zipMoney
a better way to pay

A BETTER WAY TO PAY™

FY16 RESULTS PRESENTATION | 30 AUGUST 2016

ZIPMONEY LIMITED (ASX: ZML)

FY16 financial highlights

Significant growth achieved during the year

Revenue	**$4.3m**	2015: $0.4m	*up 976%*
Receivables (gross)	**$40.7m**	2015: $2.9m	*up 1,296%*
Cash[3,4]	**$7.1m**	2015: $1.0m	*up 591%*
Customers[1]	**52,041**	2015: 6,212	*up 738%*
Transaction volume	**$51.5m**	2015: $4.8m	*up 962%*
Repayments	**$13.7m**	2015: $1.9m	*up 619%*
Merchants[2]	**1,967**	2015: 200	*up 884%*
No. of transactions	**41,702**	2015: 8,385	*up 397%*
Bad debts[5]	**1.1%**	2015: 0.5%	*up 0.6%*

1. Current customer accounts
2. Number of merchant locations
3. Includes $0.6m in restricted cash relating to the securitisation facility
4. Excludes $10.8m raised in Tranche 2 of the recent placement which raised $20.6m in total
5. Annualised as a percentage of receivables (gross)

Summary FY16 financial results

Record results reflect a year of strong revenue growth

30 June year end	FY16	FY15
Revenue[1] ($)	4,298,601	399,585
Revenue growth (%)	976%	nmf
Underlying EBITDA[2] ($)	(2,154,305)	(376,217)
Reported NPAT ($)	(7,089,753)	(464,402)
Cashflow operations ($)	(473,427)	(9,294)
Cashflow investing ($)	(8,404,440)	297,850
Cashflow financing ($)	14,941,893	636,737
Net cashflow ($)	**6,064,026**	**925,293**
Cash balance ($)	**7,089,478[3]**	**1,025,452**

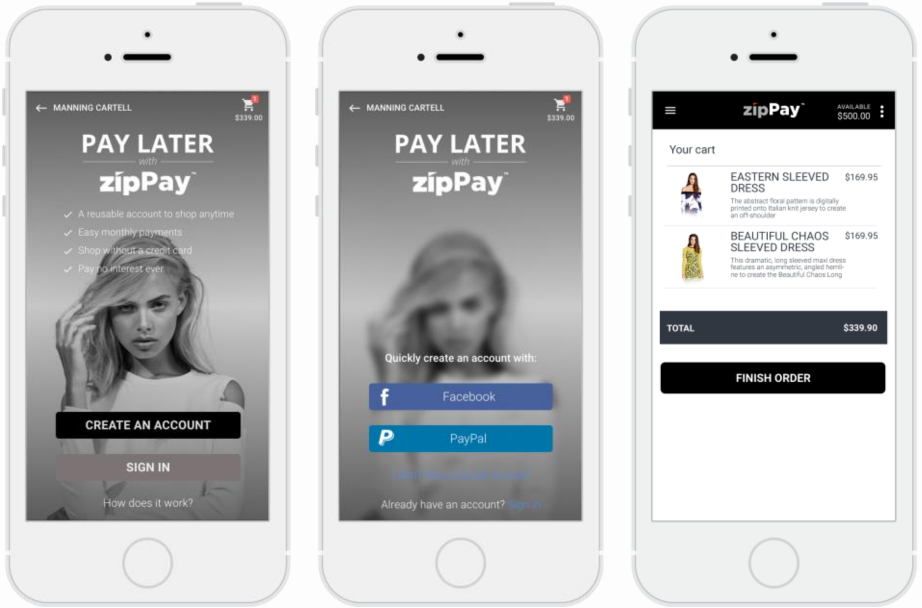
1. Revenue from ordinary activities – including merchant fees and customer fees
2. Underlying EBITDA normalised for listing costs and convertible notes ($2.8m) and share based payments ($1.6m)
3. Restricted cash of $0.6m in the securitisation warehouse

- FY16 revenue growth driven by the growth in customers, merchants and transaction volumes
- Revenue from consumer finance operations derived from a mix of merchant (58%) and customer fees (42%)
- EBITDA normalisation includes listing costs and convertible notes fair valuation adjustments ($2.8m) and share based payments ($1.6m)
- Statutory results includes provision for doubtful debts ($1.4m), despite actual bad debt write-off ~$260k
- Financing cashflows include share issuance ($15.9m)
- Strong balance sheet with no corporate debt – cash at bank $7.1m (inclusive of restricted cash[3])

