

# Retail Investor Day

September, 2021



# Agenda



## CEO Address

*(Larry Diamond, Co-founder & Global CEO)*



## Product & Innovation

*(Brad Lindenberg and Adam Ezra, Co-CEOs US)*



## Growth

*(Larry Diamond, Co-founder & Global CEO  
and Tommy Mermelshtayn, CSO)*



## Performance

*(Peter Gray, Co-founder & Global COO)*



## Q&A



# Mission

To be the first payment choice,  
everywhere and every day.

# Purpose

Create a world where people can  
live fearlessly today, knowing they're  
in control of tomorrow.

# Promise

A more financially fearless world.



# We have a unique set of competitive advantages that enable us to win



**Product**



**Flexible  
Solutions**



**Business  
Model**



**Risk  
Management**

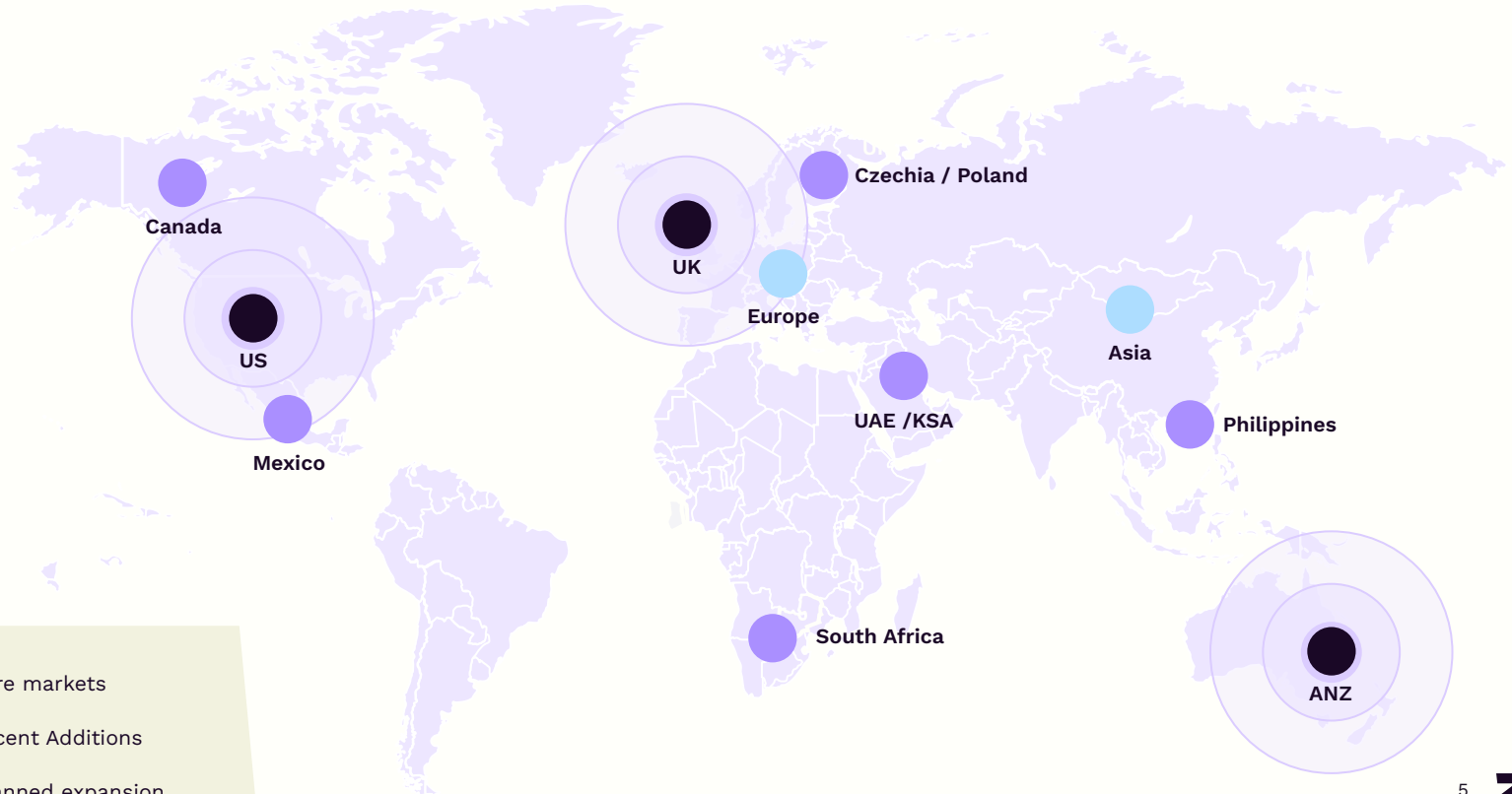


**Global  
Reach**



# We are a truly global player

We have successfully landed in our priority regions with plans to scale quickly



# We are global leaders in BNPL with local expertise in every market

We adopt a “Coalition of Founders” approach to expansion, under a common brand and technology platform

Global



Larry Diamond

US



Adam Ezra

Europe



Michal Smida

Asia



Hamish Moline

Middle East  
& Africa



Anuscha Iqbal

UK



Anthony Drury

Mexico



Carlos Magaña

NZ



Todd Wackrow



Peter Gray



Brad Lindenberg



Renata Salata



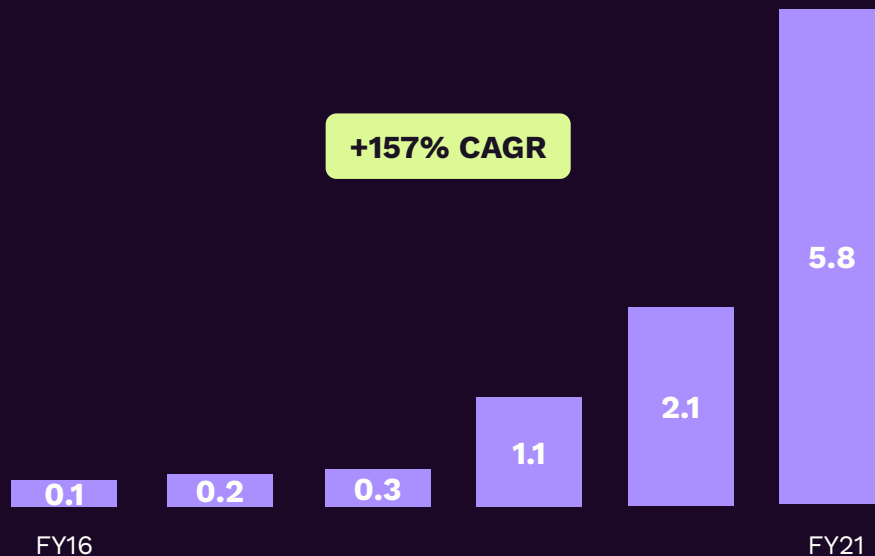
Tasneen Padiath



Paul Behrmann

We continue to deliver significant growth...

