

27 April 2017

GOLDMAN SACHS SMALL AND MID-CAP CONFERENCE

zipMoney Limited (ASX:ZML) (**zipMoney, Zip or Company**), is pleased to release a new investor presentation which founders of Zip, Larry Diamond and Peter Gray, will be presenting today at the Goldman Sachs Small and Mid-Cap Conference in Sydney, Australia.

Zip draws attention to slides 13-15 which shows the financial and operational performance metrics for the March quarter (Q3 FY17). Pleasingly, zipMoney has had a strong quarter with revenue of \$4.6 million, receivables of \$114.7 million and transaction volume of \$61.0 million. Zip has originated more than \$200 million on the platform to date from more than 3,000 retailers. There are now more than 500,000 financial users across the entire group.

INVESTMENT HIGHLIGHTS

- **Significant first mover advantage** disrupting the consumer finance space with a fully digital offering and a proven track record since founding in 2013.
- **Robust operational growth** across all key business drivers – transactions, customers, merchants.
- **Valuable, 100% owned proprietary technology** leveraging Big Data supports a differentiated product offering with high barriers to entry.
- **Scalable, ‘nextgen’ technology payments platform** allowing us to exist across the entire payments ecosystem. Uniquely positioned to onboard a consumer at checkout with any transaction size.
- Backed by **\$400m in institutional debt funding**.
- **\$100bn+ market opportunity** across retail, health, education and travel sectors.
- **Strong brand, positive network effects**, clear product-market-fit and reputation as a customer-friendly provider are driving rapid growth.

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About zipMoney

ASX-listed zipMoney (ZML: ASX) is a leading player in the digital retail finance and payments industry. The Company offers point-of-sale credit and digital payment services to the retail, education, health and travel industries. It operates under the zipPay, zipMoney and Pocketbook brands. 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 fraud and credit decisioning technology 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



zip

Goldman Sachs Small and Mid-Cap Conference

27 April 2017



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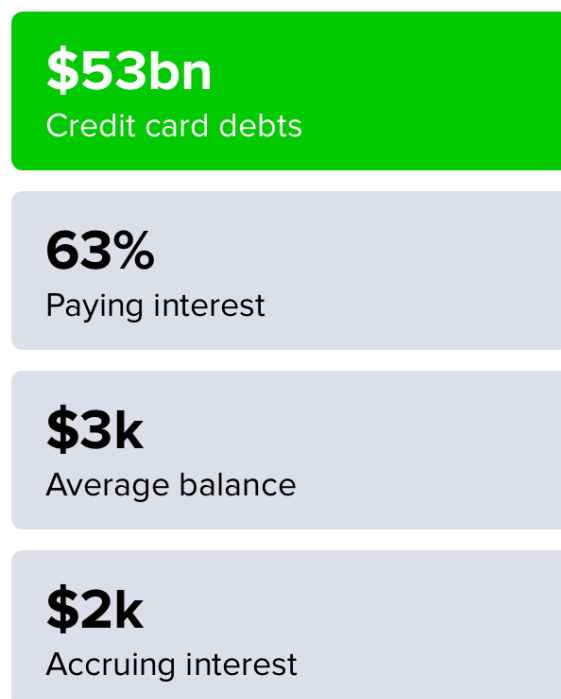
Simplifying how you pay everywhere and save
everyday,
through easy-to-use, consumer-friendly and
financially-responsible products

”

The credit card and traditional sales finance model is broken

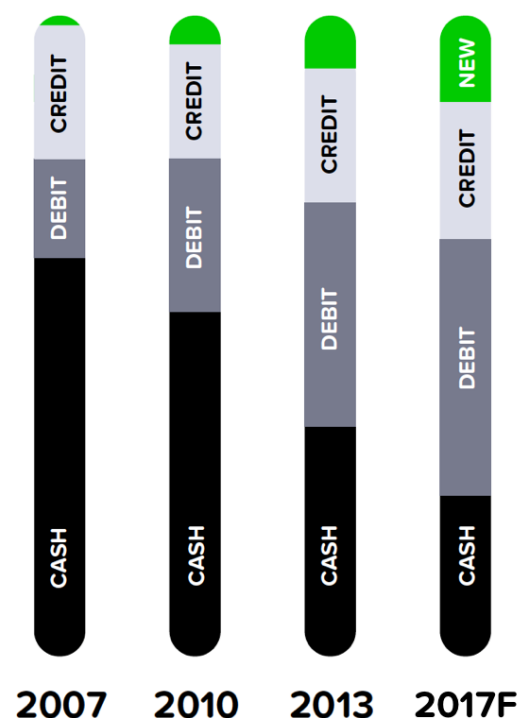
- Credit card volume growth is slowing. Debit cards and digital wallets are on the rise.
- Millennials are not engaged with banks and credit card providers. They understand what a good vs bad deal looks like and are seeking better ways to pay.
- Card applications are hard, have low acceptance rates, little customer loyalty and present unfriendly terms.
- Customers unwilling to fill out paper forms or search for pay slips when applying for retail finance in store.
- The digital wallet is fast becoming the payment choice.

Credit card stats



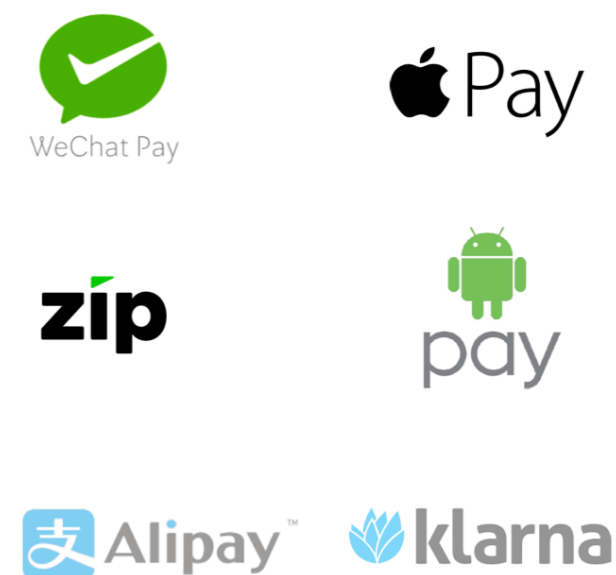
Source: RBA (2017)

The old way



Source: Roy Morgan Research & RBA
Colmar Bruton

The new way



The future is here

- ✓ Zip is the only consumer finance option in market that is mobile, **100% digital and payments-oriented**. We aren't a plastic, cards company.
- ✓ We offer simple, fast and fair mobile credit and payment solutions, with a **strong focus on interest free**.
- ✓ We can originate a customer at checkout with **any dollar amount**.
- ✓ We offer **better terms**, with the simplest sign-up experience.
- ✓ Our solutions are proven to turn browsers into shoppers, with an **over-index to millennials**.
- ✓ Our proprietary decision technology leverages more data than any of our peers – this drives the **highest approval rates** in the industry.
- ✓ We offer a **fully integrated** online and instore solution.
- ✓ A very strong focus on **responsible lending**. We hold an Australian Credit Licence and Financial Services Licence.

