

Appendix 4D Half-Year Financial Report

| | |
|-------------------------------|---|
| Name of entity | ZIPMONEY LIMITED |
| ABN | 50 139 546 428 |
| Reporting period | Half-Year ended 31 December 2015 |
| Previous corresponding period | Half-Year ended 31 December 2014 |

The information contained in this report should be read in conjunction with the most recent annual financial report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

| | | | 31 December 2015 | 31 December 2014 |
|--|----|--------|---------------------|---------------------|
| Revenue from ordinary activities | Up | 924% | 751,448 | 73,397 |
| (Loss) from ordinary activities after income tax attributable to members | Up | 1,486% | (5,089,904) | (320,764) |
| Total comprehensive loss attributable to members | Up | 1,486% | (5,089,904) | (320,764) |
| <i>The company does not have a dividend policy.</i> | | | | |

| NTA Backing | 31 December 2015 | 31 December 2014 |
|---|---------------------|---------------------|
| Net tangible asset backing per ordinary share | 2.57 cents | (54.05) cents |

BRIEF EXPLANATION OF THE ABOVE FIGURES

On 11 September 2015 zipMoney Limited (formerly Rubianna Resources Limited) completed the acquisition of zipMoney Holdings Pty Ltd and its controlled subsidiaries ("zipMoney Payments Group"). Under the Australian Accounting Standards zipMoney Payments Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which zipMoney Payments Group acquires the net assets and listing status of zipMoney Limited (formerly Rubianna Resources Ltd).

Accordingly the consolidated financial statements of zipMoney Limited have been prepared as a continuation of the business and operations of zipMoney Group. As the deemed acquirer, zipMoney Group has accounted for the acquisition of zipMoney Limited from 11 September 2015 along with the comparative financial statement for the 6 months ended 31 December 2014. The percentages tabled above highlight the step up in operations facilitated by the acquisition.

The net loss for the consolidated entity after providing for income tax amounted to \$5,089,904 (31 December 2014 \$320,764). The loss for the period includes:

- a one off non-cash expense of \$1,614,511 from the Australian Accounting Standards treatment of the acquisition of the zipMoney Group plus a one off cost of \$660,000 for the issue of facilitation shares;
- financing expenses of \$525,000, depreciation and amortization expenses of \$279,889 and share based payments expense of \$253,203 (all non-cash); and
- an operating loss of \$1,757,301.

The principal activity of the Company is offering point-of-sale credit to consumers (Retail Finance) and providing a variety of integrated Retail Finance solutions to merchants across numerous industries, both online and in-store.

Details of Controlled Entities

Control gained over entities during the period – 100% of zipMoney Holdings Limited and its 100% controlled subsidiaries being zipMoney Payments Pty Ltd, zipMoney Securities Ltd and zipMoney Trust 2015-1. There was no loss of control of entities during the period.

Associates / Joint Venture Entities

Not applicable. zipMoney Limited has not engaged in the acquisition of associates nor has it engaged in any joint ventures in the half-year ended 31 December 2015.

Dividends

No dividends have been declared for the half-year ended 31 December 2015 or for the previous corresponding period.

Accounting Standards

AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Interpretations have been used in compiling the information in this Appendix 4D.

Review Conclusion

This report is based on the financial statements for the half-year ended 31 December 2015. The financial statements have been subject to a review by an independent auditor and the review is not subject to qualification.



Managing Director / Chief Executive Officer: Larry Diamond
Date: Friday, 26 February 2016



Interim Financial Report

For the half year ended 31 December 2015

zipMoney Limited

(formerly Rubianna Resources Limited)

ABN 50 139 546 428



This interim financial report does not include all the notes of the type normally included in an annual financial report. This report is to be read in conjunction with the Annual Report for the year ended 30 June 2015 and any public announcements including the prospectus dated 11 August 2015 made by zipMoney Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Corporate Directory

Directors

Philip Crutchfield (Chairman)
Larry Diamond (Managing Director, CEO)
Peter Gray (Executive Director, COO)

Company Secretary

Ian Hobson

Registered Office

Level 9, 61 York Street
Sydney, NSW, 2000

Principal Place of Business

Level 9, 61 York Street
Sydney, NSW, 2000
Telephone: +61 2 8294 2345
Website: www.zipmoneylimited.com.au

Securities Exchange Listing

ASX Code: ZML

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA 6008

Solicitors

Nova Legal
Ground Floor, 10 Ord Street
West Perth, WA 6005

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St Georges Terrace
Perth, WA 6000

Investor enquiries:

Telephone: 1300 850 505 (within Australia)
+ 61 8 9323 2000
Facsimile: + 61 8 9323 2033



| Contents | Page |
|---|-------------|
| Directors' Report | 6 |
| Auditor's Independence Declaration | 12 |
| Consolidated Statement of Profit or Loss And Other Comprehensive Income | 13 |
| Consolidated Statement of Financial Position | 14 |
| Consolidated Statement of Changes In Equity | 15 |
| Consolidated Statement of Cash Flows | 16 |
| Notes to the Financial Statements | 17 |
| Directors' Declaration | 32 |
| Independent Auditor's Review Report to the Members | 33 |

DIRECTORS' REPORT

Your directors are pleased to present their report on zipMoney Limited for the half-year ended 31 December 2015.

DIRECTORS

The names of the directors who held office during or since the end of the period are:

| | |
|--------------------|---|
| Philip Crutchfield | (Appointed 18 July 2014. Resigned 11 September 2015. Re-appointed 14 December 2015) |
| Larry Diamond | (Appointed 11 September 2015) |
| Peter Gray | (Appointed 11 September 2015) |
| Ian Hobson | (Appointed 8 July 2014. Resigned 14 December 2015) |
| Lloyd Flint | (Appointed 18 November 2014. Resigned 11 September 2015) |

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the period is set out below:

| | 2015 | | 2014 | |
|------------------|----------|-------------|----------|-----------|
| | Revenues | Results | Revenues | Results |
| | \$ | \$ | \$ | \$ |
| zipMoney Limited | 751,448 | (5,089,904) | 73,397 | (320,764) |

PRINCIPAL ACTIVITIES

After the financial year ending 30 June 2015, there was a change to the nature and scale of the Consolidated Entity's principal activities. The principal activity of the Consolidated Entity is offering point-of-sale credit to consumers (Retail Finance) and providing a variety of integrated Retail Finance solutions to merchants across numerous industries, both online and in-store.