Total transaction volume (\$AUDb)



Note: 1 Compound annual TTV growth rate from FY16-FY21

...creating  
material value  
for Zip  
shareholders

Z1P Share Price (\$AUD)





# Product & Innovation



# Today



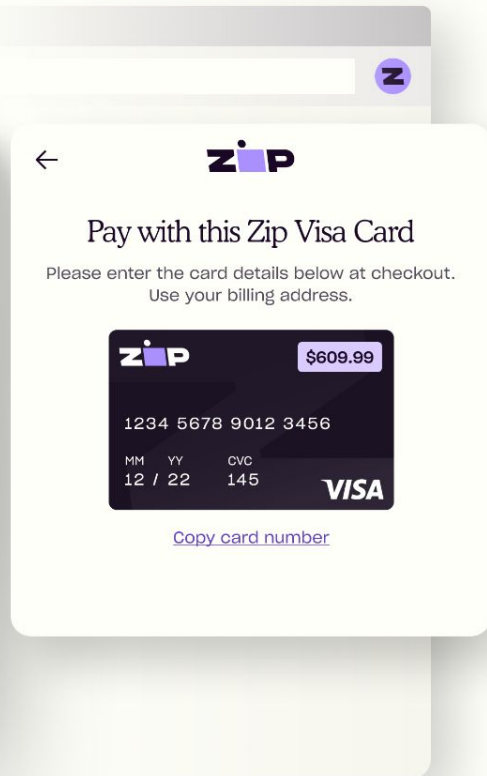
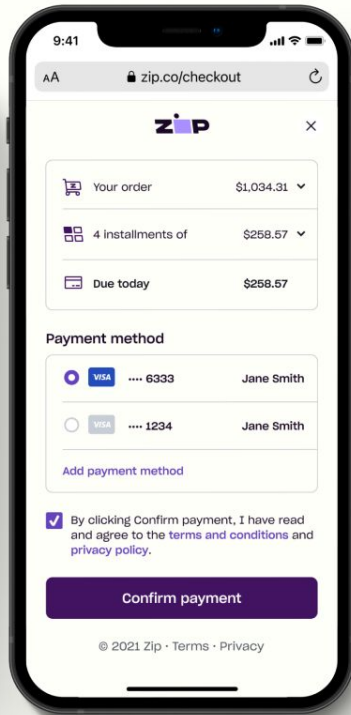
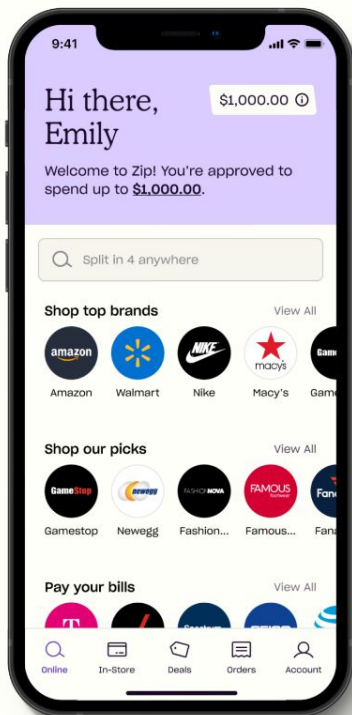
App



Checkout

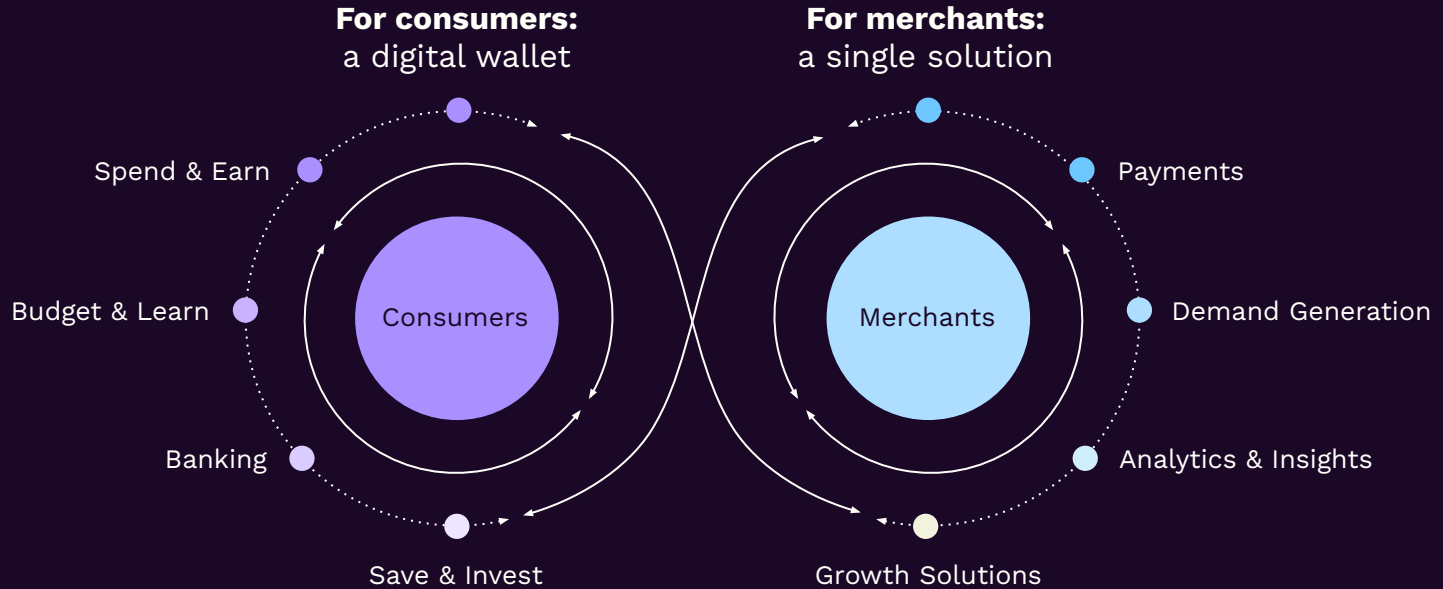


Browser



# Our flywheel ecosystem

We bring customers & merchants together for fair and valued payment experiences



## Consumers

# Where we're going



Physical Card



Savings Account



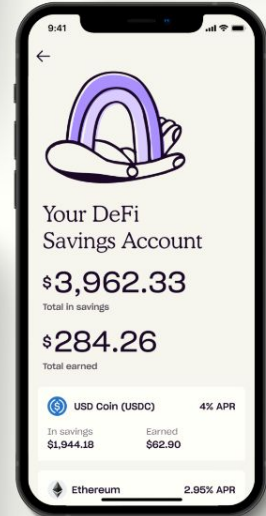
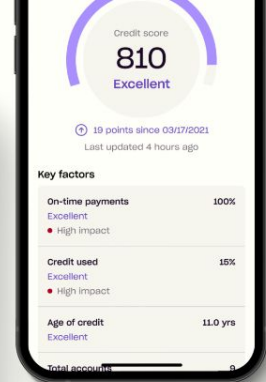
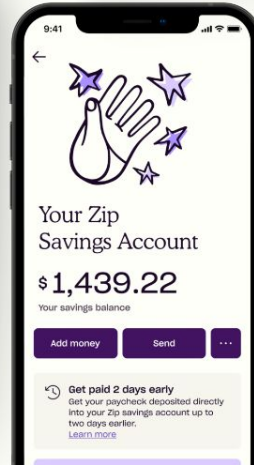
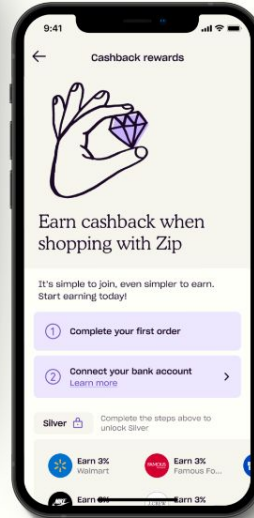
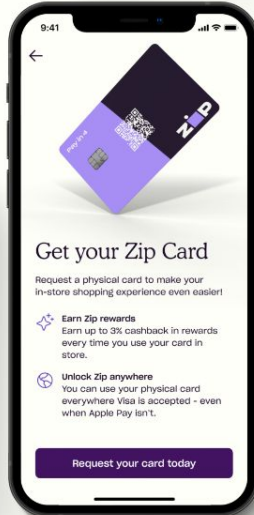
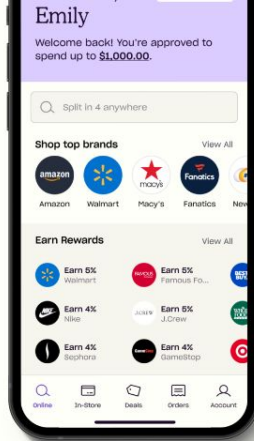
Credit Builder