500,000+

Customers

3,000+

Retailers

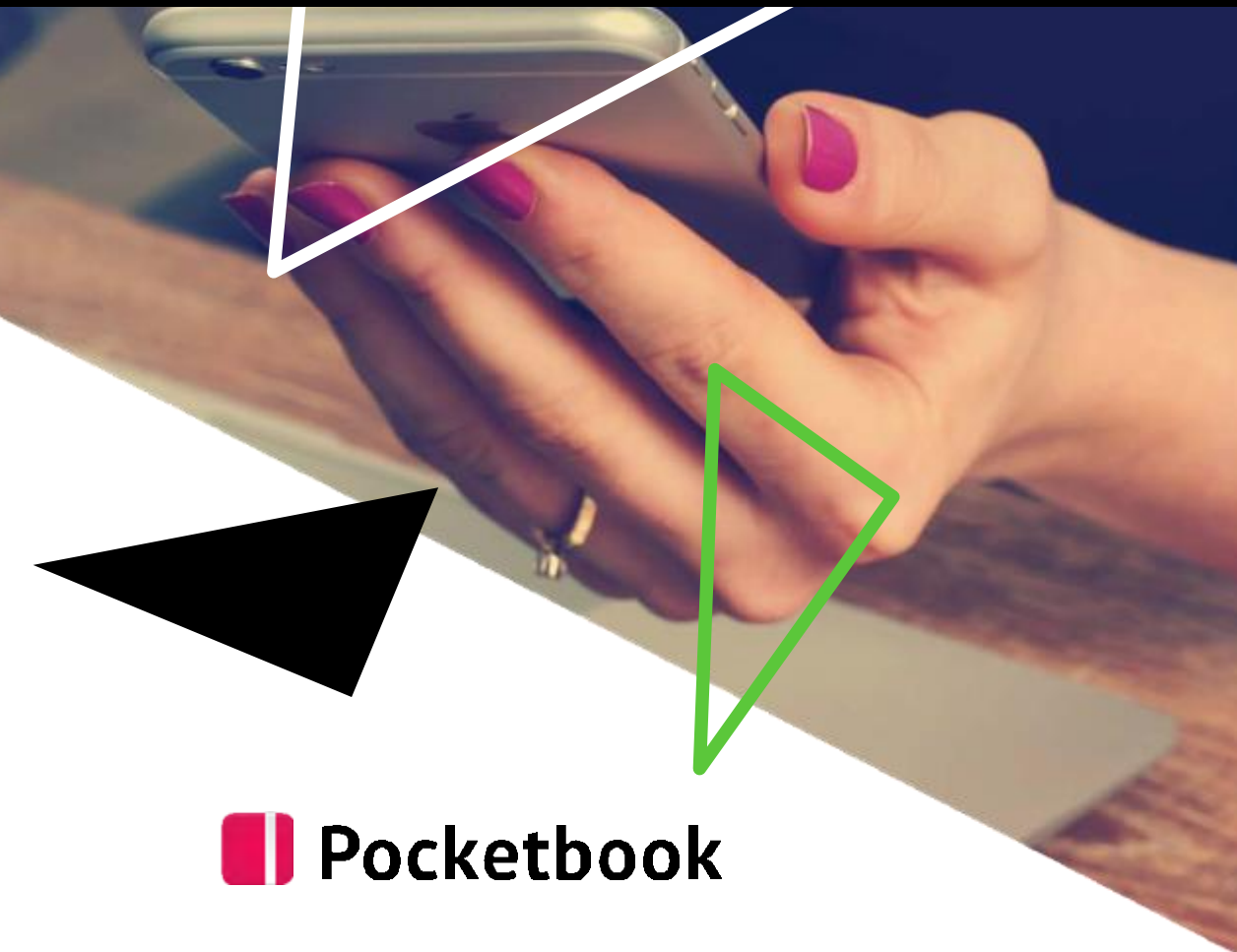
\$400m

Debt funding

ASX: ZML

Our products

Simplifying how you pay
everywhere and save everyday



zipPay

zipMoney
a better way to pay

 **Pocketbook**

Digital wallet (up to \$1,000) that helps customers buy now and pay later for everyday purchases online and in-store (fashion, hospitality, CE/IT products).

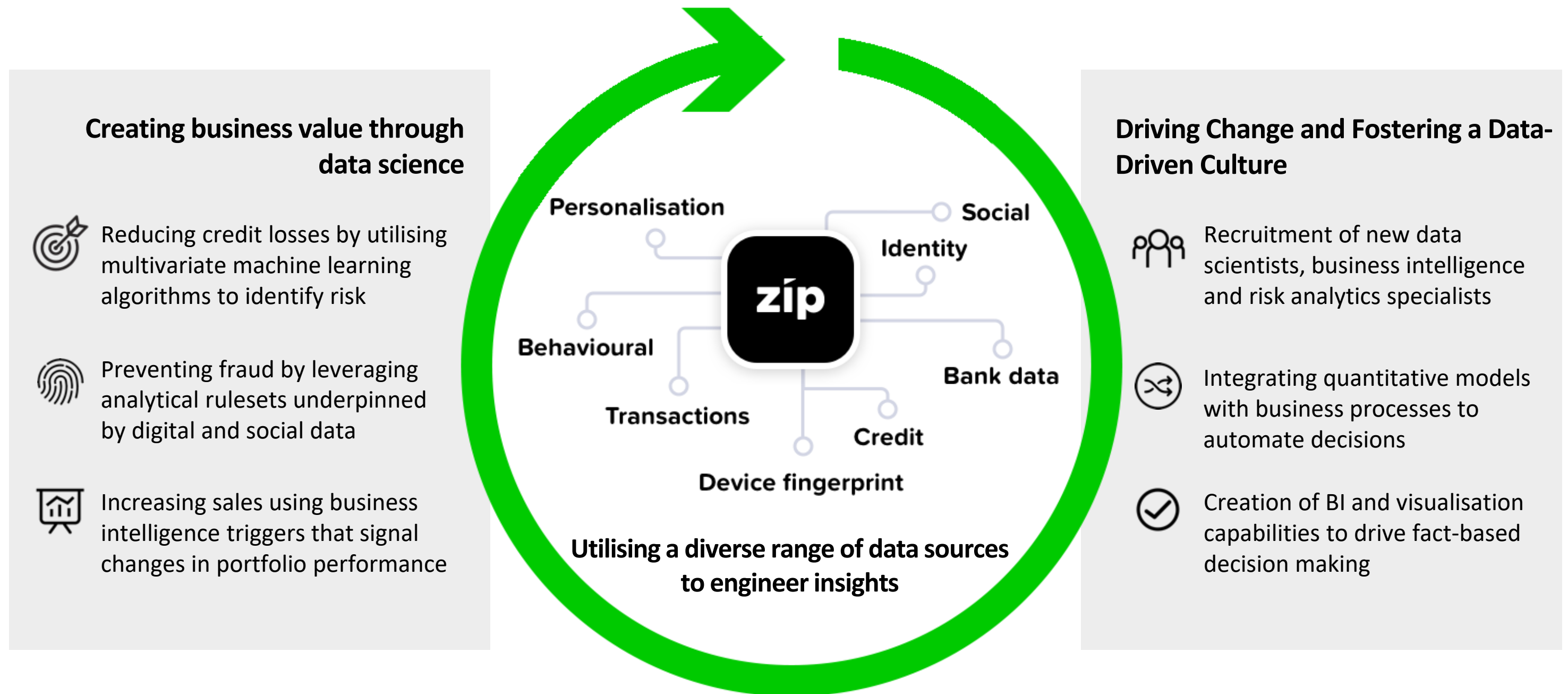
Digital wallet (up to \$30,000) that helps customers buy now and pay later for life's larger purchases online and in-store (CE/IT, travel, lifestyle).