Product update

Successfully originating new customers across all transaction sizes with zipPay and zipMoney products

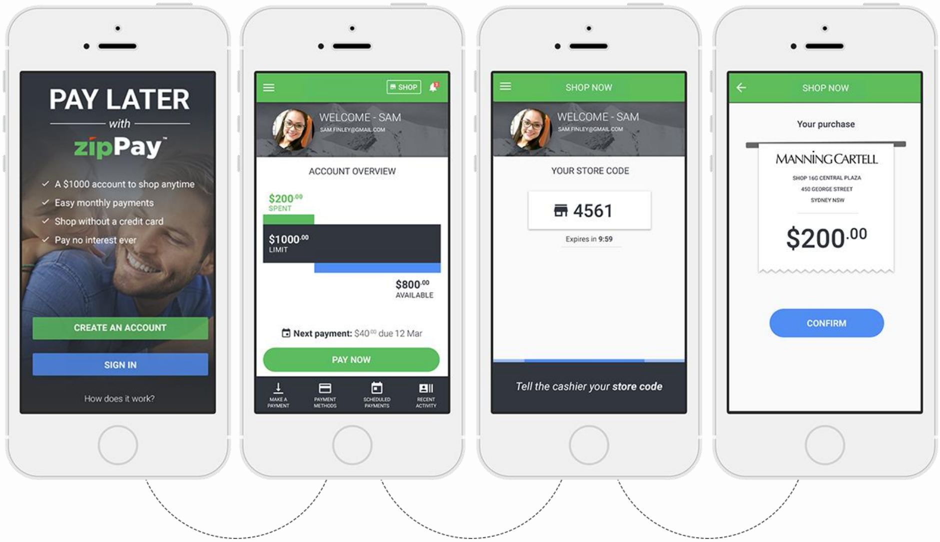
- zipMoney continuing to show significant market traction with a number of strategic accounts won during the year (Open Colleges, Oz Design Furniture, Thermomix, Co-op)
- Launched zipPay 'no interest ever' in 2015
  - Digital wallet (no credit card), omni-channel payments solution
  - Product targets lower dollar retail spending
  - Focus on fashion, accessories and hospitality end-markets
- Successfully driving the onboarding of thousands of new customers and hundreds of retail merchants
- Seamless offline integration with in-store rollout (point-of-sale, eftpos)



In-store payments update

Across the platform, close to 50% of transaction volume is now being generated offline

- 93% of retail GDP takes place in physical stores[1]
- In-store is core area of focus for zipMoney
- We have invested heavily to date in our offline capability through both integrated and non-integrated payment options
- zipMoney has been offering in-store payments since 2014
- In FY16, zipMoney implemented its first ever direct point-of-sale integration and several more are currently under development



1. NAB Online Retail Sales Index: Indepth report – June 2016 (03 August 2016)

Merchant partnerships

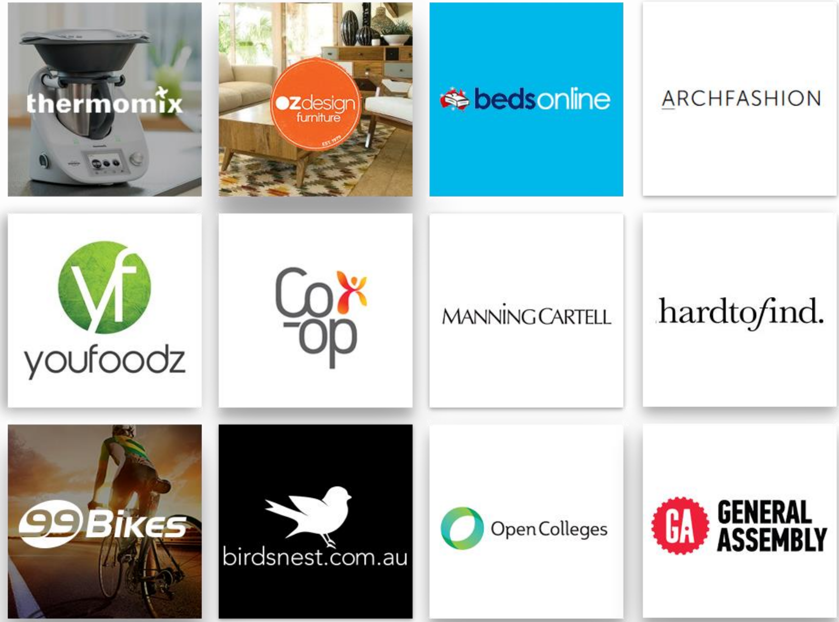
zipMoney is building momentum with lighthouse brands across its key product offerings