Rewards



Crypto



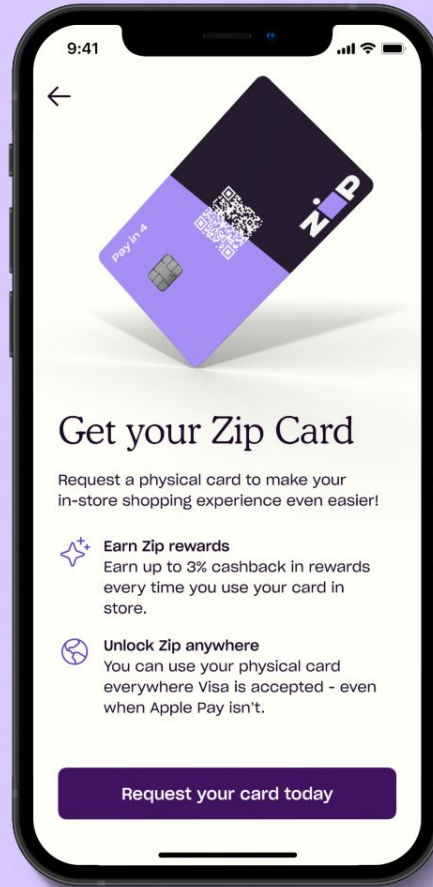


Ways to pay

# Pay in 4 Card



# Pay in 4 Card

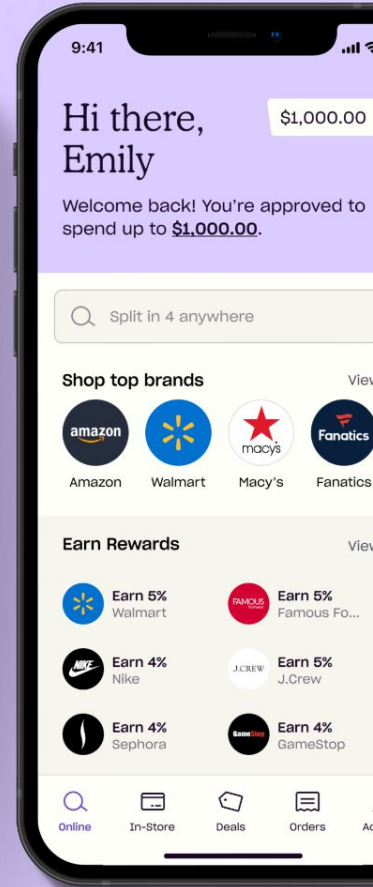
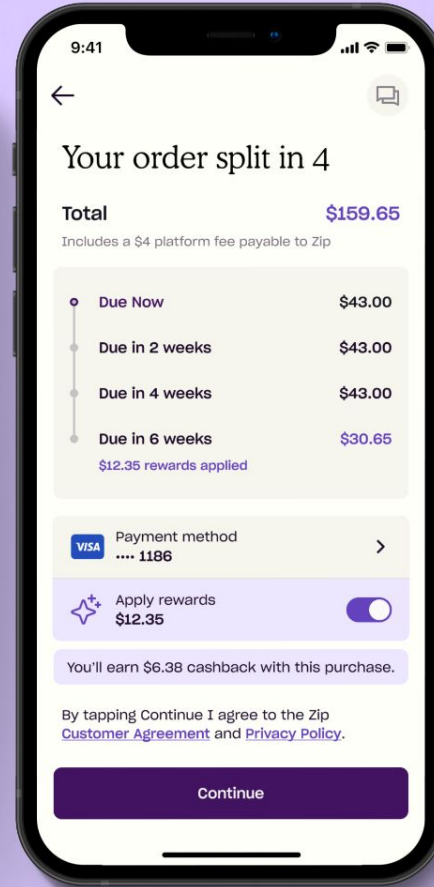
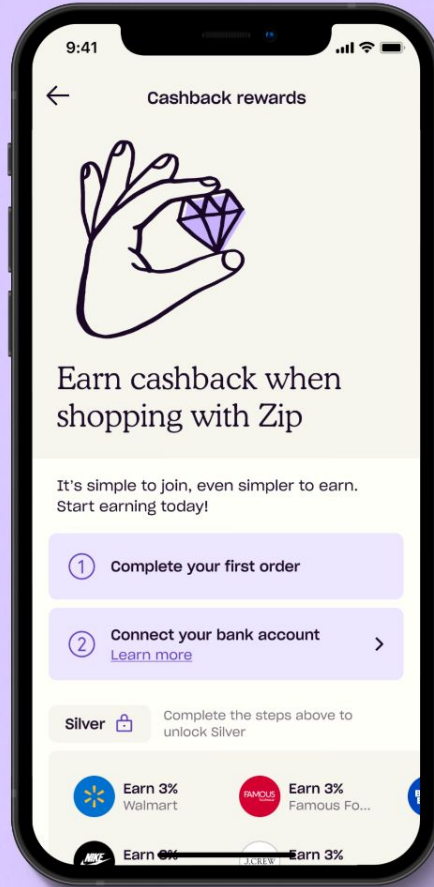