REVIEW OF OPERATIONS

Business Model

zipMoney is a leading player in the digital retail finance industry. Established in 2013 and listed on the ASX in 2015, the Company is headquartered in Sydney, Australia with offices in Melbourne and Brisbane.

The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries, estimated at ~\$90 billion in combined annual transaction volume.

zipMoney's platform is entirely digital and utilises hundreds of variables (Big Data) to deliver real-time consumer credit responses. Its 100% cloud-based offering has been proprietarily designed and developed in-house. This technology platform has driven a competitive and low 'cost to serve' model with the ability to efficiently process high volumes of lower dollar value transactions.

All loans written through zipMoney's online lending platform are classified as a continuing lines of credit. The minimum credit limit is \$500 and the maximum is \$15,000, whilst transactions do not have any minimum size restrictions. Supported by its proprietary credit policies and collection practices, zipMoney

adopts numerous technology-driven fraud and credit controls as it strives to achieve industry-leading performance.

zipMoney supports prime, near prime and emerging prime borrowers by providing those customers with a revolving unsecured line of credit to finance their transactions. zipMoney does not support sub-prime or 'payday' borrowers. It is focused on offering transparent, responsible and fairly priced consumer credit products.

zipMoney is a licenced credit provider under the National Credit Code, which is regulated by the Australian Securities and Investments Commission. Following the acquisition of EBX Securities, and in supports of its trust management function, zipMoney is also now a holder of an Australian Financial Services Licence (AFSL).

Key Statistics

zipMoney was founded in 2013 and our first customer was onboarded at Chappelli Cycles in December of that year through our integrated payments solution. During the half-year the Company has experienced growth as show in the following table:

| Metrics | 31 December 2015 | 30 June 2015 | Growth |
|--------------------------------|------------------|--------------|--------|
| Customers | 10,053 | 5,146 | 95% |
| Merchants | 379 | 147 | 158% |
| Transaction volume | \$ 9,902,582 | \$3,536,606 | 180% |
| Transactions | 8,695 | 5,464 | 59% |
| Revenue | \$751,448 | \$326,168 | 130% |
| Receivables and Customer Loans | \$8,911,939 | \$2,916,660 | 206% |
| Repayments | \$3,701,500 | \$1,479,406 | 150% |
| Credit Capacity | \$21,044,587 | \$8,325,240 | 153% |
| Arrears | 2.19% | 1.54% | 42% |
| Bad debts | 0.73% | 0.51% | 43% |

zipMoney currently operates in over 350 merchant locations both online and in-store. Through the inclusion of zipMoney as another payment tender at checkout, merchants have experienced significant and material increases in items per order, average order values, conversion and re-purchasing behaviour.

Revenue Model

Currently, zipMoney generates revenue from a mix of Merchant and Customer fees:

- Merchant fees: Merchant Service Fees are charged on settled Customer transactions (drawdowns) with zipMoney's accredited merchant base on a daily basis; and
- Customer fees: Establishment fees, monthly service fees, interest revenue, late fees and sundries are debited and charged to active Customer accounts at month-end and form part of the Customer Receivables.

From its core revenue drivers, zipMoney targets a gross yield on the outstanding Loan Book of approximately 20-25%.

Financial and Operational Performance

The net loss for the half-year attributable to members of zipMoney Limited was \$5,089,904 including \$2,274,511 associated with the cost of listing as a function of the reverse acquisition accounting.

Revenue for the half-year ended 31 December 2015 was \$751,448 (2014: \$73,397), an increase of 924% compared with the previous corresponding period. This was driven by \$9,902,582 in transactions, up 657% on the previous corresponding period. The month of December saw zipMoney register its highest ever transaction volume of \$2,022,891.

Although the Company is not yet in a position to issue any revenue or transaction volume guidance for the full year to 30 June 2016, the second half result is expected to benefit substantially from an enlarged salesforce and the activation of a number of large clients in the pipeline onto the zipMoney platform.

Since December, the Company has continued to accelerate its growth, increasing both revenue and transaction volume. In the month of January, the Company delivered a revenue result of \$237,438, representing 41% growth month-on-month on \$2.6 million in new loan originations, up 31% month-on-month.

As at 31 December 2015, the zipMoney Loan Book was approximately \$8.9 million, having grown 200% over the previous half-period to 30 June 2015. The repayment profile continues to remain healthy at approximately 9-10% (of period end book) in monthly collections.

The credit performance of the Loan Book continues to perform in line with internal management projections. The reported arrears rate was 2.2% at 31 December 2015 and zipMoney wrote off \$55,298 in bad debts for the half-year, representing an annualised loss rate of 0.73%. Although this result is well below comparable established peers, zipMoney's operations are still relatively young and require further 'seasoning' to establish a more mature loss rate.

In the month of December, zipMoney saw active Customers across the platform increase by 95% to more than 10,000 over the half-year period.

At the end of the half-year period zipMoney had over 350 merchant locations throughout Australia, up from over 100 in June 2015. zipMoney now has a presence across retail including fashion & accessories, consumer electronics, home, sports and outdoors, health (dental and cosmetic) and online education markets.

Since listing and reflecting an investment in growth, zipMoney has increased its staffing levels to 30 full-time equivalents (FTEs). The significant increase in staff costs has been largely driven by the rollout of a national sales team. This cost increase represents a material variance from the initial Prospectus budget, consistent with management's implementation of a more accelerated 'go-to-market' strategy.

Consumer Loan Book Funding

On 19 November 2015 zipMoney announced the successful closing of a c.\$108 million asset-backed securitisation warehouse program with U.S. asset manager Victory Park Capital (VPC).

As part of the arrangement, zipMoney established the zipMoney Trust 2015-1 (the **Trust**) with three classes of notes (unrated) issued by Perpetual Corporate Trustee Limited in its capacity as trustee. Pricing on all classes of notes is undisclosed. The facility was established during the half-year period and is now fully operational with loans originated on zipMoney's balance sheet and continuously sold into the Perpetual administered program.

The facility has a two year maturity term (with options to extend) and is interest only with outstanding balance repayable on maturity. The facility is secured against the underlying pool of receivables with no credit recourse back to zipMoney.

zipMoney Payments Pty Ltd is the trust manager and servicer of the securitisation program.