Currently, zipMoney has over 50,000 customers and ~2,000 merchant locations

Increase sales
Payment flexibility drives checkout conversion by up to 30% and increases basket sizes by up to 100%

Risk free
Proprietary credit and fraud detection technology eliminates non-payment risk for merchants

Simple and low-cost
Small merchant fee per transaction, no surprises with simple, intuitive set-up and ongoing support



Merchant partnerships (cont.)

A ‘win-win’ business model results in strong topline growth for our clients

thermomix

Grant Vernon, Chief Operating Officer

“We have appreciated the responsive, agile and transparent manner with which zipMoney operates. Their innovative use of technology in the interest-free sector has driven significant gains in customer conversion and revenue growth. By improving the uptake of our finance option and increasing approval rates by around 10%, zipMoney has helped make Thermomix more affordable and accessible for Australian families.”

ARCHFASHION

David Butcher, CEO

“The impacts were staggering, with zipPay accounting for 30% of the business’ total transactions, more than Paypal over the same period. The zipPay transactions also outperformed in terms of average order value.”

youfoodz

Kane Sala, GM

“Youfoodz as a whole has increased weekly revenue and marketing spend by over 200 per cent since we started with zipPay.”

Honey Birdette

Belinda Sharpin, Head Of Digital

“Since launch, 34% of our orders have been through zipPay, contributing to our daily online sales. Our customers love it and so do we!”

Technology update

Continuing to invest in zipMoney's 100% owned proprietary fraud and credit risk decision technology

- Significant investment in technology infrastructure to date, with the capacity to significantly increase the size of the loan book
- Real-time fraud and credit risk scoring continuously optimised
- Built out dedicated data and risk team to support the growth of the business, will work closely with new Pocketbook team[1]
- Will continue to grow data science capability and attract top industry talent

Proprietary technology

zipMoney has a **substantive proprietary technology advantage** over its peers: all technology is architected, developed and maintained in-house

Behavioural data-models

Proprietary real-time decision engine that supports zipMoney's next-generation software, incorporating **application and behavioural scores, velocity rules, social data & risk-based pricing**

Agile cloud technology

100% developed for and hosted on cloud-based technologies and platforms, maximising business agility and providing a cost-effective platform **engineered for rapid growth**

1. Transaction expected to close in next four weeks

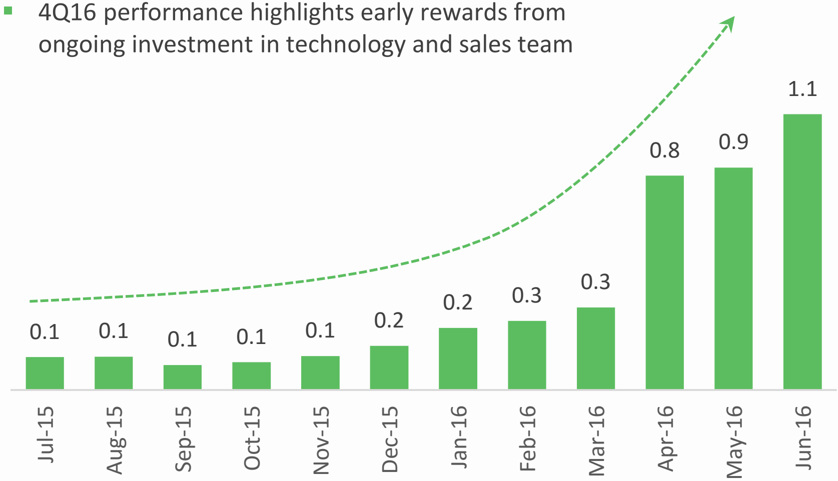
Financial growth achieved by proven execution

Growth driven by successful strategy execution and clear product-market fit

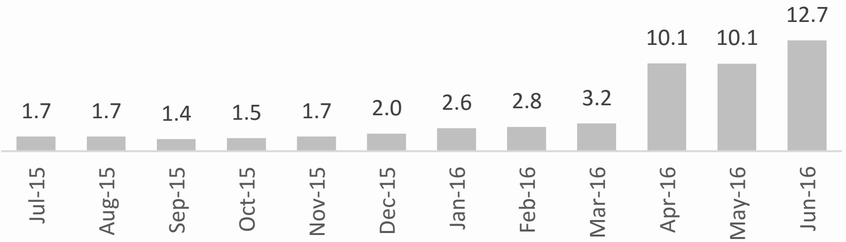
Monthly revenue ($m)

