

29 July 2016

ZIPMONEY FOURTH QUARTER FY2016 UPDATE

QUARTER HIGHLIGHTS

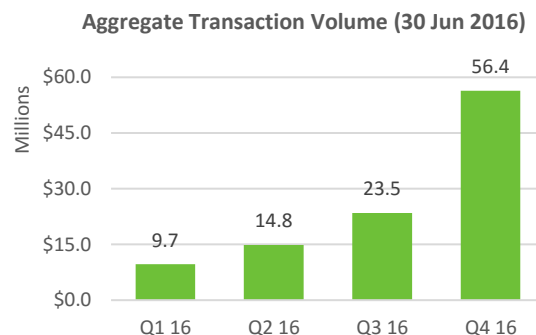
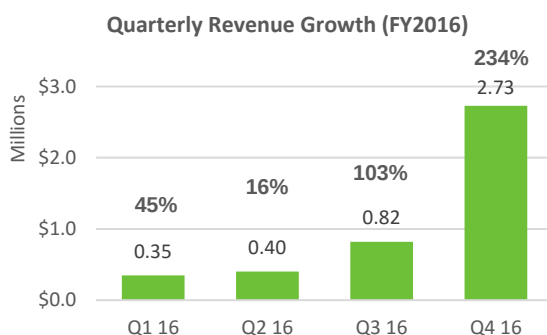
- Transaction volume in excess of \$10 million for each month in the quarter; more than \$50 million originated on platform to date
- Quarter on quarter revenue growth more than 200%
- zipPay market rollout continuing to accelerate with a number of new iconic fashion brands
- \$20.6 million raised through successful oversubscribed placement to several leading institutional investors
- Continued investment in 100%-owned proprietary real-time, credit scoring technology

FINANCIAL AND OPERATIONAL PERFORMANCE

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

For the quarter ending 30 June 2016, the Company grew its loan book to \$40.7 million, up 187% on the previous quarter, on \$32.9 million in transaction volume. This generated revenue of approximately \$2.7 million up 234% on the previous quarter.

The quarter also saw customers across the platform increase to ~40,000 supported by the accelerated rollout of zipPay into fashion, accessories and retail segments.



* Based on unaudited financials and transaction volume

Managing Director and CEO Larry Diamond said “The quarter saw unprecedented growth across the platform supported by a number of enterprise clients – we have now processed over \$50 million. We are continuing to witness the strong take-up of buy now, pay later products across industry with zipPay a particular beneficiary.”

ZIPPAY UPDATE

The number of zipPay retail merchants to join the platform increased to ~200 in the June quarter. zipPay offers a 'no interest ever' digital wallet up to \$1,000. It is a safe, simple and convenient payment option that lets customers shop online and pay later for their purchases with no credit card and no interest ever.

The product continued its rollout both online and instore with a number of iconic fashion brands joining the platform (see below). Larry Diamond said, "We are very excited about zipPay's early success in the market and see huge scope to significantly grow this brand. The last quarter witnessed strong growth in platform usage and validates the investment made to support lower dollar transactions."

MERCHANT UPDATE

zipMoney currently has over 2,000 merchant locations throughout Australia both online and in-store. These range across retail including fashion & accessories, consumer electronics, home, sports & outdoors, auto, health services and online education markets.

A number of larger iconic brands joined the platform in the June quarter together with a large cohort of SME businesses.

ARCHFASHION	Manning Cartel	Rodeo Show	Beserk	Co-op
Open Colleges	Oz Design Furniture	tyresales.com.au	Bicycle Superstore	Furniture Bazaar
Pioneer	digiDIRECT	Camera Warehouse	Bedshed	Aarons Outdoor Living

LOAN BOOK UPDATE

As at 30 June 2016, the zipMoney loan book was approximately \$40.7 million, having grown ~190% over the previous quarter. The repayment profile continues to remain healthy at 9% (of period opening 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 1.36% and bad debts were at 1.12%, both well below industry standards.

Executive Director & COO Peter Gray said "The performance of our loan book continues to validate our core IP - our fraud and decisioning technology - which remains a significant competitive advantage. Ongoing investment in this IP remains a key focus as we strive to consistently deliver better outcomes as we scale our business."

CORPORATE

During the quarter, the Company received cash receipts of \$2.7 million with fixed costs largely in line with the previous quarter. The Company continues to enjoy strong economies of scale as a result of the ongoing



investment in the Company's 100%-owned proprietary scoring technology. Cash at end of quarter was \$7.1 million, inclusive of \$0.6 million in restricted cash.

Effective 1 July, the salaries of senior executives have been revised to be more in line with comparable market rates. The salaries (excluding superannuation) of the Chief Executive Officer, Larry Diamond, and the Chief Operating Officer, Peter Gray have each been increased from \$136,000 to \$250,000. The fees of the Chairman, Philip Crutchfield, have also been increased from \$12,000 to \$60,000 per annum.

The Board is currently considering a Long Term Incentive Plan for Executives and Directors, and will release details in due course.

– ENDS –

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About zipMoney

zipMoney is a leading player in the digital retail finance industry. The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries through two core products, zipMoney and zipPay. The Company is focused on offering transparent, responsible and fairly priced consumer products. zipMoney's platform is entirely digital and leverages big data in its proprietary credit scoring engine to deliver real-time consumer responses. zipMoney is managed by a team with over 50 years' experience in retail finance and payments and is a licensed and regulated credit provider. For more, visit www.zipmoneylimited.com.au.