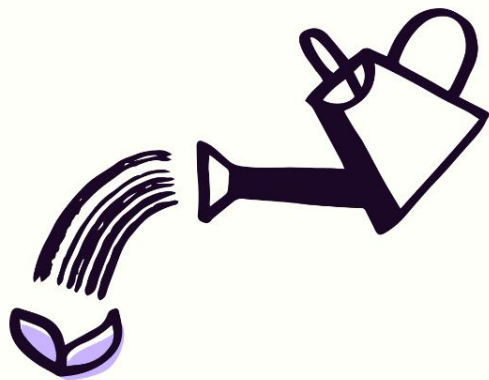


Rewards



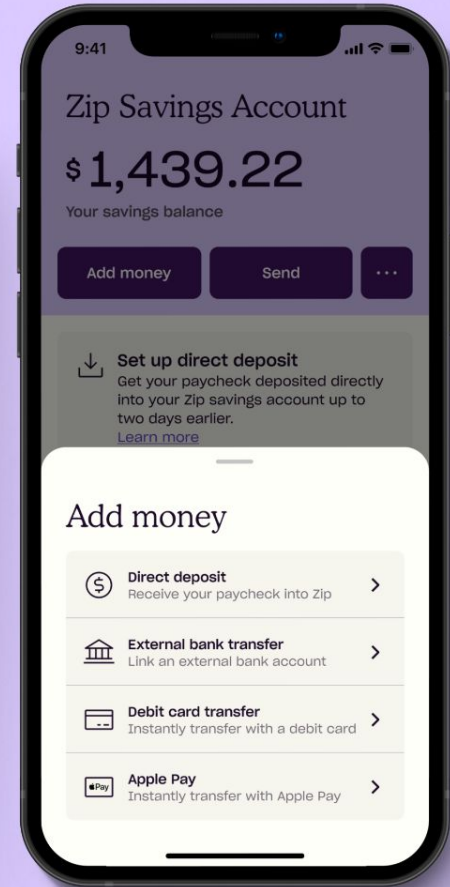
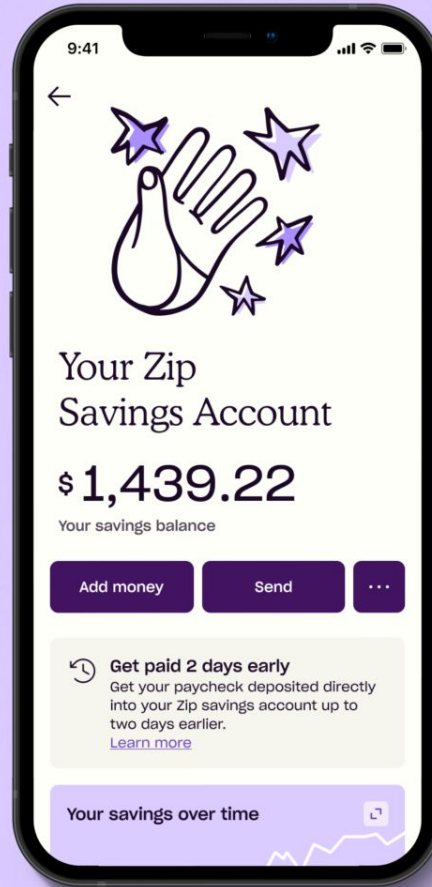
# Rewards



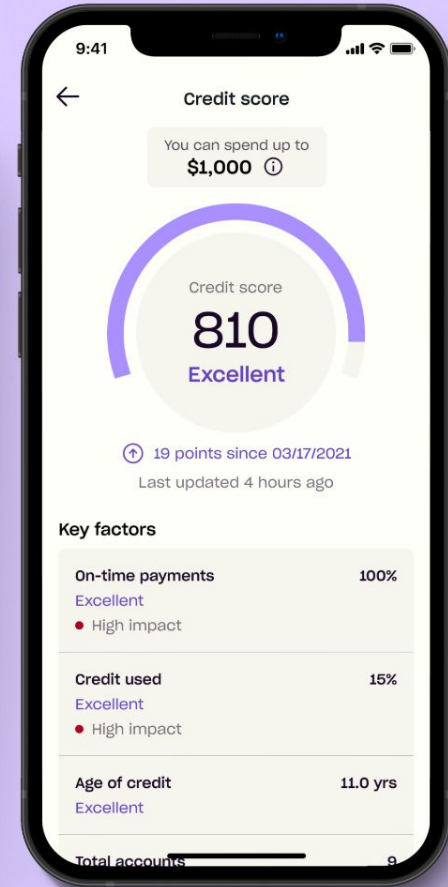
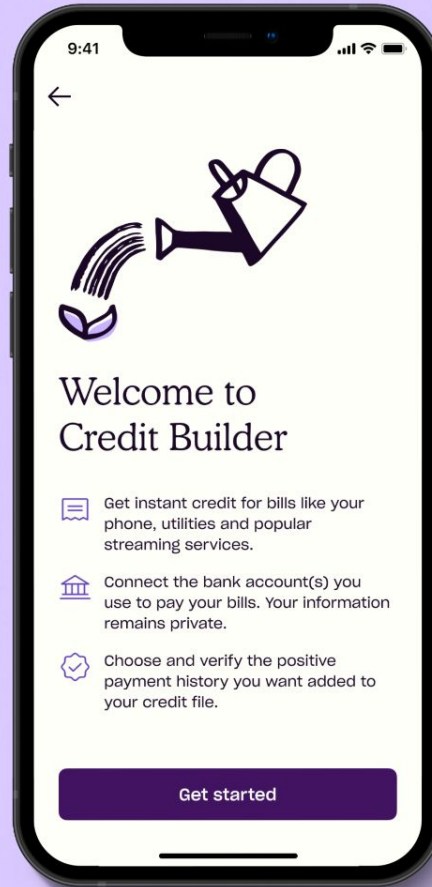


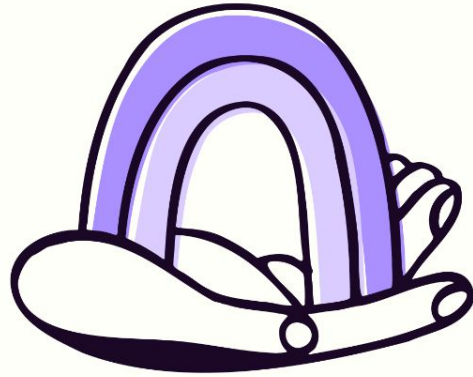
## Savings accounts

# Zip savings account



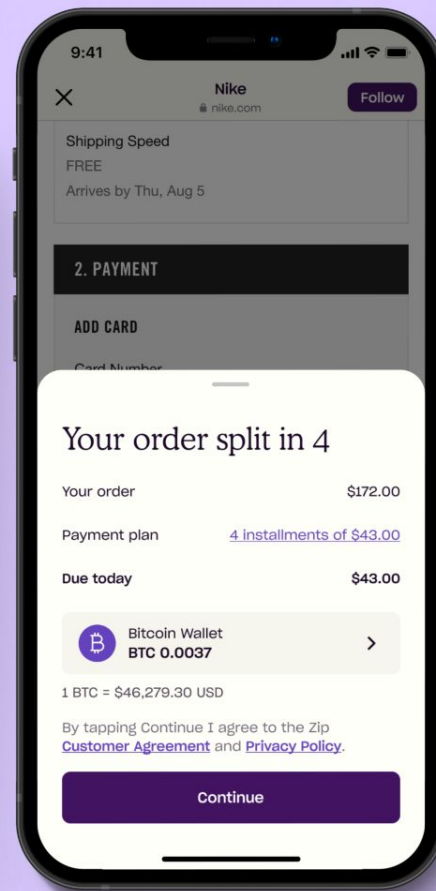
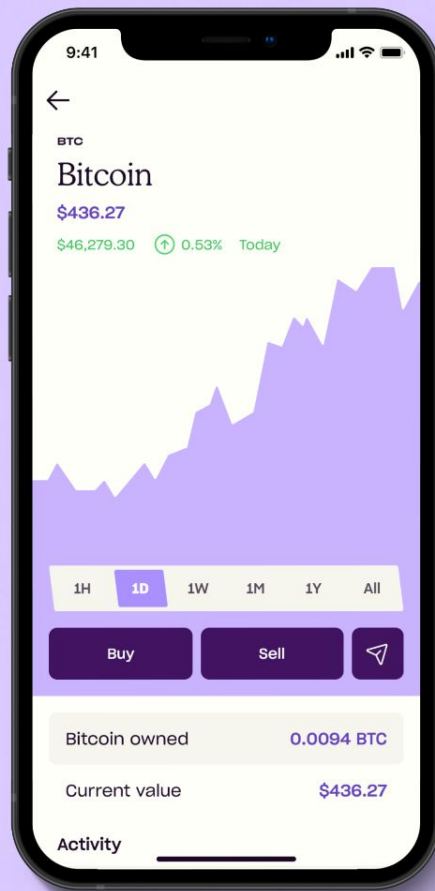
# Credit builder