Cash Flows

Cash outflows from operating activities for the period were \$583,916 largely driven by working capital (\$867,937) and interest costs (\$452,966). Cash inflows from operations (\$616,669) and interest revenue (\$120,318).

Cash outflows from investing activities for the period were \$261,389, driven by increased software development (\$216,020) and net investment in plant, property and equipment (\$45,369).

Cash inflows from financing activities for the period were \$4,046,803 driven mainly by growth in receivables and customer loans (\$5,995,279), drawdowns from debt facilities to fund the receivables (\$4,555,000) and proceeds from issuance of ordinary shares (\$6,080,00).

Business Strategy and Prospects

zipMoney is committed to building a leading brand and market position in the Australian Retail Finance and Payments industries. The Company will continue to expand and refine its online and offline merchant and consumer onboarding and payments capabilities, whilst investigating complimentary products and partnerships where relevant.

The two core areas of technology investment by the Company are centred on our proprietary decisioning engine and the integrations services layer through which the zipMoney service can be distributed.

We continue to invest in research and development to meet consumer and merchant demand for seamless and innovative onboarding and transactional payment experiences. The Group has been expanding its credit and payment products across our target markets and has been developing a more integrated offline solution to be announced in the next quarter.

Offline represents an attractive opportunity for Australian retailers to leverage a consumer's digital footprint to improve in-store traffic and transaction consumption. In particular, the emergence of the digital wallets (such as Apple Pay, Android and Samsung Pay) and in-store shopping experience is being significantly refreshed and is only in its infancy globally.

The board has recognised the strong product market fit of the zipMoney offering and accordingly has adopted a more aggressive roll-out strategy to capitalise on this early mover advantage. The Company hired over the period Craig Dufficy (National Sales Manager) and Jonathan Kelly (Director Merchant Services) to jointly head the sales and marketing operation, under which they have assembled a team of 10 business development and account managers to service national accounts. The team has significant experience in the cards, payments, interest free and broader sales finance industries.

Corporate

The Consolidated Entity had a significant half year with regard to corporate actions, predominantly dealing with the acquisition of zipMoney Limited (zipMoney) and its subsidiaries.

The Consolidated Entity's acquisition of zipMoney involved a significant change in the nature and scale of the Consolidated Entity's activities which required approval of Shareholders under Chapter 11 of the Listing Rules. At the general meeting held on 28 July 2015 (General Meeting) Shareholder approval was obtained for, amongst other things, the Acquisition and the change in the nature and scale of the Consolidated Entity's activities.

The Consolidated Entity has had to comply with ASX requirements to re-list on ASX, which include re-complying with Chapters 1 and 2 of the Listing Rules.

Following the announcement to exercise the option to acquire zipMoney, shareholder approval was sought for the acquisition at a meeting on 28 July 2015. The approvals at the meeting resulted in the following actions for the completion of the transaction during the half year to 31 December 2015:

1. The suspension of the Consolidated Entity's shares on the ASX on the 28 July 2015;
2. A 1 for 10 consolidation of capital which was completed on 5 August 2015;
3. A prospectus was lodged on 11 August 2015 and closed fully subscribed 19 August 2015 for the issue of 25,000,000 shares at \$0.20 each to raise \$5,000,000 before costs;
4. The subsequent issue and allotment of the 25,000,000 shares applied for under the prospectus;
5. The zipMoney Payment Pty Ltd convertible note holders elected to convert their 3.5 million notes into zipMoney Ltd shares at \$0.10 each (post consolidation);
6. The issue of 55,000,000 shares and 75,000,000 performance shares converting on the achievement of certain hurdles to the vendors of zipMoney;
7. The issue of 3,300,000 shares and 4,769,757 performance share converting on the achievement of certain hurdles to advisers to the transaction; and
8. The issue of 20,000,000 performance share to strategic partners of zipMoney converting on the achievement of certain hurdles. It is unlikely however that the hurdles attached to these performance shares will be met by this particular strategic partner due to the inability to facilitate adequate lines of credit.

This was all completed on the 11 September 2015 and the capital structure post the "completion events" and on re-quotation on the ASX (as ZML) on 21 September 2015 was 118,172,009 ordinary fully paid shares on issue along with 99,769,757 performance shares and 2,525,000 options over shares. It is however unlikely the 20 million performance shares issued to Columbus Capital will convert to ordinary shares as they have been unable to achieve the agreed performance hurdles. The company will seek to cancel the 20 million performance shares in due course.

In addition to the above mentioned issues of securities the following transactions also took place during the half year period:

1. Based on the increased levels of business generated with new drawdown capacity available to the Consolidated Entity, the first tranche of performance shares were converted into 33,224,879 ordinary fully paid shares on 10 October 2015;
2. The Consolidated Entity was also successful in securing an AUD\$100 million line of credit from an asset manager in the USA as a result of which 5.0 million ordinary shares were subscribed for at \$0.20 each which were issued along with 5.0 million unlisted options exercisable at \$0.20 on or before 31 December 2018;
3. A special purpose vehicle, zipMoney Trust 2015-1 was established during the half-year period to act as the securitisation warehouse for zipMoney's receivables program. Noteholders subscribe for notes in the trust and loans/receivables originated in zipMoney Payments Pty Ltd are sold into the trust on a periodic basis (seller reimbursements). The seller reimbursements effectively limit zipMoney Payments' risk exposure to the residual interest in the trust and its Class C note. zipMoney Payments Pty Ltd is the manager and servicer of the trust, it handles all customer repayments on behalf of the trust and receives the net income generated by the trust by way of a monthly distribution.
4. An Australian Financial Services License was acquired during the half year period. EBX Securities Ltd was acquired and renamed zipMoney Securities Limited; and
5. 800,000 options exercisable at \$0.10 on or before 30 November 2018 were exercised on 15 December 2015 raising \$80,000 before costs.

A Board restructure was also undertaken which saw the resignation of Philip Crutchfield and Lloyd Flint and the appointment of Larry Diamond and Peter Gray. Philip Crutchfield was subsequently re-appointed as Chairman of the Board of Directors on 14 December 2015 and Ian Hobson resigned from the Board on the same date.

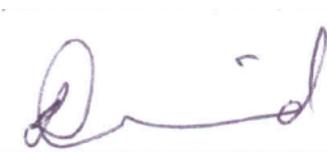
Post Balance Date Events

There have been no other material items, transactions or events subsequent to 31 December 2015 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

This report is made in accordance with a resolution of directors.

