03/09/2024	AUD$0.48	54,167
Unlisted Options	04/10/2025	AUD$1.50	100,000
Unlisted Options	20/01/2025	AUD$0.84	65,000
Unlisted Options	12/01/2025	AUD$0.86	65,000
Unlisted Options	06/04/2025	AUD$0.29	161,343
Unlisted Options	22/01/2022	AUD$0.40	500,000
Unlisted Options	02/11/2025	AUD$1.61	500,000
Unlisted Options	01/03/2025	AUD$0.66	50,000
Unlisted Options	01/10/2025	AUD$1.61	75,000
Unlisted Options	10/08/2025	AUD$1.16	150,000
Unlisted Options	27/07/2025	AUD$1.00	150,000
Unlisted Options	06/01/2025	AUD$0.79	135,000
Unlisted Options	23/06/2025	AUD$0.58	100,000
Unlisted Options	03/11/2025	AUD$1.61	100,000
Unlisted Options	22/01/2022	AUD$0.30	7,900,000
Unlisted Options	03/08/2025	AUD$1.08	200,000
Unlisted Options	01/07/2025	AUD$0.69	200,000
Unlisted Options	24/08/2025	AUD$1.33	200,000
Unlisted Options	04/01/2026	AUD$1.44	100,000
Unlisted Options	26/03/2026	AUD$1.24	4,460,000
Unlisted Options	20/08/2025	AUD$1.24	100,000
Unlisted Options	08/08/2025	AUD$1.24	75,000
Unlisted Options	01/09/2025	AUD$0.50	65,000
Unlisted Options	27/04/2026	AUD$1.15	2,000,000
Unlisted Options	11/05/2026	AUD$1.41	140,844
Unlisted Options	11/05/2026	AUD$1.42	70,422
Unlisted Options	27/11/2024	AUD$0.30	680,000
Unlisted Options	27/11/2024	AUD$0.40	1,000,000
Unlisted Options	01/07/2025	AUD$0.60	600,000
Unlisted Options	15/08/2024	NIS 0.01	61,153
Unlisted Options	31/12/2022	NIS 0.01	733,829
Unlisted Options	01/03/2025	NIS 0.01	76,573
Unlisted Options	01/03/2024	NIS 0.01	76,574
			35,224,918

No holder holds more than 20% of Options in the Company.

Performance Rights

There is a total of 2,000,000 unlisted performance rights on issue.

The number of performance right holders is 2.

No holder holds more than 20% of Options in the Company outside of an employee incentive scheme.

Warrants

There is a total of 8,666,668 unlisted warrants on issue.

The number of warrant holders is 1.

The following holder hold more than 20% of the Warrants in the Company:

Rank	Holder Name	Performance Rights	%
1	Goldman Sachs International	8,666,668	100.00%

8. Share Buy-Backs

There is no current on-market buy-back scheme.

9. Issues under ASX Listing Rule 10.14

In accordance with ASX Listing Rule 10.15.11, during the financial year ending 31 December 2021, the following securities were issued with shareholder approval under ASX Listing Rule 10.14:

Director	Security	# Securities	Exercise Price	Expiry Date	Date of full vesting
Dawn Robertson	Options	70,422	AUD$1.41	11/05/26	22/01/22
Dawn Robertson	Options	70,422	AUD$1.42	11/05/26	08/02/22
Thierry Denis	Options	70,422	AUD$1.41	11/05/26	22/01/22
Vanessa LeFebvre	Options	1,000,000	AUD$1.15	27/04/26	27/04/23
Scott Mahoney	Options	1,000,000	AUD$1.15	27/04/26	27/04/23

Splitit Annual Report 2021
Additional securities exchange information

United States Office

511 Avenue of the Americas,
#4049
New York, NY 10011
+1-844-Splitit
(1-844-775-4848)

Australia Office

Rialto South Tower, 525
Collins St,
Melbourne VIC 3000,
Australia
+61-1800-957-440

UK Office

1 Charterhouse Mews
London EC1M 6BB
+44-800-086-9112

Japan Office

+81 50 3201 4887