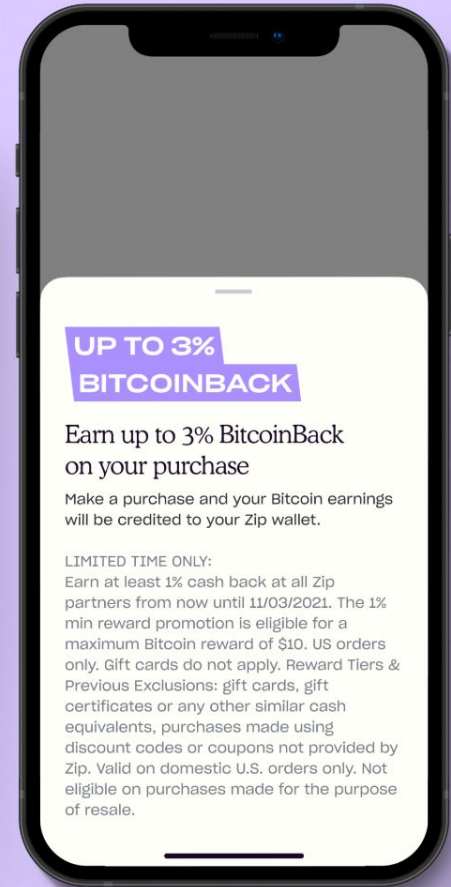
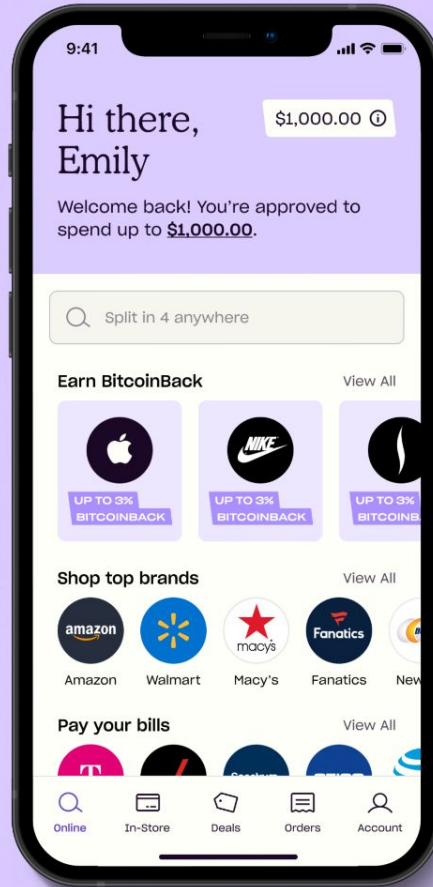