Hockey stick revenue growth

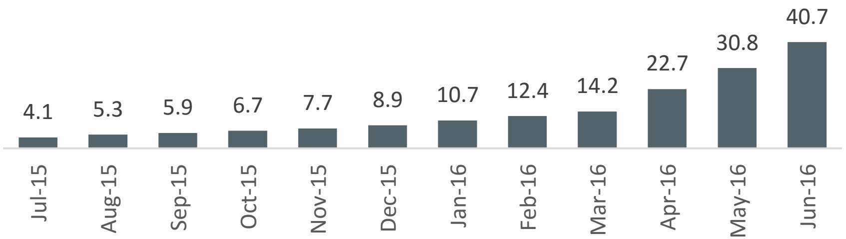
- Step change in performance from April 2016 onwards
- 4Q16 performance highlights early rewards from ongoing investment in technology and sales team



Monthly transaction volumes ($m)



Monthly receivables ($m)

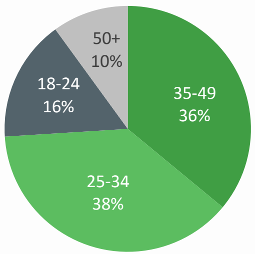


Note: All charts contain unaudited figures and may be rounded

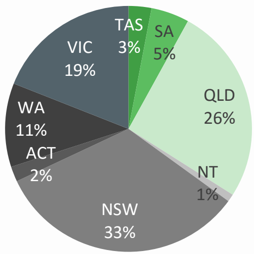
High quality loan book performance

Strong credit performance validates further investment in proprietary decision technology

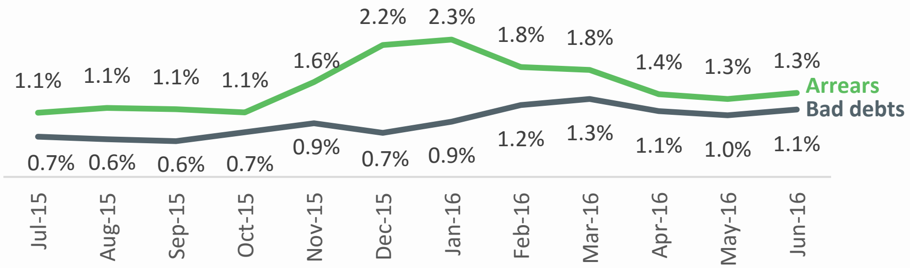
Age



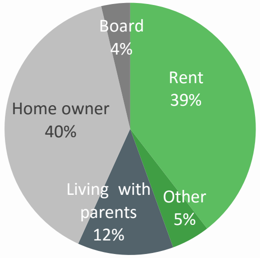
State / locale



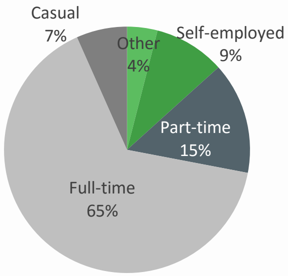
Bad debts and arrears (% of receivables)



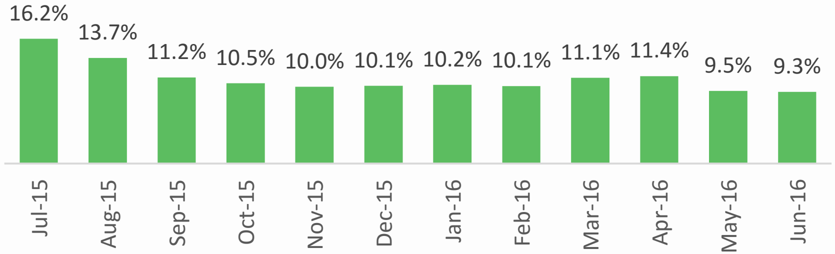
Residential status



Employment status



Repayment rate (% of receivables)[1]



