



ASX Announcement

Funding and Regulatory Update

Sydney, Australia, January 14, 2020 – [Splitit Payments Ltd](#) (ASX:SPT), a leading global monthly instalment payments solution business, advises that due to rapid growth, it has utilized half its interim financing facility with Shaked Partners Fund, L.P. (Shaked). The Company is also pleased to announce it has registered with AUSTRAC to provide factoring services to merchants and grow its funded merchant model in Australia.

Third-party funding agreements

Following the announcement of 11 September 2019, Splitit has exercised approx. US\$4 million from its interim financing facility with Shaked as it expands its funded merchant business model, especially in the US. A further US\$4 million is available under the facility prior to 10 August 2020, and the Company continues to pursue significant new long term third-party funding options. Splitit will grant a first ranking charge over the shares in its US finance subsidiary, for the benefit of Shaked.

With the Shaked facility in place, Splitit has terminated its agreement with secondary credit provider Simpel LLC, which previously provided funding for approved merchants, with effect from 15 January 2020. Over the four-year period of the facility, no credit losses were incurred.

Splitit CEO, Brad Paterson, said “This reflects the rapid growth we are seeing in the U.S. market as demand rises for the Splitit platform. The facility with Shaked, on more attractive terms, also frees up capital to invest in our platform and support our growth plans, including expanded sales and marketing.”

AUSTRAC registration

Splitit has registered with AUSTRAC to provide factoring services in Australia. This enables the Company to provide its funded model directly to merchants in Australia following pre-requisite vetting and underwriting. Australia is one of the few markets Splitit operates in that requires registration for the provision of factoring services to merchants. It also allows faster onboarding of merchants opting for its funded solution.

“This is another important step in building our funded merchant model and improving efficiencies as we grow the business,” said Brad Paterson. “Our business model is fundamentally different to other BNPL providers, as such, we are not subject to the same regulatory or licensing requirements in our principal markets associated with the provision of new consumer credit. This allows us to be nimble and highly scalable.”



About Splitit

Splitit is a payment method solution enabling customers to pay for purchases with an existing debit or credit card by splitting the cost into interest and fee free monthly payments, without additional registrations or applications. Splitit enables merchants to offer their customers an easy way to pay for purchases in monthly instalments with instant approval, decreasing cart abandonment rates and increasing revenue. Serving many of Internet Retailer's top 500 merchants, Splitit's global footprint extends to hundreds of merchants in countries around the world. Headquartered in New York, Splitit has an R&D center in Israel and offices in London and Australia.

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