A handwritten signature in purple ink, appearing to read 'Larry Diamond', is positioned above a horizontal line.

Managing Director / Chief Executive Officer: Larry Diamond
Date: Friday, 26 February 2016

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF ZIPMONEY LIMITED

As lead auditor for the review of zipMoney Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of zipMoney Limited and the entities it controlled during the period.



Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 26 February 2016

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| All figures in \$ | Note | 31 December 2015 | 31 December 2014 |
|---|------|---------------------|---------------------|
| REVENUE | | | |
| Sales | | 751,448 | 73,397 |
| Other income | | 61,618 | 5,503 |
| | | 813,066 | 78,900 |
| EXPENDITURE | | | |
| Administration expenses | | (744,669) | (85,310) |
| Data costs | | (104,460) | (21,732) |
| Depreciation and amortisation expense | | (279,889) | (39,368) |
| Doubtful debts expense | | (209,689) | (24,039) |
| Finance cost | | (525,000) | - |
| Interest expense | | (452,966) | (30,119) |
| Listing Expenses | 3 | (2,274,511) | - |
| Occupancy Expenses | | (74,575) | (16,129) |
| Salaries and employee benefits expense | | (984,008) | (182,967) |
| Share-based payments | | (253,203) | - |
| | | (5,089,904) | (320,764) |
| LOSS BEFORE INCOME TAX | | (5,089,904) | (320,764) |
| Income tax benefit | | - | - |
| | | - | - |
| TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ZIPMONEY LIMITED | | (5,089,904) | (320,764) |
| Basic and diluted (loss)/profit per share (cents) | 8 | (4.7) | (0.6) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| All figures in \$ | Note | 31 December 2015 | 30 June 2015 |
|--------------------------------------|------|---------------------|------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 9 | 4,226,950 | 1,025,452 |
| Trade and other receivables | | 145,809 | 95,374 |
| TOTAL CURRENT ASSETS | | 4,372,759 | 1,120,826 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | | 43,973 | 26,092 |
| Intangible assets | | 764,648 | 775,387 |
| Receivables and customer loans | 10 | 8,615,449 | 2,829,858 |
| TOTAL NON-CURRENT ASSETS | | 9,424,070 | 3,631,337 |
| TOTAL ASSETS | | 13,796,829 | 4,752,163 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 404,222 | 334,483 |
| Provisions | | 70,758 | 58,717 |
| TOTAL CURRENT LIABILITIES | | 474,980 | 393,200 |
| NON-CURRENT LIABILITIES | | | |
| Convertible Notes | 2 | - | 350,000 |
| Short term loans | | - | 250,000 |
| Borrowings | 11 | 8,510,000 | 3,955,000 |
| TOTAL NON-CURRENT LIABILITIES | | 8,510,000 | 4,555,000 |
| TOTAL LIABILITIES | | 8,984,980 | 4,948,200 |
| NET ASSETS | | 4,811,849 | (196,037) |
| EQUITY | | | |
| Issued capital | 5 | 10,267,776 | 423,190 |
| Reserves | 7 | 253,203 | - |
| Accumulated losses | | (5,709,130) | (619,227) |
| TOTAL EQUITY | | 4,811,849 | (196,037) |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| All figures in \$ | Note | Issued Capital | Reserves | Accumulated Losses | Total |
|---|------|-------------------|----------------|--------------------|--------------------|
| BALANCE AT 1 JULY 2014 | | 320,100 | - | (154,825) | 165,275 |
| Profit for the period | | - | - | (320,764) | (320,764) |
| TOTAL COMPREHENSIVE LOSS | | - | - | (320,764) | (320,764) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | | | |
| Shares issued during the period | | - | - | - | - |
| Costs of issue | | - | - | - | - |
| BALANCE AT 31 DECEMBER 2014 | | 320,100 | - | (475,589) | (155,489) |
| BALANCE AT 1 JULY 2015 | | 423,190 | - | (619,227) | (196,037) |
| Loss for the period | | - | - | (5,089,904) | (5,089,904) |
| TOTAL COMPREHENSIVE LOSS | | - | - | (5,089,904) | (5,089,904) |
| TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS | | | | | |
| Shares issued during the period | 5 | 10,187,505 | - | - | 10,187,505 |
| Performance rights granted | 7 | - | 253,203 | - | 253,203 |
| Costs of issue | 5 | (342,919) | - | - | (342,919) |
| BALANCE AT 31 DECEMBER 2015 | | 10,267,776 | 253,203 | (5,709,130) | 4,811,849 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2015**

| All figures in \$ | Note | 31 December 2015 | 31 December 2014 |
|--|------|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operations | | 616,669 | 219,507 |
| Payments to suppliers and employees | | (867,937) | (230,723) |
| Interest received | | 120,318 | 3,973 |
| Interest paid | | (452,966) | (30,119) |
| Net cash outflow from operating activities | | (583,916) | (37,362) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for plant and equipment | | (70,369) | (4,184) |
| Payments for software development | | (216,020) | 649 |
| Proceeds from sale of plant and equipment | | 25,000 | - |
| Net cash outflow from investing activities | | (261,389) | (3,535) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from the issue of securities | | 6,080,000 | - |
| Net movement in receivables and customer loans | | (5,995,279) | (784,188) |
| Increase in borrowings | | 4,555,000 | 650,000 |
| Costs of share issues | | (342,919) | - |
| Repayment/Proceeds from shareholder loans | 6(d) | (250,000) | 147,000 |
| Net cash inflow from financing activities | | 4,046,803 | 12,812 |
| Net decrease in cash and cash equivalents | | 3,201,497 | (28,085) |
| Cash and cash equivalents at the beginning of the half-year | | 1,025,453 | 100,157 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR | | 4,226,950 | 72,072 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

a) Basis of Accounting

The Consolidated Statement of Profit and Loss or Other Comprehensive Income and Consolidated Statement of Financial Position have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards).

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the public announcements made by zipMoney Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Due to the change in nature of the operations and reverse accounting implications of the acquisition of zipMoney Limited (formerly Rubianna Resources Limited - refer Note 1(n)) the accounting policies of the group have been detailed below.

They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated. The financial statements have been prepared on a going concern basis.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2015, the Consolidated Entity has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2015.

It has been determined by the Consolidated Entity that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Consolidated Entity accounting policies.