Note: All charts contain unaudited figures and may be rounded

1. Repayment rate as at beginning of month

Loan book summary

FY16 results were underpinned by a strong loan book performance

30 June year end	FY16	FY15
Receivables (gross) ($)	40,712,179	2,916,660
Receivables growth (%)	1,296%	4,039%
Drawn debt	32,260,000	4,555,000
Aggregate account limits ($)[1]	75,560,747	8,325,240
Repayments ($)	13,678,463	1,479,406
Transaction volume ($)	51,445,634	4,844,725
Transaction volume growth (%)	962%	5,002%
Arrears (%)[2]	1.3%	1.5%
Bad debt (%)[3]	1.1%	0.5%

1. Calculated as aggregate of active customer account limits
2. Reported arrears are defined as accounts 60 days or more overdue
3. Bad debts are written off in line with policy after 180 days. Annualised as percentage of receivables
4. Calculated as % of opening period balance

- Value of receivables grew ~1,300% over the last 12 months
- $32.3m in drawn debt against receivables of $40.7m
- $75.6m in aggregate account limits with ~54% utilisation as at 30 June 2016
- Healthy repayment profile with ~10% of receivables repaid each month[4]
- Credit performance in line with management projections
- Achieving bad debts below industry benchmarks of ~3%

Securitisation facility

Institutional funding facility enhances scalability and provides a strong competitive advantage

Institutional debt funding in place…

- $100m+ debt facility from Victory Park Capital, a specialist US-investment firm
- Asset backed, securitisation warehouse
- **Currently $32.3m in use against loan book of $40.7m. $75m of capacity available under current facility**
- Facility secured against underlying pool of receivables, limited credit recourse back to zipMoney
- Up to 90% senior debt funding LVR
- Option to extend the amount and term of the facility

$108m+

loan facility in place, potential to access a new, much lower cost facility

…potential to halve cost of loan book with a new facility

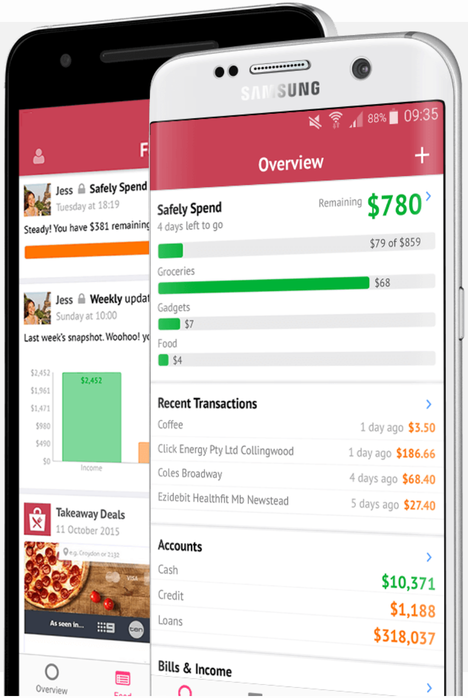
- Currently in discussions with one of Australia's big four banks in relation to a new securitisation warehouse
- Weighted average cost of existing debt facility is approximately 12%
- **A new facility would be expected to approximately halve the weighted average cost of capital of the loan book (based on indicative term sheet)**

Pocketbook update

Currently negotiating the sale agreement for Pocketbook, a leading personal finance app

Overview of Pocketbook and the acquisition

- Category leading personal finance management software and app
- Money management and budgeting tool that provides a holistic view of a user's financial situation across both assets and liabilities
- Strong customer traction in the Australian market with over 250,000 users and significant revenue monetisation opportunities on the horizon
- Highly acclaimed by industry leading bodies, consistently in the top 20 finance apps in Australia and top rated by users (over 4.5 stars)
- Entrepreneurial founders with 15+ years of corporate and start-up experience to join the zipMoney team
- zipMoney is currently finalising the sale and purchase agreement – expected to be finalised in the next four weeks



The zipMoney Board

zipMoney has successfully attracted top-tier industry executives reflective of our rapid growth

Philip Crutchfield
Chairman

Philip is a practising barrister and a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons). He is a member of the Melbourne University Law School Foundation Board and sits on the Board of Bell Shakespeare Theatre Company.

Megan Quinn
Non-Executive Director

Megan is a highly experienced retail executive. She was a co-founder and executive director of the internationally acclaimed NET-A-PORTER. Megan is a Non-Executive Director of ASX Specialty Fashion Group and UNICEF Australia, and is Consultant Creative Director of Bank of Melbourne.