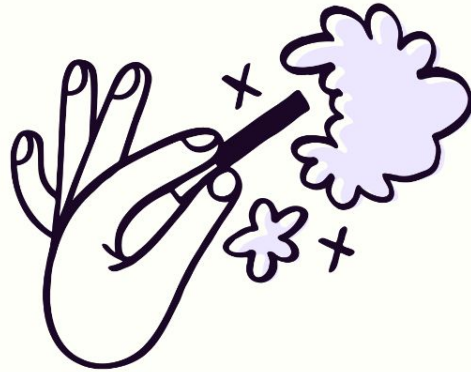
Crypto

# Buy, hold, sell - and pay with crypto



# Crypto rewards



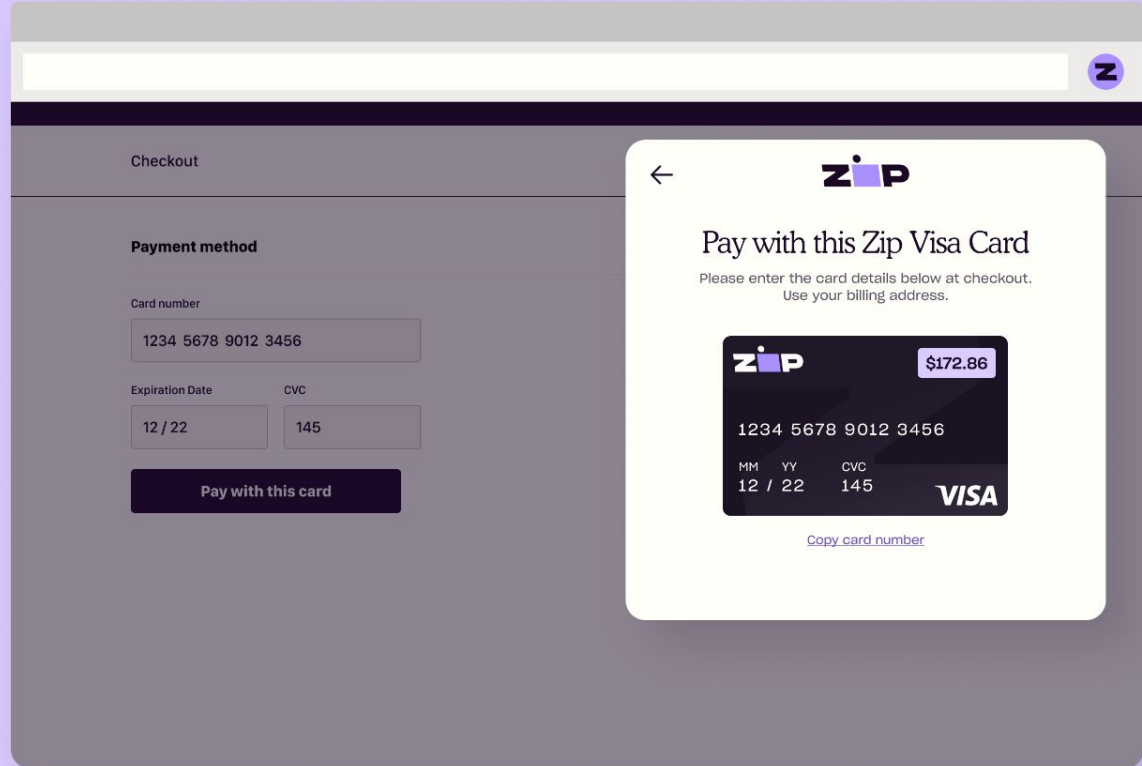


Shopping assistant

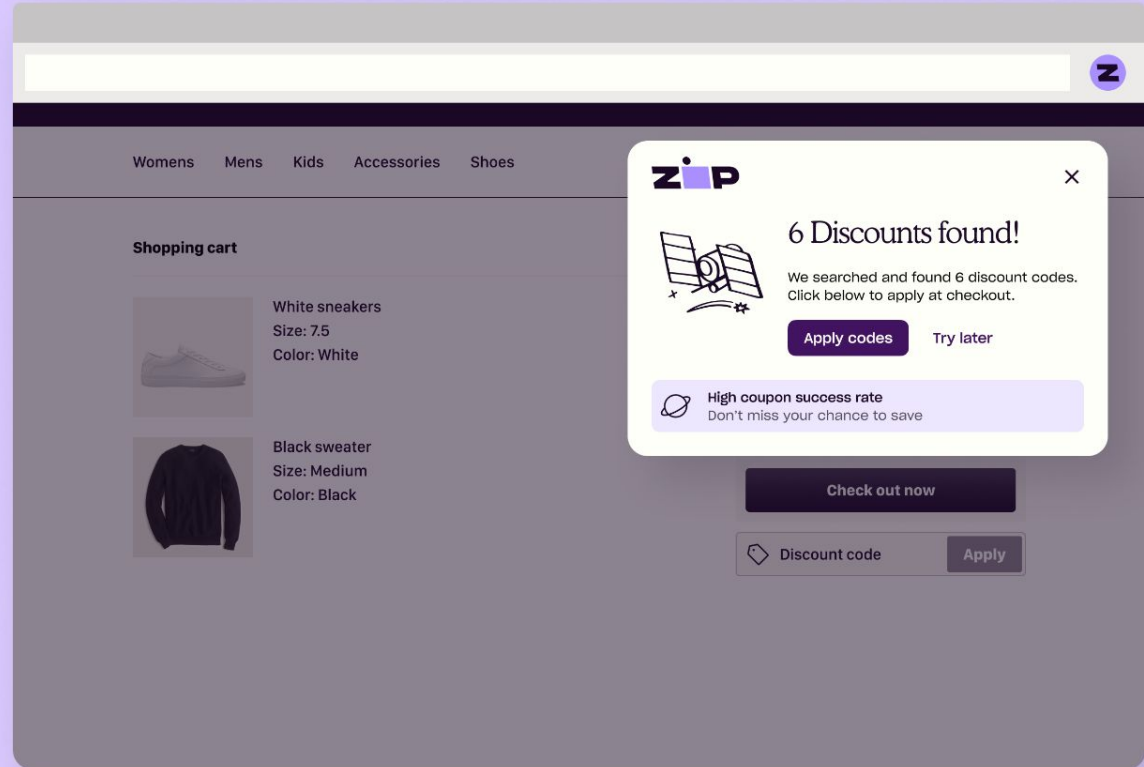


# Chrome extension

Coming soon:  
Microsoft Edge + Safari



# Find discounts



# Find better deals

The image shows a mobile shopping app interface. In the background, a product page for Apple AirPods Pro is visible, featuring a large image of the earbuds in their charging case. The price is listed as \$249.99. A search bar and navigation icons are at the top. A white popup window is overlaid on the right side of the screen. The popup has the ZIP logo at the top left and a close button (X) at the top right. The main text in the popup reads "We found a better deal!". Below this, there is a small image of the AirPods Pro and the text "Apple AirPods Pro with Wireless Charging Case". Underneath, it says "BEST DEAL" and lists "Best Buy" with a price of "\$249.99 + tax". A blue banner below that says "Shop now and save 15%. Use code ZIP15 at checkout." At the bottom of the popup, under the heading "COMPARE MORE PRICES", there are three options: "Amazon" at "\$219.00 + tax", "Target" at "\$234.99 + tax", and "Walmart" at "\$234.99 + tax". Each option has a right-pointing arrow.

9:41



## Get your Zip Card


Request a physical card to make your in-store shopping experience even easier!

- Earn Zip rewards**  
Earn up to 3% cashback in rewards every time you use your card in store.
- Unlock Zip anywhere**  
You can use your physical card everywhere Visa is accepted - even when Apple Pay isn't.

[Request your card today](#)

9:41

### Cashback rewards



## Earn cashback when shopping with Zip


It's simple to join, even simpler to earn. Start earning today!

- Complete your first order
- Connect your bank account [Learn more](#)

**Silver** Complete the steps above to unlock Silver

- Earn 3% Walmart
- Earn 3% Famous Po...

9:41



## Your Zip Savings Account

**\$1,439.22**  
Your savings balance

[Add money](#) [Send](#) [...](#)

**Get paid 2 days early**  
Get your paycheck deposited directly into your Zip savings account up to two days earlier. [Learn more](#)

Your savings over time

9:41



## Welcome to Credit Builder

- Get instant credit for bills like your phone, utilities and popular streaming services.
- Connect the bank account(s) you use to pay your bills. Your information remains private.
- Choose and verify the positive payment history you want added to your credit file.

[Get started](#)

9:41

You can spend up to **\$1,000**

Credit score **810**  
Excellent

19 points since 03/17/2021  
Last updated 4 hours ago

### Key factors

On-time payments	100%
Excellent	
High Impact	
Credit used	15%
Excellent	
High Impact	
Age of credit	11.0 yrs
Excellent	

Total accounts

9:41

Bitcoin

\$436.27

\$46,279.30 0.53% Today




1H 1D 1W 1M 1Y All

[Buy](#) [Sell](#)

9:41

### USD Coin savings



Annual Interest **\$186.44**

Network fee: 0.000052 ETH

**My wallet** \$62.90  
62.90 USDC

**Savings** \$1,944.18  
1,944.18 USDC

**Variable APR** 4%

Market stats

9:41

Hi there, Emily

Welcome back! You're approved to spend up to **\$1,000.00**

Split in 4 anywhere

### Earn BitcoinBack

- [UP TO 5% BitcoinBack](#)
- [UP TO 5% BitcoinBack](#)
- [UP TO 5% BitcoinBack](#)

### Shop top brands

- Amazon
- Walmart
- Macy's
- Fanatics
- Nov

Pay your bills

9:41




## Your Zip card is on its way!

We are sending your card to  
9303 Roslyndale Ave  
Pacifica, CA 91331

Estimated arrival by  
**Tuesday, September 14, 2021**

9:41

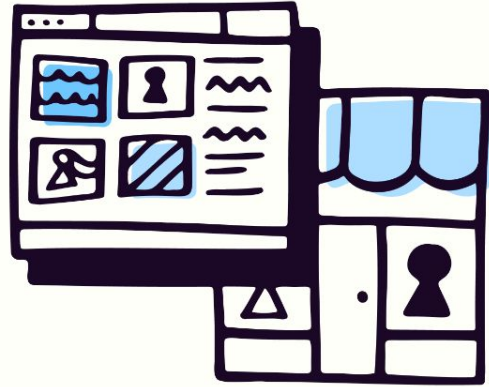


## Your DeFi Savings Account

**\$3,962.33**  
Total in savings

**\$284.26**  
Total earned

[USD Coin \(USDC\)](#) 4% APR



# Innovation for Merchants

## Merchants

# Where we're going



Long duration



Express checkout



Demand gen



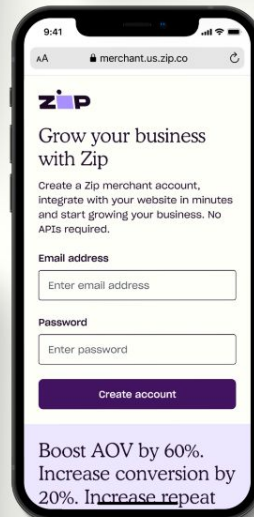
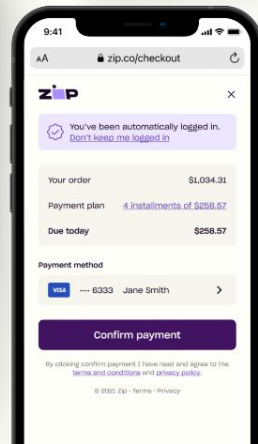
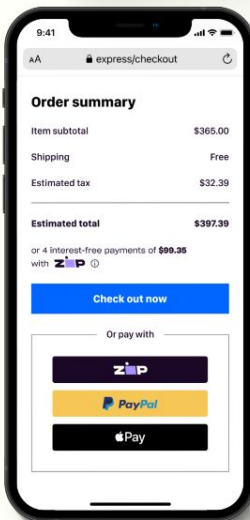
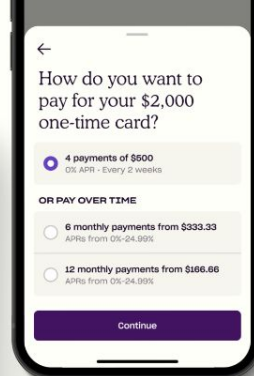
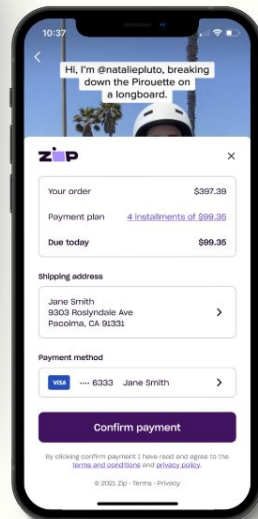
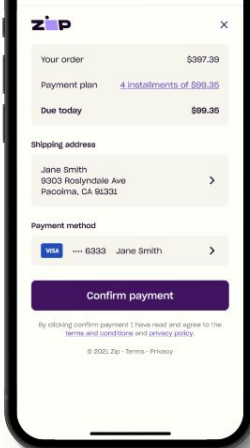
Remember me