The Consolidated Entity has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2015. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Consolidated Entity accounting policies.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Consolidated Entity commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(d) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(e) Recoverable Amount of Non-Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(f) Operating Revenue

Revenue from the rendering of services is recognised upon the delivery of the services to the customer.

Interest

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial assets.

(g) Issued Capital

Ordinary shares are classified as equity.

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. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(h) Principles of Consolidation

The consolidated financial statements comprise the financial statements of ZipMoney Limited and its subsidiaries ("the Group").

Subsidiaries are all those entities over which the Consolidated Entity has control. Control exists when the Consolidated Entity has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in subsidiaries are carried at their cost of acquisition in the Consolidated Entity's financial statements. In preparing the consolidated financial statements all intercompany balances and transactions, income, expenses and profit and loss resulting from intergroup transactions have been eliminated in full.

Minority interests not held by the Consolidated Entity are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the statement of financial position, separately from parent shareholders' equity.

(i) 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 and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(j) Critical accounting estimates and judgements

In preparing this Financial Report, the Consolidated Entity has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results.

Significant accounting estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key sources of estimation uncertainty relate to the impairment of loans receivable. The impairment of personal loans requires the Consolidated Entity to assess impairment regularly. The credit provision raised represents management's best estimate of losses incurred in the loan portfolio at reporting date based on their experienced judgement. The collective provision is estimated on the basis of historical loss experience for assets with similar credit characteristics by the Consolidated Entity and other companies with similar portfolios.

(k) Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Consolidated Entity manages together and has a recent actual pattern of short-term profit-taking; or
- it has a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item.

Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(l) Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('\$'), which is the functional currency of the Consolidated Entity and the presentation currency for the consolidated financial statements. All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

(m) Intangible assets

Software development asset:

Other Development costs are capitalised only when:

- the technical feasibility and commercial viability of the project is demonstrated;
- the Consolidated Entity has an intention and ability to complete the project and use it or sell it; and
- the costs can be measured reliably.

Such costs include payments to external contractors to develop the software, any purchase of materials and equipment and personnel costs of employees directly involved in the project.

The software development asset is amortised at the rate of 40% per annum.

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(n) Acquisition of zipMoney

The merger will be recorded under the reverse acquisition principals which results in the Legal Parent (in this case, zipMoney Limited (formerly Rubianna Resources Ltd)) being accounted for as the subsidiary, while the Legal Acquiree (in this case, zipMoney Payments group), being accounted for as the parent. Under the reverse acquisition principals, the consideration to be provided by zipMoney was determined to be \$2,572,525 (based on the 8.2 cents post consolidated market price, which is the fair value of the 31,372,009, shares owned by the former Rubianna shareholders as at the date of acquisition (in the absence of being able to ascribe a fair value to the shares in zipMoney)).

The excess of fair value of the shares owned by the former Rubianna shareholders and the fair value of the identifiable net assets of Rubianna immediately prior to the completion of the merger is to be accounted for under "AASB 2: Share-based Payment" (AASB 2) as an expense described as Listing Expenses (the cost of going public) and is expensed to the statement of profit or loss and other comprehensive income. The net assets of Rubianna will be recorded at fair value at the completion of the merger. No adjustments are expected to be required to the historical book values.

The implications of the acquisition by zipMoney Payments group on the financial statements are as follows:

- i) Statement of profit or loss and other comprehensive income:
 - The 2015 half year statement of profit or loss and other comprehensive income comprises the total comprehensive income for the half year.
 - The Statement of profit or loss and other comprehensive income comparatives for the half year 2014 comprises the half year for zipMoney Payments Group only.
- ii) Statement of financial position :
 - The 2015 Statement of financial position as at 31 December 2015 represents the combination of zipMoney Payments Group and ZipMoney Ltd (Rubianna).
 - The Statement of financial position comparative represents zipMoney Payments Group only as at 30 June 2015.
- iii) Statement of changes in equity :
 - The 2015 Statement of changes in equity comprises:
 - The equity balance of zipMoney Payments Group as at the beginning of the financial year (1 July 2015).
 - The total comprehensive income for the half financial year and transactions with equity holders, being the 6 months from zipMoney Payments Group for the period ended 31 December 2015 and the period from 11 September 2015 to 31 December 2015 for ZipMoney Ltd (Rubianna).
 - The equity balance of the combined zipMoney Payments Group and ZipMoney Ltd (Rubianna) at the end of the half financial year (31 December 2015).
 - The Statement of changes in equity comparatives comprises the full half year to 31 December 2014 for zipMoney Payments Group only.
- iv) Statement of cash flows
 - The 2015 Statement of cash flows comprises:
 - The cash balance of zipMoney Payments Group at the beginning of the financial year (1 July 2015).
 - The transactions for the half financial year for the 6 months from zipMoney Payments Group for the period ended 31 December 2015 and the period from 11 September 2015 until 31 December 2015 for ZipMoney Ltd (Rubianna).

- The cash balance of the combined zipMoney Payments Group and ZipMoney Ltd (Rubianna) at the end of the period (31 December 2015).
- The Statement of cash flows comparatives comprises the full financial year of zipMoney Payments Group for the half year ended 31 December 2014.

(o) Convertible Notes (refer note 2 below)

Convertible Notes issued by the Consolidated Entity comprised convertible notes that can be converted to share capital and convertible note embedded derivatives whose fair value were capable of changes with the zipMoney Limited's underlying share price and the probability of acquisition of zipMoney being completed.

The embedded derivative component of a convertible note is recognised initially at the fair value of a similar liability that does not have an equity conversion option. Subsequent to initial recognition, the fair value of the embedded derivative is valued using valuation techniques that include reference to zipMoney Limited's underlying share price at reporting date and/or at conversion date and the probability of the acquisition of zipMoney being completed.

The convertible note derivative is measured at fair value through profit or loss.

The convertible note derivative liability is removed from the Balance Sheet when the obligations specified in the Contract are discharged.

Convertible Note Derivative Liabilities are classified as current or non-current based on the maturity date of the convertible note.

Fair values of convertible note derivatives

On initial recognition, at reporting date and/or at conversion date, the fair value of the convertible note derivative has been determined by reference to Rubianna Resources Limited's underlying share price at the relevant dates and the probability of the acquisition of zipMoney being completed.