Joined in August 2016

Larry Diamond
Managing Director & CEO

Larry co-founded zipMoney in 2013 following 12 years in retail, technology and investment banking at Pacific Brands, Macquarie and Deutsche Bank. Larry is a qualified CA and holds Bachelor of Information Technology and Master of Commerce (Finance) degrees.

Peter Gray
Executive Director & COO

Peter co-founded zipMoney in 2013 with over 20 years of experience in the retail finance industry. He is a licensed responsible manager for zipMoney Payments under the ASIC regime. He has managed a $250m+ loan book for 100,000+ customers.

Outlook

Continued investment in technology and sales capabilities driving scalable growth

Investment in platform

Continued investment in proprietary platform to enhance our decision engine capabilities

Sector expansion

Entry into A$15bn travel and hospitality sector on track for FY2017

Growth in offline

Continued investment in payment capabilities to enhance our seamless in-store experience

Market share growth

Growing existing market share within the initial A$100bn+ market opportunity

Lighthouse brands

Very strong pipeline of lighthouse brands underpins the growth in marketplace quality for customers

Expanding team

Accelerating growth by investing in sales and marketing, technology and data science capabilities

Investor highlights

zipMoney provides Silicon Valley-style exposure to the rapidly growing fintech sector

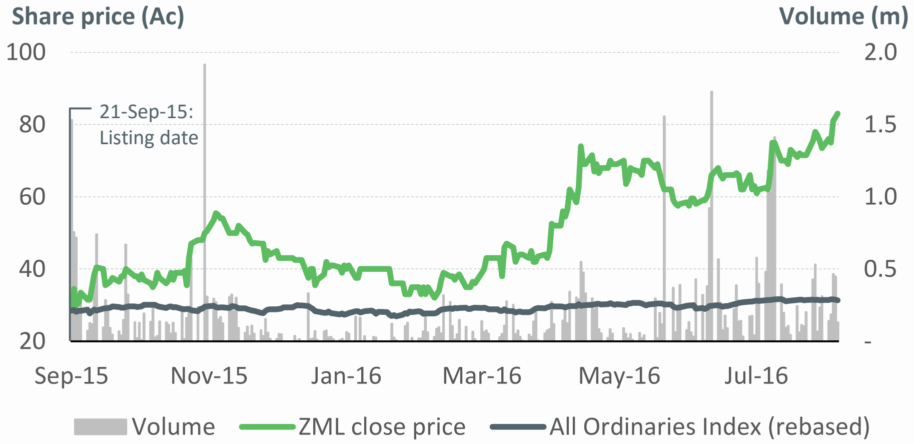
- **Significant first mover advantage** in the digitised consumer finance space with a proven track record since founding in 2013
- Year on year **revenue growth over 1,000%+**
- **Valuable 100% owned proprietary technology** and the use of Big Data supports a differentiated product with high barriers to entry
- **Scalable technology platform** with largely fixed costs requiring marginal revenue – strong growth anticipated.
- **Initial $100bn+ market opportunity** across retail, health, education and travel sectors
- **$100m+ institutional debt facility** in place and a recent, oversubscribed **$20.6m equity raising** reflects a strong endorsement from the investment community
- Strong brand, positive network effects, clear product-market fit and reputation as a customer-friendly provider are all **driving rapid growth**

Company overview

zipMoney is the premier ‘buy now, pay later’ fintech opportunity on the ASX

Company overview

- zipMoney offers digital point-of-sale credit and payment solutions
- Licensed and regulated credit provider (AFSL and ACL license holder)
- Founded in 2013 by a team with 50+ years of experience in retail finance, payments, investment banking and financial technology
- Transparent, responsible and fairly priced consumer credit products



Top shareholders	%
Larry Diamond (Managing Director / CEO)	26.5%
Peter Gray (Executive Director / COO)	8.7%
Adam Finger (CIO)	3.7%
Other Board and management	4.8%

Financial information

Share price (26-Aug-16)	$0.830
Shares on issue	230.4m[1]
Market capitalisation	**$191.2m**
Cash (30-Jun-16)	$6.5m[2]
Debt (30-Jun-16)	No corporate debt
Enterprise value	**$184.7m**

1. Includes 126.5m escrowed shares (37.8m to be released Sep-16; 88.7m to be released Sep-17); Excludes 6.7m unlisted options and 13.3m performance shares
2. Excludes $10.8m raised in Tranche 2 of Placement, excludes $0.6m of restricted cash relating to the securitisation warehouse facility

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