The free Pocketbook mobile app helps you get smart with your money. It automatically categorises your spending (eg clothes, groceries) to help you reach your financial goals.

Credit, ID and fraud analysis (including credit checks) performed on all borrowers.
Strong focus on responsible financial services.

100% owned payments and credit decision technology

Proprietary credit and fraud decisioning technology reduces losses.

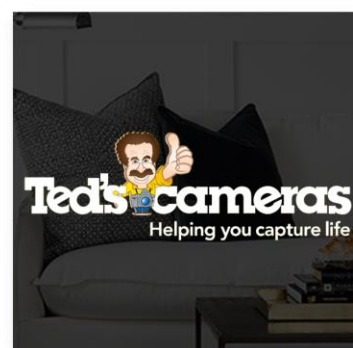
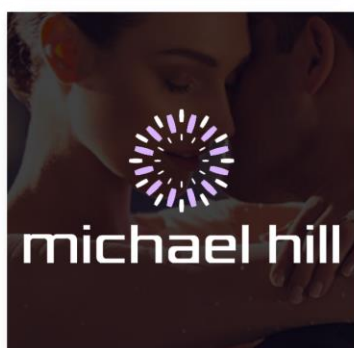


Our proprietary decisioning platform keeps bad debts well below industry average and is architected and maintained in-house.

Strong traction evidenced by growing merchant numbers

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Youfoodz as a whole has increased weekly revenue and marketing spend by over 200% since we started with zipPay