NOTE 2: FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The following financial instruments are subject to recurring fair value measurements:

| | 31 December 2015 | 30 June 2015 |
|--|------------------|--------------|
| | \$ | \$ |
| <i>Derivative liabilities</i> | | |
| - Convertible note with embedded derivative- level 3 | - | 350,000 |

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 - the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices)
- Level 3 - a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

| Description | Valuation approach | Unobservable inputs | Range of inputs | Relationship between unobservable inputs and fair value |
|---|---|------------------------------|---|--|
| Convertible note with automatic conversion feature to zipMoney Limited's shares | The fair value is determined based on the latest public offering share price and the probability of the automatic conversion feature occurring. | Fluctuations in share price. | Share price of zipMoney Limited on issue of the convertible note was 0.02cents compared to 0.25cents on conversion of the convertible note. | The higher the share price the higher the liability to record and the greater the impact on profit and loss. |

Reconciliation of level 3 movements

The following table sets out the movements in level 3 fair values for contingent consideration payable.

| | \$ |
|--|-----------|
| <i>Opening balance 1 July 2015</i> | 350,000 |
| Fair value at conversion- Convertible note was settled with the issue of 3,500,000 zipMoney Limited shares | (875,000) |
| Recognised losses recognised in profit or loss | 525,000 |
| <i>Closing balance 31 December 2015</i> | - |

Valuation processes for level 3 fair values

The financial department performs Level 3 valuations. The financial department reports to the Board of Directors. Valuations are performed every six months to ensure that they are current for the half-year and annual financial statements. Valuations are reviewed and approved by the Board of Directors.

NOTE 3: SHARE BASED PAYMENT ACQUISITION

On 11 September 2015 zipMoney Limited (formerly Rubianna Resources Limited) completed the acquisition of zipMoney Holdings Pty Ltd and its subsidiary zipMoney Payments Pty Ltd ("zipMoney Payments Group"). Under the Australian Accounting Standards zipMoney Payments Group was deemed to be the accounting acquirer in this transaction. The acquisition has been accounted for as a share based payment by which zipMoney Payments Group acquires the net assets and listing status of zipMoney Limited (formerly Rubianna Resources Limited).

Note 6(a): Deemed Consideration for reverse acquisition

The deemed consideration was the issue of 55,000,000 shares and 75,000,000 class A performance shares in zipMoney Ltd (legal parent) to the shareholders of zipMoney Payments Group and is deemed to have a value of \$2,572,525. In addition, 3,300,000 shares were issued to advisors of the transaction relating to services for facilitating the transaction. These shares had a value of \$660,000 which was based on the fair value of services provided and have been included as a transaction cost, as part of the listing expense below.

Note 6(b): Deemed zipMoney share capital and reserves

| | |
|--|------------------|
| Historical issued capital balance 30 June 2015 | \$ 11,611,777 |
|--|------------------|

| | |
|---|------------------|
| Historical reserves balance 30 June 2015 | 532,811 |
| Elimination of zipMoney Limited issued capital and reserves | (12,144,588) |
| Deemed consideration on acquisition (note 6a) | 2,572,525 |
| Total zipMoney share capital on completion | <u>2,572,525</u> |

Note 6(c): zipMoney Limited Retained Losses Pre-completion

| | |
|--|------------------|
| | \$ |
| Historical balance 30 June 2015 | (11,108,849) |
| Losses from 1 July 2015 to 11 September 2015 | (77,725) |
| Elimination of zipMoney Limited losses | 11,186,574 |
| Deemed consideration on acquisition (note 6a) | 2,572,525 |
| Less net assets zipMoney Limited pre-acquisition | (958,014) |
| Total zipMoney Limited losses on completion | <u>1,614,511</u> |
| Facilitation shares | 660,000 |
| Total listing expense | <u>2,274,511</u> |

Note 6(d): Assets and liabilities acquired (at fair value at the date of acquisition)

| | |
|----------------------------------|----------------|
| | \$ |
| Cash and cash equivalents | 205,971 |
| Current assets | 426,409 |
| Secured Loans | 800,000 |
| Current Liabilities | (474,366) |
| Net identifiable assets acquired | <u>958,014</u> |

75,000,000 Class A Performance Shares issued to vendors on the completion of the acquisition.

Each Performance share is convertible to one (1) fully paid ordinary share in the Capital of zipMoney upon the following milestones being achieved:

- (i) **Milestone 1** – 30,833,333 performance shares will convert upon achieving an aggregate transaction volume in excess of \$10,000,000 by 12 months from zipMoney being readmitted to the ASX;
- (ii) **Milestone 2**- 30,833,333 performance shares will convert upon achieving an aggregate transaction volume in excess of \$20,000,000 by 24 months from zipMoney being readmitted to the ASX; and
- (iii) **Milestone 3** – 13,333,333 performance shares will convert upon achieving pre-tax break-even for the first time each calendar year in a consecutive three calendar month period by or before 36 months after zipMoney being readmitted to the ASX.

4,769,757 Class B Performance Shares issued to Avitus Capital Pty Ltd under the advisor offer on the completion of the acquisition.

Each Performance share is convertible to one (1) fully paid ordinary share in the Capital of zipMoney upon the following milestones being achieved:

- i) **Milestone 1** – 2.38 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$10,000,000 by 12 months from zipMoney being readmitted to the ASX; and
- ii) **Milestone 2** – 2.38 million performance shares will convert upon zipMoney achieving aggregate transaction volume in excess of \$20,000,000 by 24 months from zipMoney being readmitted to the ASX.

NOTE 4: SEGMENT INFORMATION

Management has determined that the Consolidated Entity has one reporting segment being the offer of point-of-sale credit to consumers (Retail Finance) and providing a variety of integrated Retail Finance solutions to small, medium and enterprise merchants across numerous industries, both online and in-store

The internal reporting framework is based on the principal activity as discussed above and is the most relevant to assist the Board with making decisions regarding the Consolidated Entity and its ongoing growth in point of sale credit activities.

The assets as presented relate to the reporting segment, as identified above.

All revenue and expenses relate to point of sale credit activities and would not be used to assess segment performance.