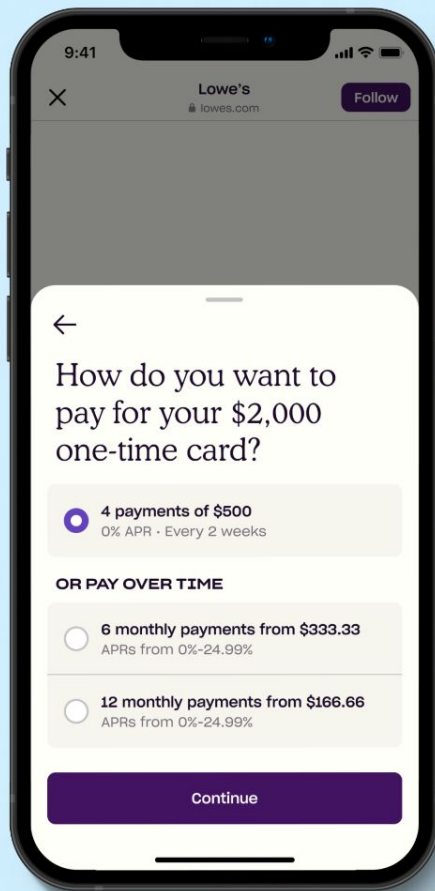
Single global integration



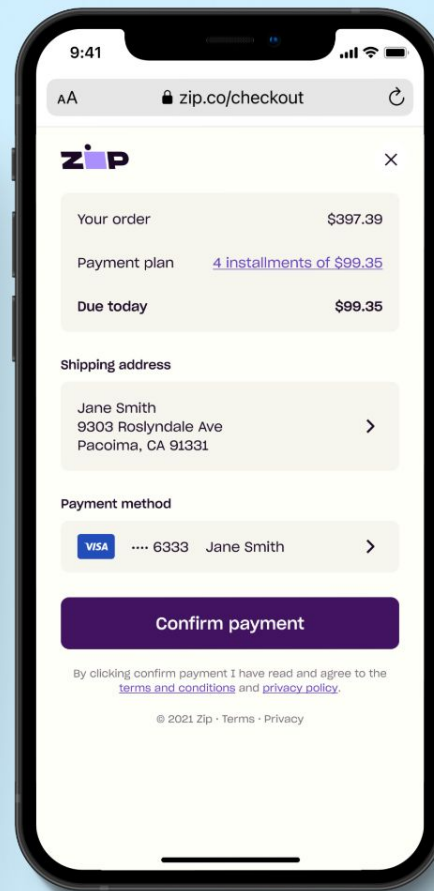
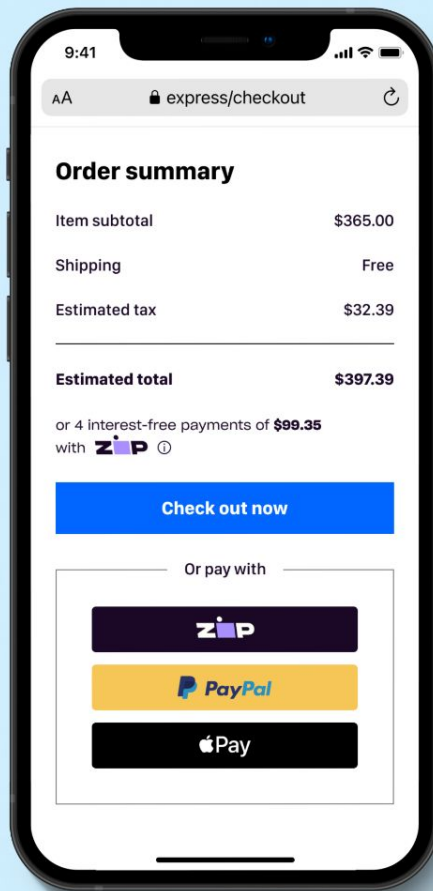
Virtual card integration