20%

Av increase in conversion

43%

Av increase in order value

2-3x

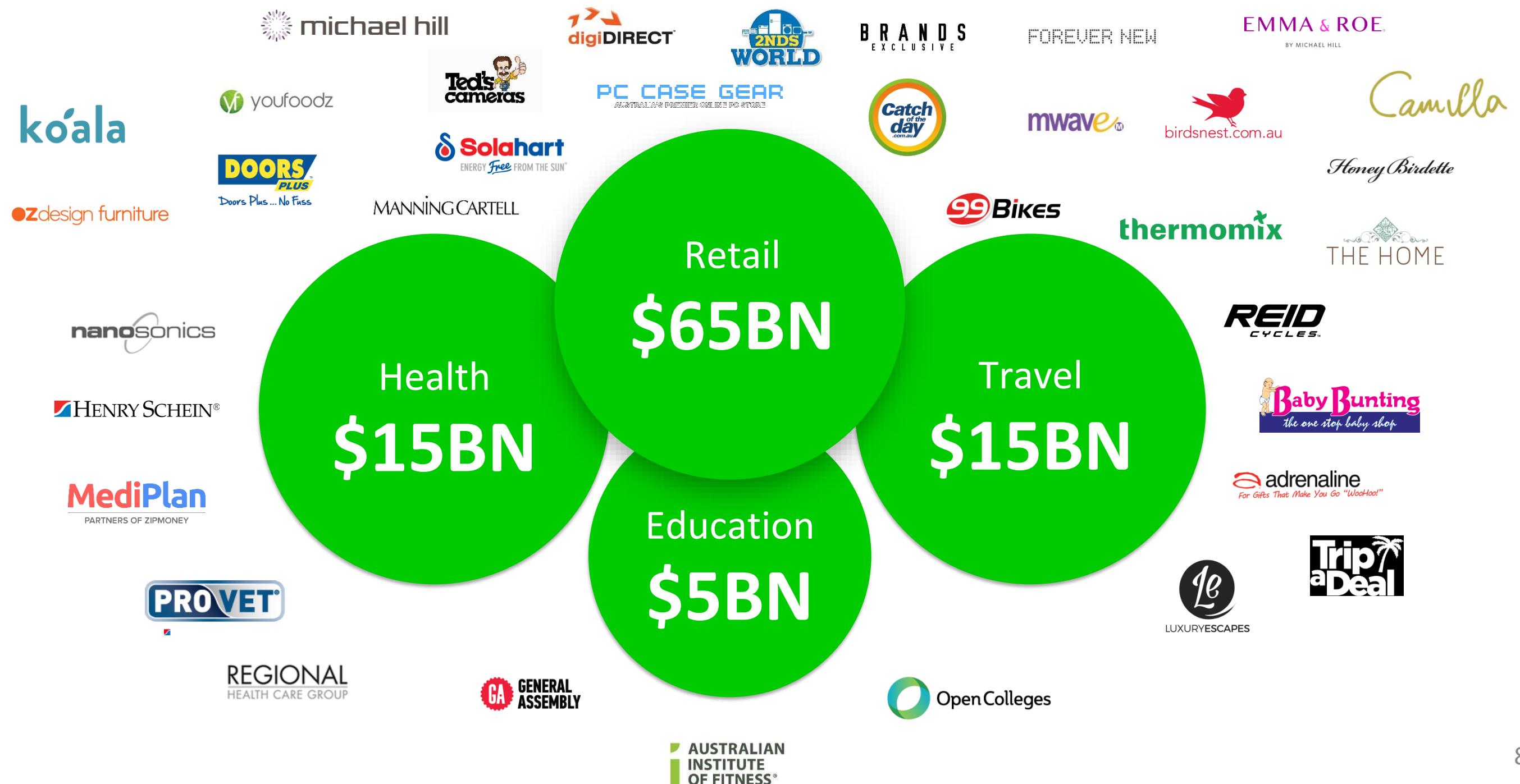
Repurchase rate

3,200

Retail partners

Rapidly increasing traction across all major market segments

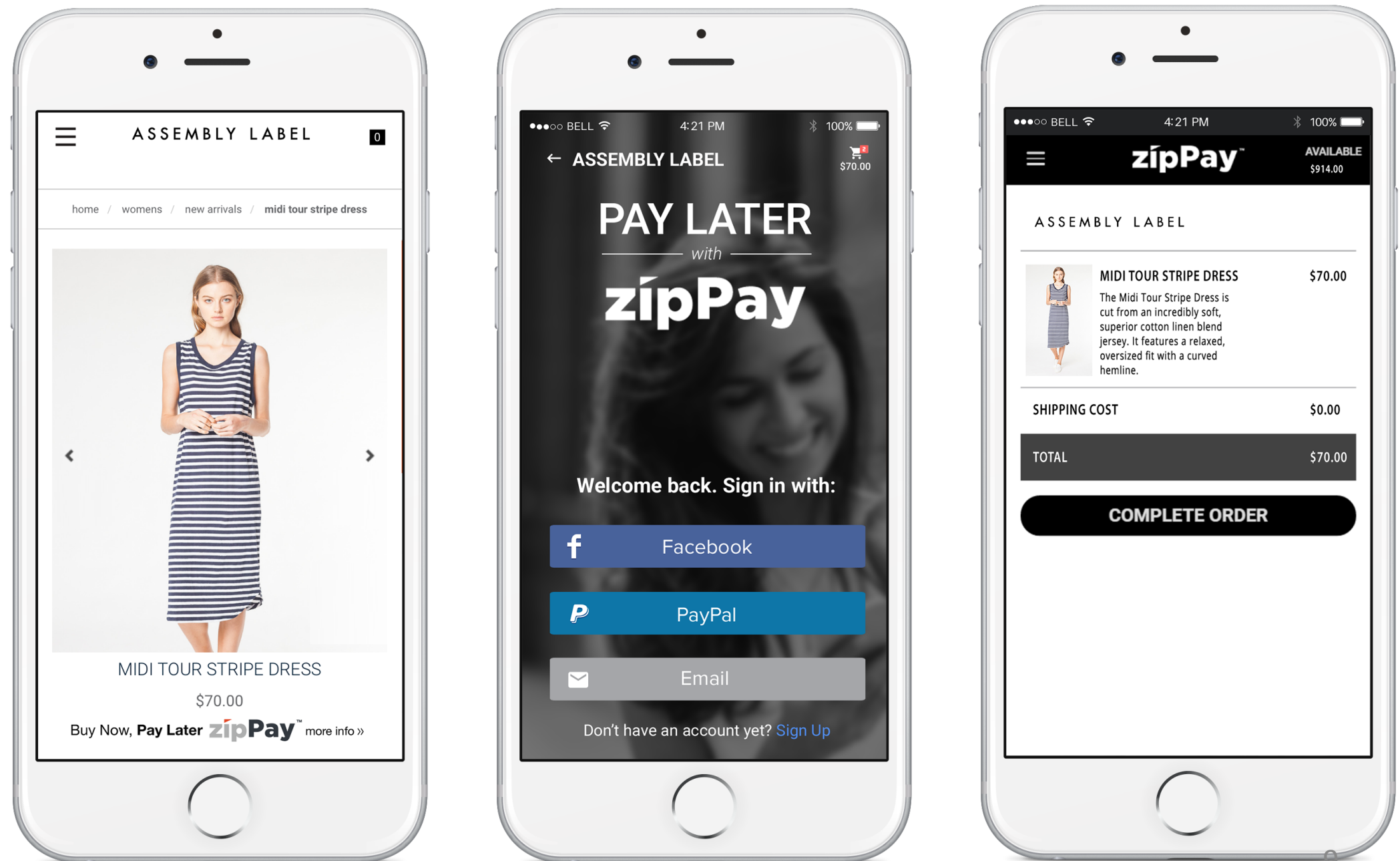
\$100bn Market Opportunity in Australia



A seamless user experience online

Simplifying the online payments experience with the Zip digital wallet.

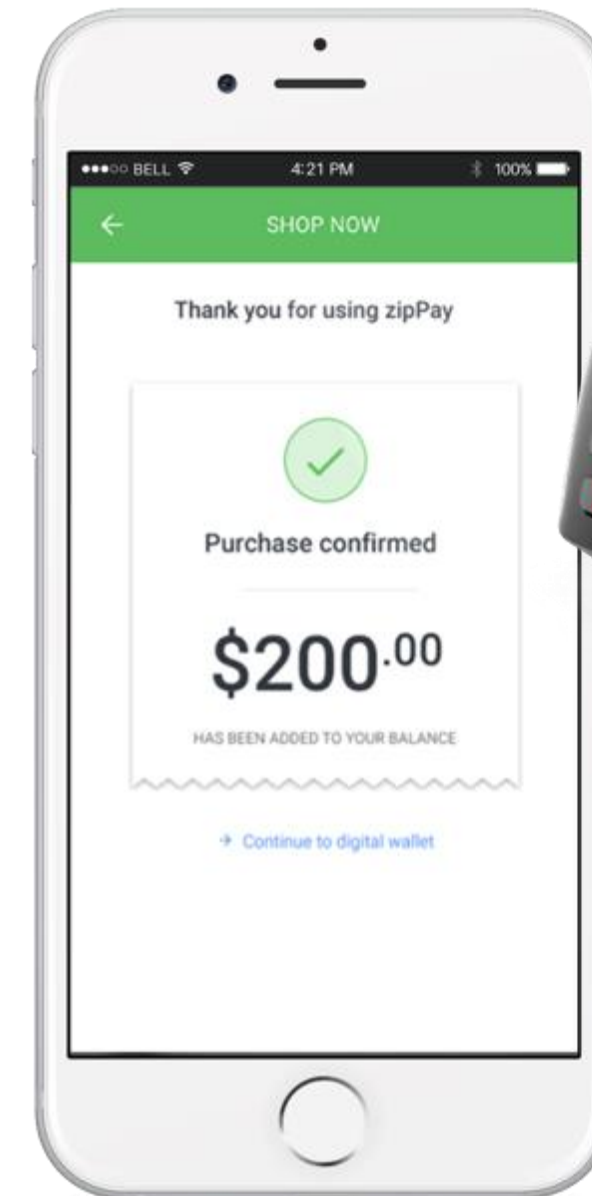
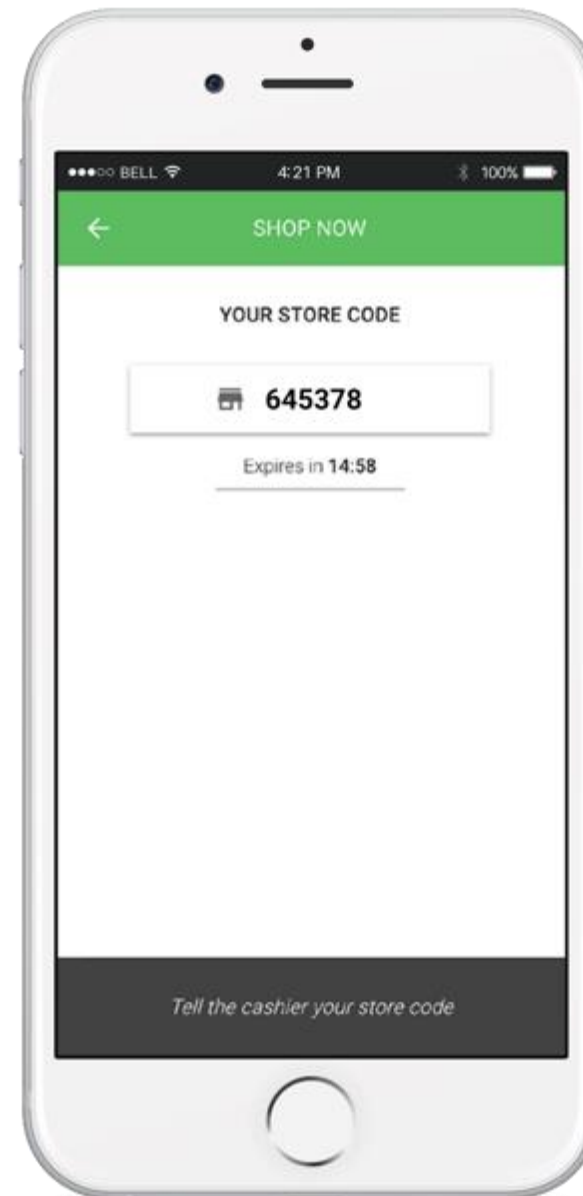
- ✓ Seamless customer experience
- ✓ Three-click checkout
- ✓ Simple application fast approval process
- ✓ Increased conversion and average order value