NOTE 5: EQUITY SECURITIES ISSUED

| a) Ordinary shares | 31 December 2015 (Shares) | 31 December 2015 (\$) | 30 June 2015 (Shares) | 30 June 2015 (\$) |
|---|---------------------------------|-----------------------------|-----------------------------|-------------------------|
| <i>Beginning of the period</i> | 1,797,131 | 423,190 | 1,797,131 | 423,190 |
| Shares for acquisition of zipMoney, deemed consideration on acquisition (i) | 55,000,000 | 2,572,505 | - | - |
| Advisor shares | 3,300,000 | 660,000 | - | - |
| Conversion of Convertible Notes | 3,500,000 | 875,000 | - | - |
| Prospectus applications | 25,000,000 | 5,000,000 | - | - |
| Achievement of Milestone 1 | 33,224,879 | - | - | - |
| Line of credit issue | 5,000,000 | 1,000,000 | - | - |
| 10c Options exercised | 800,000 | 80,000 | - | - |
| Costs of issues during the period | - | (342,919) | - | - |
| Shares in zipMoney on completion of acquisition | 31,372,009 | - | - | - |
| zipMoney Group shares eliminated on completion of acquisition | (1,797,131) | - | - | - |
| <i>End of the period</i> | 157,196,888 | 10,267,776 | 1,797,131 | 423,190 |

- (i) Under the reverse acquisition principals, the consideration to be provided by zipMoney was determined to be \$2,572,525 based on the 8.2 cents post consolidated market price, which is the fair value of the 31,372,009 owned by existing Rubianna Resources shareholders at the date of acquisition.

| b) Performance Shares | 31 December 2015 (Shares) | 31 December 2015 (\$) | 30 June 2015 (Shares) | 30 June 2015 (\$) |
|------------------------------------|---------------------------------|-----------------------------|-----------------------------|-------------------------|
| <i>Beginning of the period</i> | - | - | - | - |
| Issued during the period : | | | | |
| Vendor shares - 11 September 2015 | 75,000,000 | - | - | - |
| Advisor shares - 11 September 2015 | 4,769,757 | - | - | - |

| | | | | |
|----------------------------|-------------------|---|---|---|
| Strategic partner offer | 20,000,000 | - | - | - |
| Achievement of Milestone 1 | (33,224,879) | - | - | - |
| <i>End of the period</i> | <i>66,544,878</i> | - | - | - |

| c) Movements of options during the period | Number of options | |
|--|-------------------|--------------|
| | 31 December 2015 | 30 June 2015 |
| Options in zipMoney on completion of acquisition | 25,250,000 | - |
| 1 for 10 Consolidation | (22,725,000) | - |
| Options issued relating to committed funding | 5,000,000 | - |
| 10c Options exercised | (800,000) | - |
| Closing Balance for the period | 6,725,000 | - |

NOTE 6: RELATED PARTY DISCLOSURES

a) Shareholdings

| 31 December 2015 | Balance at start of the period | On acquisition of ZipMoney Ltd | At appointment | Other changes during the period | Balance at end of the period | Note |
|--------------------|--------------------------------|--------------------------------|----------------|---------------------------------|------------------------------|-------|
| Philip Crutchfield | - | 3,177,778 | - | (3,177,778) | - | (i) |
| Ian Hobson | - | 150,000 | - | (150,000) | - | (i) |
| Lloyd Flint | - | 50,000 | - | (50,000) | - | (i) |
| Larry Diamond | 933,691 | (ii) 28,143,231 | - | 16,022,769 | 45,099,691 | (iii) |
| Peter Gray | 308,165 | (ii) 9,481,380 | - | 5,288,320 | 15,077,865 | (iii) |
| Philip Crutchfield | - | - | 4,200,000 | - | 4,200,000 | (iv) |

(i) "Other Changes" reflects the shares held on resignation.

(ii) Shares "at/on acquisition" represents the "net Vendor Shares" received on completion of the acquisition of zipMoney Ltd, after zipMoney Holdings Pty Ltd share elimination, at acquisition.

(iii) Other changes are the conversion of the first tranche of Performance Shares for meeting hurdles.

(iv) Philip Crutchfield resigned during the period and was re-appointed prior to period end.

| 31 December 2014 | Balance at start of the period | Other changes during the period | Balance at end of the period |
|------------------|--------------------------------|---------------------------------|------------------------------|
| Larry Diamond | 933,691 | - | 933,691 |
| Peter Gray | 308,165 | - | 308,165 |

b) Performance shares

| 31 December 2015 | Balance at start of the period | On acquisition of zipMoney Ltd | At appointment | Other changes during the period | Balance at end of the period | Note |
|--------------------|--------------------------------|--------------------------------|----------------|---------------------------------|------------------------------|------|
| Philip Crutchfield | - | - | - | - | - | |
| Ian Hobson | - | - | - | - | - | |
| Lloyd Flint | - | - | - | - | - | |
| Larry Diamond | - | 38,965,877 | (16,022,769) | 22,943,108 | - | (i) |
| Peter Gray | - | 12,860,700 | (5,288,320) | 7,572,380 | - | (i) |

Philip Crutchfield - - -

- (i) Performance Shares held on appointment represents the “Vendor Performance Shares” received on completion of the acquisition of zipMoney Holdings Pty Ltd. Other changes are the conversion of the first tranche of Performance Shares to Ordinary Shares on meeting 1st tranche hurdles.

31 December 2014

There were no Performance shares on issue in the prior period.

c) Options

31 December 2015

No Directors held options at any time during the period to 31 December 2015 (Nil: 31 December 2014).

d) Other Related Party Transactions

| All figures in \$ | 31 December 2015 | 31 December 2014 |
|--|---------------------|---------------------|
| Repayment of loan from Larry Diamond | 250,000 | - |
| <i>There were no other transactions with related parties other than the “arm’s length” transactions in the form of fees, salaries and wages during the period.</i> | | |

e) Service Contracts

Larry Diamond - Director and CEO Executive Service Agreement

The Consolidated Entity has entered into an executive services agreement for the services to be provided by its proposed executive director and CEO, Larry Diamond (**CEO Agreement**).

The CEO’s remuneration package is comprised of an annual executive services fee of \$150,000 inclusive of statutory superannuation. During the first 6 months of the CEO Agreement, the Consolidated Entity may terminate the agreement on 6 months’ notice, or by providing a cash payment in lieu of such notice equal to the executive services fee payable for the remainder of the first 6 months of the CEO Agreement (subject to the limitation of the Corporations Act and Listing Rules). After this, the Consolidated Entity may terminate the agreement on 6 months’ notice or by providing a cash payment equal to 6 months of the executive services fee (subject to the limitation of the Corporations Act and Listing Rules). The CEO Agreement otherwise contains terms considered standard for a document of this nature.

