

29 January 2016

## ZIPMONEY LIMITED SECOND QUARTER FY2016 UPDATE

### QUARTER HIGHLIGHTS

- Loan book growth up 50% on last quarter; c.\$15m originated on platform to date
- Revenue growth up 18% on last quarter; Merchant fee revenue up 77%
- Strong product market fit across all channels: retail, education and health
- Expansion of national sales team to 10 FTEs
- Equity investment and \$100m credit facility secured from Victory Park Capital

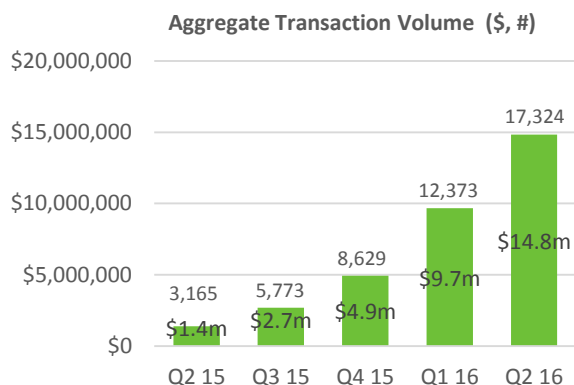
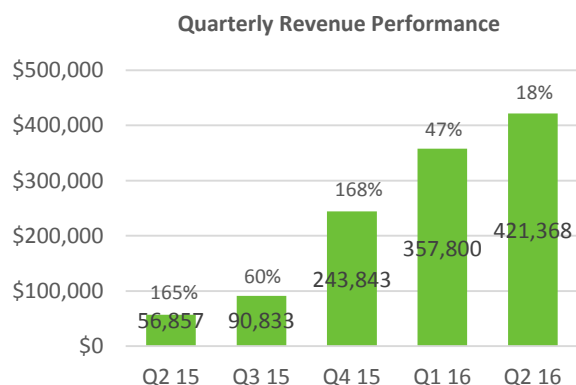
### FINANCIAL AND OPERATIONAL PERFORMANCE

**zipMoney Limited** (ASX:ZML) (**zipMoney** or **Company**) is pleased to announce its second quarterly performance update since listing on the Australian Stock Exchange on 21 September 2015.

For the quarter ending 31 December 2015, the Company grew its loan book to \$8.9 million, up 50% on the previous quarter on \$5.2 million in new loan originations. This generated revenue of approximately \$421,368, up 18% on the previous quarter.

An overview of the core revenue drivers over this period shows an increase of 77% in merchant fees, 71% in interest revenue, 39% in monthly fees and a 38% decline in establishment fees. The shift in revenue mix towards transactional fees and away from one-off establishment fees reflects the greater contribution from retail over this period and more broadly from a more consumer friendly offering.

The quarter also saw active Customers across the platform increase to more than 10,000.



\* Based on unaudited financials and transaction volume

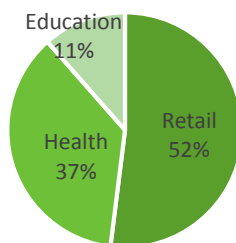
The month of December saw zipMoney register its highest ever transaction volume in excess of \$2 million. Given the seasonality adversely affecting the health and education sectors as compared to retail, this was a great result for the Company.

Managing Director and CEO Larry Diamond said “The investment in business and channel development is driving healthy month on month growth with the pipeline expanding every day. We now have a national footprint online and offline to drive further expansion.”

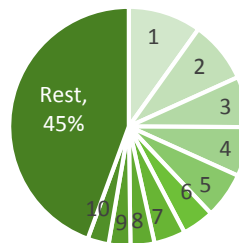
At the end of the quarter zipMoney had over 350 merchant locations throughout Australia both online and in-store. These range across retail including fashion & accessories, consumer electronics, home, sports and outdoors, health (dental and cosmetic) and online education markets.

The graphs below demonstrate the diversification of zipMoney’s transaction volume by end industry and merchant, with no merchant location accounting for more than 10% of total volume.

Transaction Volume by Category



Transaction Volume by Merchant (Top 10)



\* Based on transaction volume over December quarter

Mr Diamond said “the data demonstrates the diversity and sustainability of the zipMoney go-to-market strategy with no reliance on any single merchant or end industry. We continue to adopt a two-pronged approach of developing relationships with large enterprise clients whilst also building a healthy base of SME businesses.”

Reflecting an investment in growth, zipMoney staffing levels increased from 14 full time equivalents (FTEs) at the beginning of the quarter to 33 FTEs as at the date of this report. The significant increase in staff costs has been largely driven by the rollout of the national sales team led by Craig Dufficy in-store and in-clinic, and Jonathan Kelly in digital. This cost increase represents a material variance from the initial Prospectus budget, consistent with management’s view of a more accelerated go-to-market strategy.

## LOAN BOOK UPDATE

On 19 November 2015 zipMoney announced the successful closing of a \$108 million asset-backed securitisation warehouse program with U.S. asset manager Victory Park Capital (VPC). The facility was established during the quarter and is now fully operational with loans originated on zipMoney’s balance sheet and continuously sold into the Perpetual administered program.

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As at 31 December 2015, the zipMoney Loan Book was approximately \$8.9 million, having grown ~50% over the previous quarter. The repayment profile continues to remain healthy at approximately 9-10% (of period end book) over the quarter.

The credit performance of the Loan Book continues to perform in line with internal management projections. The reported arrears rate was 2.2% and zipMoney wrote off \$19,111 for the quarter in bad debts.

Executive Director & COO Peter Gray said “The strong performance of the loan book is very pleasing and continues to validate one of our core strengths in decisioning and the use of big data in on-boarding consumers. The implementation of the funding facility is now complete and provides the Company with both the firepower required to significantly grow the business and the operational flexibility to capitalise on market opportunities as and when they present.”

ENDS

#### **About zipMoney**

zipMoney is a leading player in the digital retail finance industry. It offers point-of-sale credit and digital payment services to the retail, education, health and travel industries. It is focused on offering transparent, responsible and fairly priced consumer credit products. zipMoney’s platform is entirely digital and leverages big data in its proprietary decisioning credit engine to deliver real-time consumer responses. zipMoney is managed by a team with over 35 years’ experience in retail finance and is a licensed and regulated credit provider. For more visit [www.zipmoneylimited.com.au](http://www.zipmoneylimited.com.au).

#### **Investor Relations and Media**

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