A seamless user experience in-store

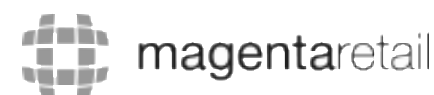
Simplifying the in-store payments experience with the Zip digital wallet.

- ✓ Access your digital wallet across the omni-channel
- ✓ Simple payment code entered into PoS or Eftpos
- ✓ Checkout integration means real-time notifications
- ✓ Convert the online browser into an in-store shopper



Platform integrations and channel partnerships the key to growth

- Continued investment across the payments integration services layer will be critical to the ultimate success and broad acceptance of Zip across all checkouts.
- We are now integrated into 13 shopping carts, 8 Point-of-Sale (PoS) systems and several eftpos solutions.
- zipMoney offers 'easy to install' plugins and real-time APIs that allow partners to seamlessly integrate with Zip online and instore.
- Currently in discussions with a number of hardware and software channel partnerships.

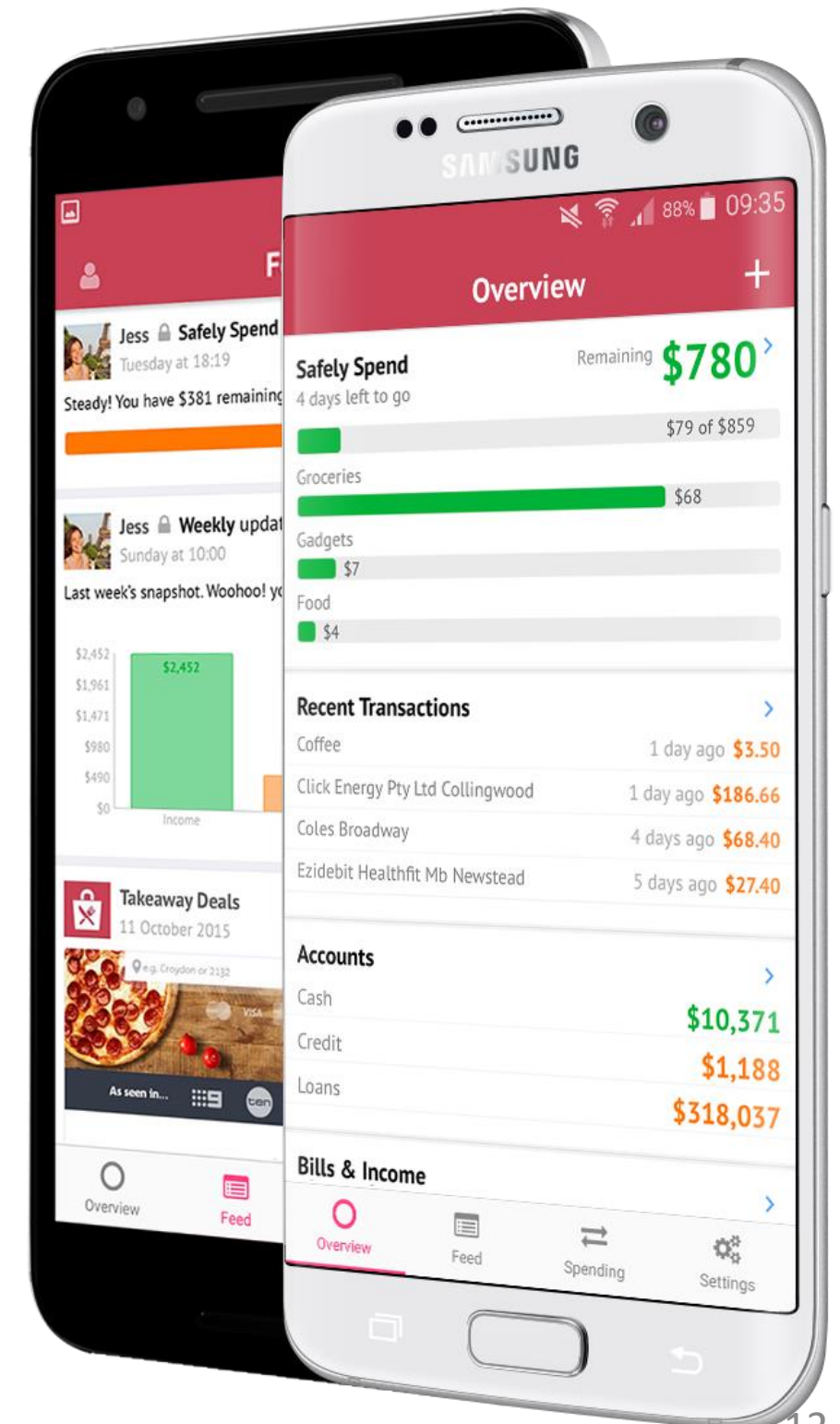


Pocketbook is a leading personal finance service in Australia

Market leading personal financial app with **over 325,000 users**

Features heavily driven by data and smart algorithms to organise spending, manage bills, detect anomalies and keep users informed.