Peter Gray - Director and COO Executive Service Agreement

The Consolidated Entity has entered into an executive services agreement for the services to be provided by its proposed executive director and COO, Peter Gray (**COO Agreement**).

The COO’s remuneration package is comprised of an annual executive services fee of \$150,000 inclusive of statutory superannuation. During the first 6 months of the COO Agreement, the Consolidated Entity may terminate the agreement on 6 months’ notice, or by providing a cash payment in lieu of such notice equal to the executive services fee payable for the remainder of the first 6 months of the COO Agreement (subject to the limitation of the Corporations Act and Listing Rules). After this, the Consolidated Entity may terminate the agreement on 6 months’ notice or by providing a cash payment equal to 6 months of the executive services fee (subject to the limitation of the Corporations Act and Listing Rules). The COO Agreement otherwise contains terms considered standard for a document of this nature.

Philip Crutchfield – Non-executive director

Philip Crutchfield has been appointed a non-executive director to the board of directors of the Consolidated Entity and will receive fees of \$1,000 per month. There are no notice periods or termination provisions other than statutory provisions under the Corporations Act and the Consolidated Entity's Constitution. The appointment of Philip as a non-executive director is otherwise on terms that are standard for an appointment of this nature.

Philip has also been granted 150,000 options exercisable at 50c each and 150,000 options exercisable at 70c each, 3 years from the date of issue. The issue of the options is subject to shareholder approval and at the date of this report the options had not been issued. The total value of the options to be issued has been calculated at \$82,338.

NOTE 7: SHARE BASED PAYMENTS

The share based payments reserve is used to record the assessed fair value of options and performance shares issued as consideration for the acquisition of assets and for services rendered by employees. As at 31 December 2015 no options or performance shares had been issued (Nil; 31 December 2014). Rights to performance shares have been granted to certain of the employees of the Consolidated Entity.

Employee performance shares

The grant of performance shares to employees is subject to various hurdles for each employee. The hurdles are a mixture of Consolidated Entity goals and individual goals which are evaluated on an annual basis. No performance shares have been issued as at the date of this report.

The performance share rights have been valued using based on the underlying share price of zipMoney and an assessed probability of the employees achieving the respective hurdles. The valuation date is 31 December 2015.

Based on the above the performance share rights have been valued at \$235,203. In this regard \$235,203 of expense was recognised in the profit and loss (2014: nil). The hurdles attached to the performance rights granted to employees have been set to ensure management and employees are appropriately incentivised to increase value to shareholders.

Director's options

Options have been granted but not yet issued to Philip Crutchfield, refer to note 6e for the terms and conditions.

NOTE 8: LOSS PER SHARE

a) Reconciliation of earnings used in calculating loss per share

All figures in \$

Loss attributable to the owners of the Consolidated Entity used in calculating basic and diluted loss per share

| 2015 | 2014 |
|-------------|-------------|
| (5,089,904) | (320,764) |

b) Weighted average number of shares used as the denominator

Number of shares

Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.

| 2015 | 2014 |
|-------------|-------------|
| 108,422,057 | 55,000,000 |

NOTE 9: CASH AND CASH EQUIVALENTS

At 31 December 2015, the Company had cash at bank of \$4,226,950, of which \$693,169 is in restricted cash.

NOTE 10: RECEIVABLES AND CUSTOMER LOANS

At 31 December 2015, the Company had \$8,911,939 in receivables and customer loans. In addition it recorded a provision for bad debt of \$296,491 (2014: customer loans \$2,916,660 and provision for bad debts of \$86,802).

NOTE 11: BORROWINGS AND SECURITISATION WAREHOUSE

The Company sells receivables and customer loans to a special purpose vehicle securitisation warehouse (zipMoney Trust 2015-1) through its asset-backed securitisation program. The special purpose vehicle is consolidated as the Group is exposed or has rights to variable equity returns and has the ability to affect its returns through its power over the securitisation vehicle. The Group may serve as a sponsor, server, liquidity provider, purchaser of notes and/or purchaser of residual interest units.

The table below presents the assets and underlying borrowings as a result of the securitisation warehouse:

| | 31 December 2015 (\$) | 30 June 2015 (\$) |
|---------------------------------------|--------------------------|------------------------------|
| Receivables and customer loans | 8,911,939 | 2,916,660 |
| Cash held by securitisation warehouse | 693,169 | 961,060 |
| | 9,605,109 | 3,877,720 |
| Borrowings related to receivables | 8,510,000 | 3,555,000¹ |

1. Borrowings excludes working capital loans

Background and terms of the facility

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

As part of the arrangement, zipMoney established the zipMoney Trust 2015-1 (the **Trust**) with three classes of notes (unrated) issued by Perpetual Corporate Trustee Limited in its capacity as trustee. Pricing on all classes of notes is undisclosed.

At balance sheet date the Company had \$107.67 million in committed wholesale debt financing. The facility has a two year maturity term (with options to extend) and is interest only with outstanding balance repayable on maturity. The facility is secured against the underlying pool of receivables with no credit recourse back to zipMoney.

zipMoney Payments Pty Ltd is the trust manager and servicer to the securitisation program.

NOTE 12: COMMITMENTS

The following table summarises the operating lease commitments of the Consolidated Entity:

| | 31 December 2015 (\$) | 30 June 2015 (\$) |
|---|--------------------------|----------------------|
| <i>Operating lease commitments</i> | | |
| Not later than 1 year | 149,159 | - |
| Later than 1 year and not more than 5 years | 202,972 | - |
| More than 5 years | - | - |
| Total minimum lease payments | 352,131 | - |

NOTE 13: CONTINGENCIES

There are no contingent liabilities or contingent assets at reporting date.

NOTE 14: SUBSEQUENT EVENTS

There have been no other material items, transactions or events subsequent to 31 December 2015 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 13 to 31 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that ZipMoney Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Managing Director / Chief Executive Officer: Larry Diamond
Date: Friday, 26 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of zipMoney Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of zipMoney Limited, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of zipMoney Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of zipMoney Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of zipMoney Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

Handwritten signature in blue ink, consisting of the letters 'BDO' above the name 'J Prue'.

Jarrad Prue

Director

Perth, 26 February 2016

zip Money
a better way to pay