- ✓ Enjoyed **largest ever acquisition quarter** in Q3 FY17.
- ✓ **Voted #1 personal financial service** by both industry and users in 2016.
- ✓ **Increased press and profile** demonstrating the power of the underlying data.
- ✓ **Significant investments in the presentation layer**, as well as API micro services will allow the platform to move beyond budgeting into proactive features.

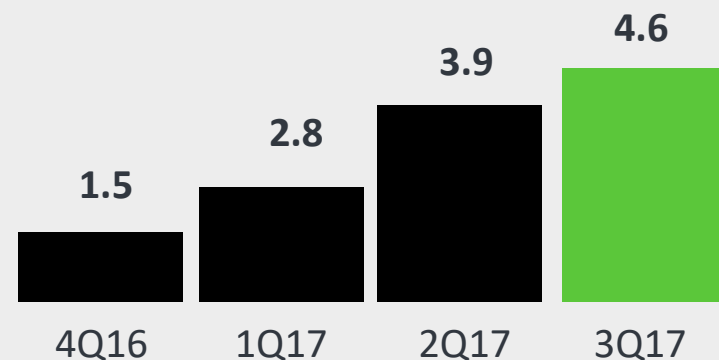


3Q FY17 results – highlights

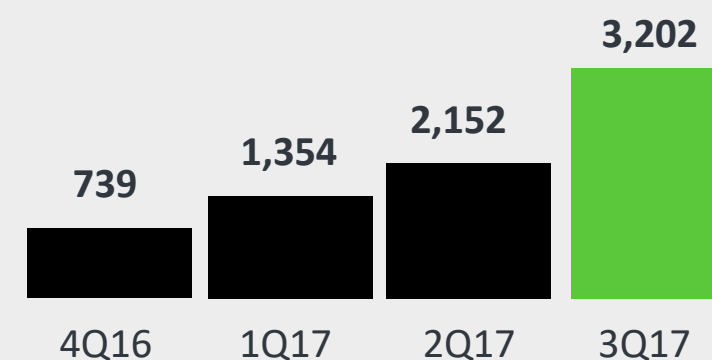
- **Partnership with Big 4 Australian bank** in \$200m financing arrangement – significant Company milestone demonstrating a maturing loan portfolio and validating our proprietary credit decision technology.
- **Record quarterly revenue** of \$4.6 million and \$11.2 million YTD.
- **Robust growth in key drivers** – transactions on the platform increased by 66% over the quarter, reflecting a 49% increase in merchants and an 62% increase in customer numbers.
- Transaction volume reached \$61 million for the quarter (up 22% from Q2 FY17) with **more than \$200 million** originated on the platform to date.
- Receivables increased to \$115 million, up 31% on Q2 FY17; bad debts were 1.2%.
- **Entry into the lucrative and growing travel market** with the addition of a number of travel vendors including Luxury Escapes and TripADeal.
- **Partnership with eWAY**, Australia's largest payments platform with 30,000 retailers.

3Q FY17 results – key business drivers

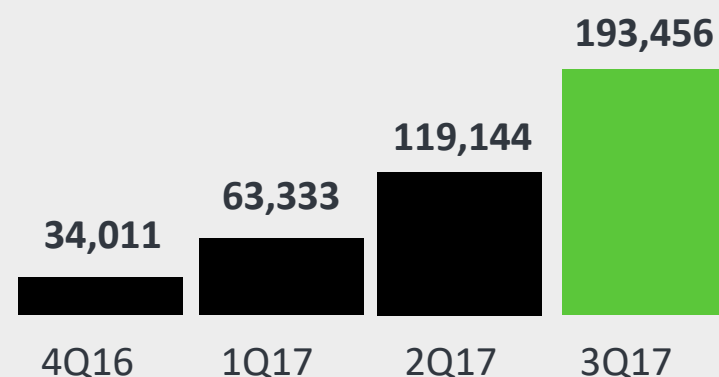
Revenue¹
(\$m)



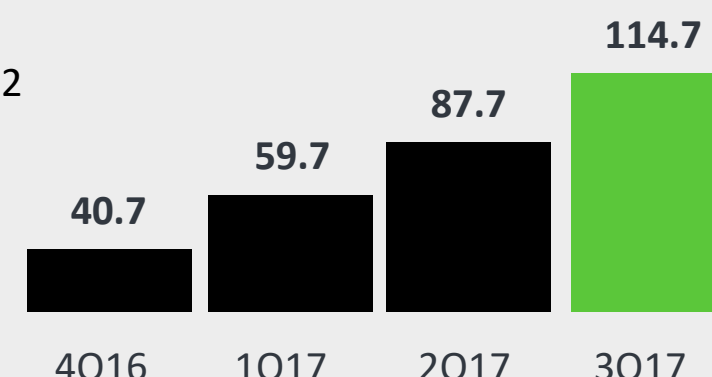
Merchants



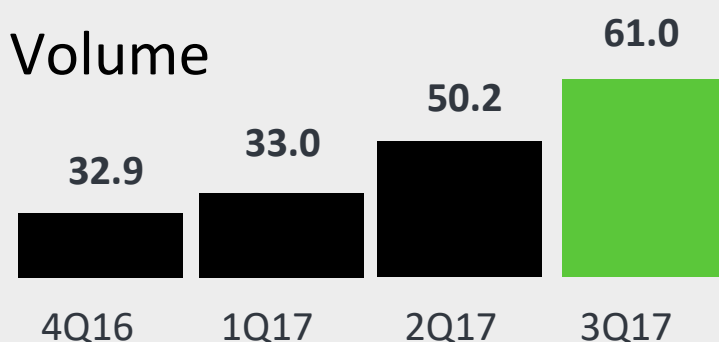
Customers



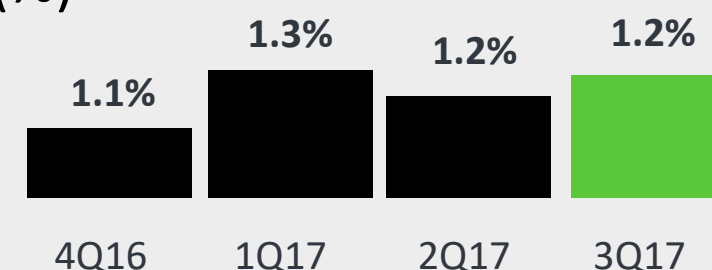
Receivables²
(\$m)



Transaction Volume
(\$m)



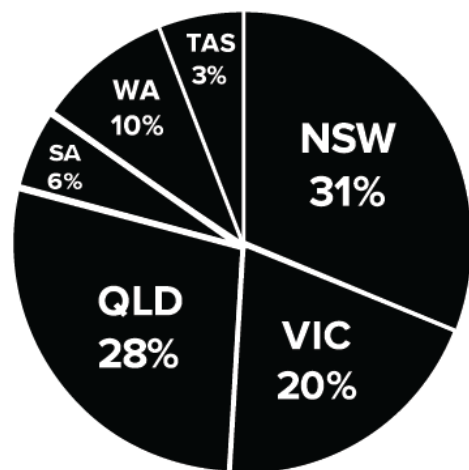
Bad debts³ (%)



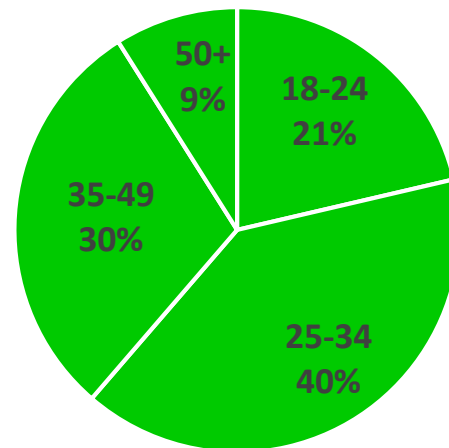
1. Portfolio income (restated per half year accounts)
2. Gross receivable value prior to any fair value adjustments
3. Bad debts are written off in line with policy after 180 days past due

High quality customers, strong credit performance

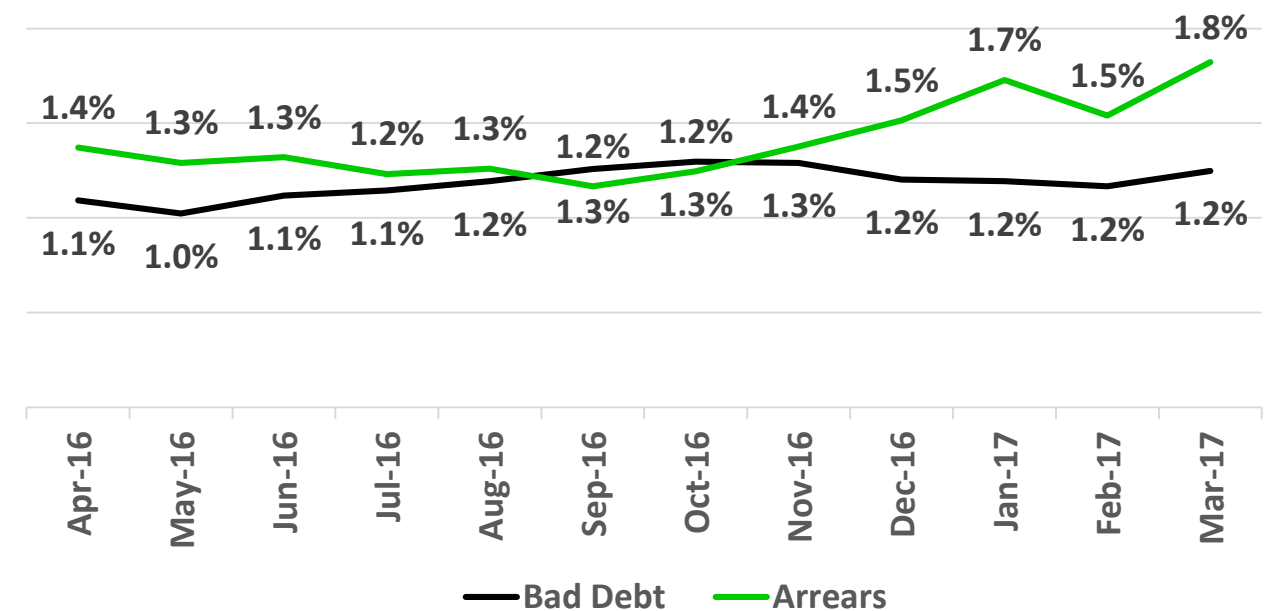
Locale



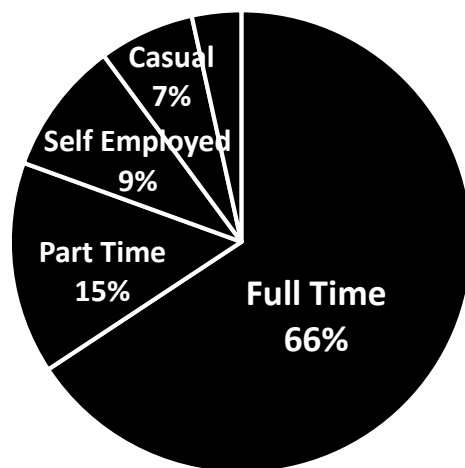
Age



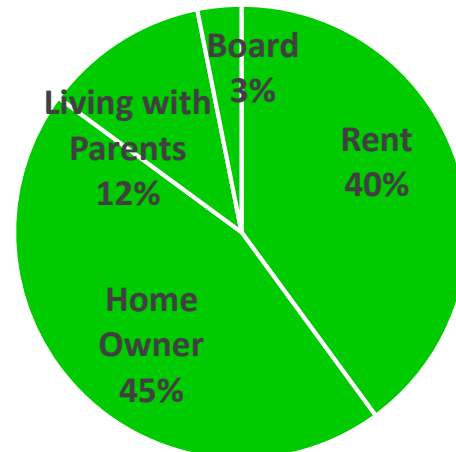
Credit performance¹



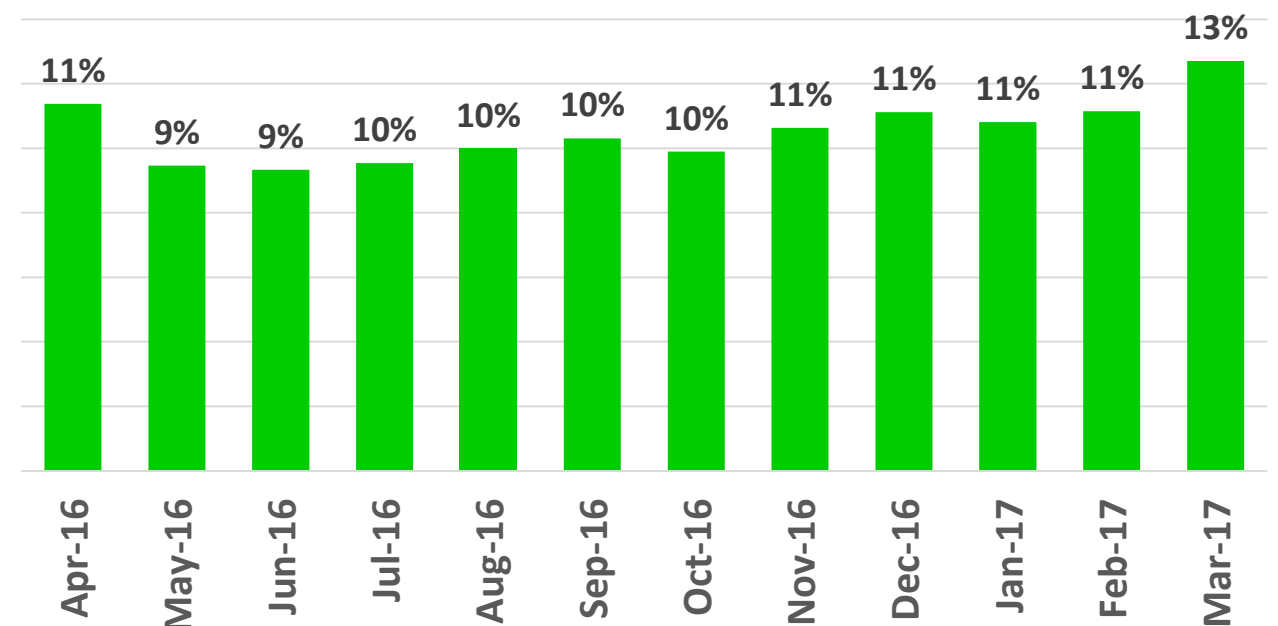
Employment Status³



Residential Status³



Repayment Profile²



Note: All charts contain unaudited figures and may be rounded

1. Arrears 60 days and Bad debts 180 days past due
2. Repayment rate as at beginning of month
3. Based on zipMoney receivables as at 31 March 2017

New 'Big 4' bank funding facility

- During the quarter, zipMoney increased the size of its committed debt facilities to over \$170 million (drawn \$118 million) to support the continued growth of its receivables.
- zipMoney also agreed key terms with a 'Big 4' Australian bank for the provision of an additional \$200 million asset-backed securitisation warehouse.
- The new facility is expected to approximately halve the weighted average cost of capital of zipMoney's loan book.
- It is also expected that the Company will refinance c.\$75 million at closing with no prepayment penalty.
- The transaction is subject to closing conditions and documentation and is expected to be operational in Q4 FY17.

Strong outlook FY18 and beyond

Cashflow breakeven

On track to reach this key milestone during FY18.

Technology platform

Continued investment in proprietary technology platform including leveraging Big Data IP to drive growth in new opportunities.

Lighthouse brands

Strong pipeline of lighthouse brands underpins quality and growth on the platform.

Sector penetration

Continued focus and increased penetration across key sectors including travel and health.

Market share growth

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

Growth in offline

Continued investment in payments network to increase Zip acceptance.



Investment highlights

- ✓ **Significant first mover advantage** disrupting the consumer finance space with a fully digital offering and a proven track record since founding in 2013.
- ✓ **100% owned proprietary technology** leveraging Big Data supports a differentiated product offering with high barriers to entry.
- ✓ **Scalable, 'nextgen' technology payments platform** allowing us to exist across the entire payments ecosystem.
- ✓ **Uniquely positioned** to onboard a consumer at checkout, regardless of the transaction size.
- ✓ Backed by **\$400m in institutional debt funding**.
- ✓ **\$100bn+ market opportunity** across retail, health, education and travel sectors.
- ✓ **Strong brand**, positive network effects, **clear product-market-fit** and reputation as a customer-friendly provider are driving rapid growth.

APPENDIX

Company overview

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-April-17)	\$0.72
Shares on issue	238.1m ¹
Market capitalisation	\$170.2m
Cash (Mar-17)	\$11.0m ²
Debt (Mar-17)	No corporate debt
Enterprise value	\$159.3m

1. Includes 88.7m escrowed shares to be released Sep-17; Excludes 6.7m unlisted options and 13.3m performance shares
2. Excludes restricted cash relating to the securitisation warehouse facility



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 and is currently on the Board of ASX Specialty Fashion Group and UNICEF Australia



Larry Diamond
Managing Director & CEO

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



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 \$500m+ loan book for 300,000+ customers.

zipPay - Overview

zipPay



Up to \$1,000 digital account to shop online and in-store.



No upfront payment required at time of purchase.



Always interest free and no hefty late fees – both brand and consumer friendly.



Full payment flexibility, customers can pay back weekly, fortnightly or monthly. Up to 60 days to pay back fee-free, or get more time.



Real-time approval and frictionless social sign-up via Facebook, PayPal or email.



Store bank account and debit card details in your digital wallet for direct debit and one off payments.

Digital account up to

\$1,000

No upfront

Payments

Always

Interest free

Full payment

Flexibility

zipMoney - Overview



Up to \$20,000 digital account to shop online and in-store.



No upfront payment required at time of purchase.



Interest free terms which are both brand and consumer friendly.



Full payment flexibility, allows customers to pay back weekly, fortnightly or monthly.



Real-time approval and frictionless social sign-up via Facebook, PayPal or email.

Digital account up to

\$20,000

No upfront

Payments

Interest free

Periods

Full payment

Flexibility

Pocketbook - Overview

Pocketbook complements zipMoney's strong focus on helping Australians achieve financial well-being

- ✓ **Market leader**
Category leading personal finance app with more than 325,000 users, the majority of whom are mobile.
- ✓ **Finance tool**
Strong engagement through money management features enriched with banking transactional data.
- ✓ **Valuable Big Data**
The breadth of data and unique acquisition methods enriches zipMoney's work on credit modelling.
- ✓ **Data synchronisation**
Allows consumers to synchronise data with most Australian banks and receive enhanced categorisation.

325K users

Leading personal finance app

PFM

Personal Financial Management

Awards

Finder 'Personal Financial Management App' (2016)

Startcon 'Best Mobile App' (2016)

Fintech Business Awards (2017)

Disclaimer

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The Company does not have a significant operating history on which to base an evaluation of its business and prospects. Therefore, the information contained in this presentation is inherently speculative. The information contained in this presentation has been prepared in good faith, neither the Company or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of the company, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this presentation.

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The Company makes no undertaking to update or revise such statements, but has made every endeavour to ensure that they are fair and reasonable at the time of making the presentation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made.