# Long duration



# Express checkout



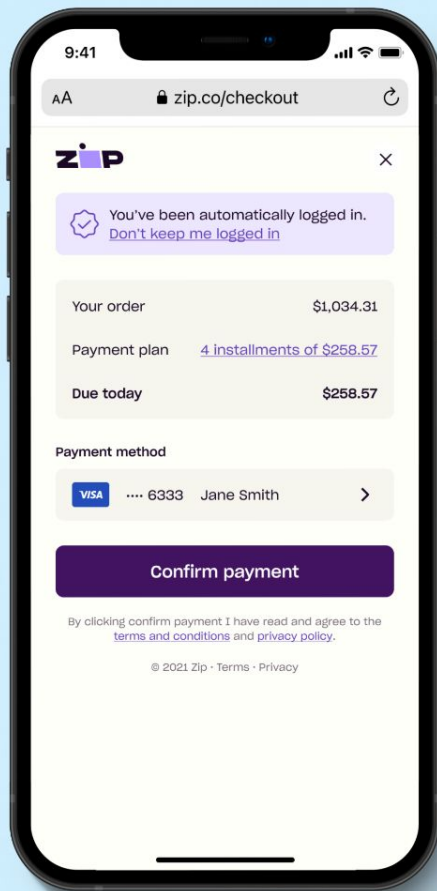


# Demand gen

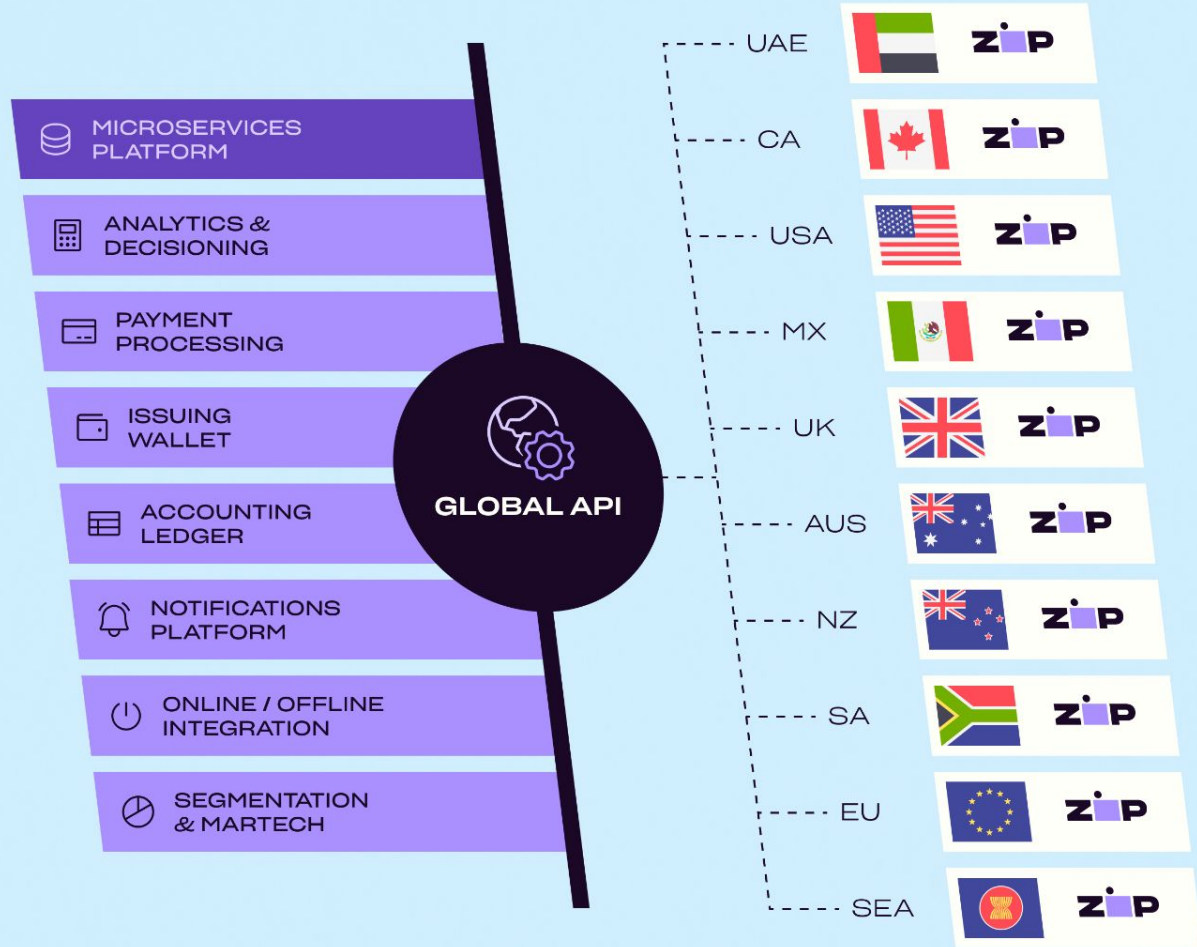
The screenshot shows the 'Create new campaign' page in the ZIP interface. The left sidebar contains navigation options: Dashboard, Orders, Transactions, Payments, Disputes, Insights, Grow (highlighted), and Settings. The main content area is titled 'Create new campaign' and includes the following sections:

- Dynamic Ads** (with a rocket icon) and navigation links for **Cashback campaigns**, Segments, and Abandoned Cart.
- Campaign info**: Campaign name is 'September Cashback'. Campaign Tags include EMAIL, SMS, MOBILE APP, and REWARDS.
- Campaign type**: Set to 'Cashback rewards'.
- Cashback rewards** (highlighted in purple):
  - Cashback type: 'Fixed cashback'.
  - Cashback amount: '\$10.00'.
  - Cashback rules: 'If Order value is greater than \$100.00'.
  - + Add condition
- User segment**: 'Disengaged customers'.
- Timing**: 'Start date' is 'Wed, Sept 1, 2021' and 'End date' is 'Friday, Oct 1, 2021'.

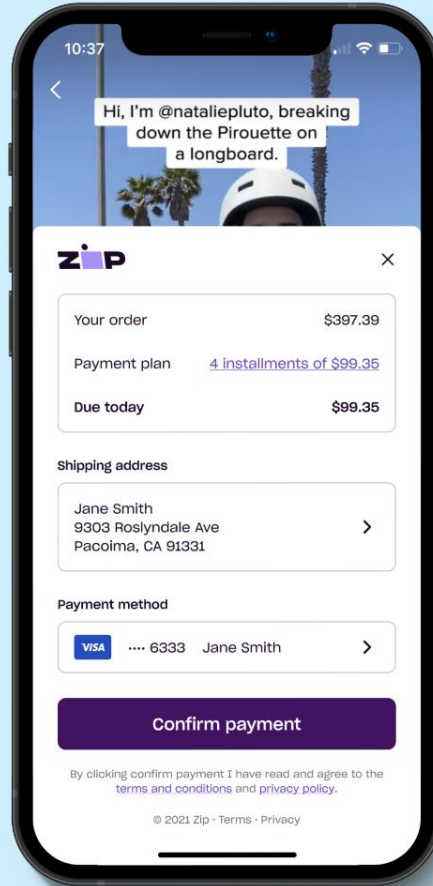
# Remember me



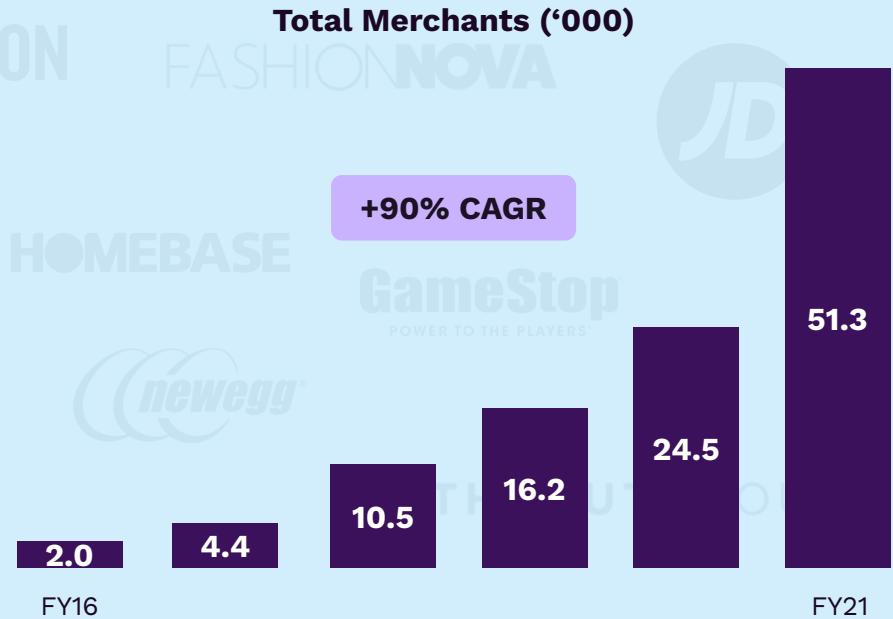
# Single global integration



# Virtual card integration



We continue to scale with world leading brands



# Growth



# We are set to outperform

## Tailwinds for growth

- Installments
- eCommerce
- Debit > Credit
- Digital wallets
- Payments tech

## Why Zip wins

- Global footprint
- Local teams
- Scalable tech
- Credit expertise
- Product suite

# Three key levers for growth



Consumers



Merchants



Global expansion





# We methodically invest for long term growth and scale



A global proposition that helps merchants grow and provides customers everywhere access to fair and transparent payment products

# We enter selected markets in ways that help us win

Greenfield  
Expansions



UK  
Canada  
Mexico

Land > Expand

Minority  
Investments



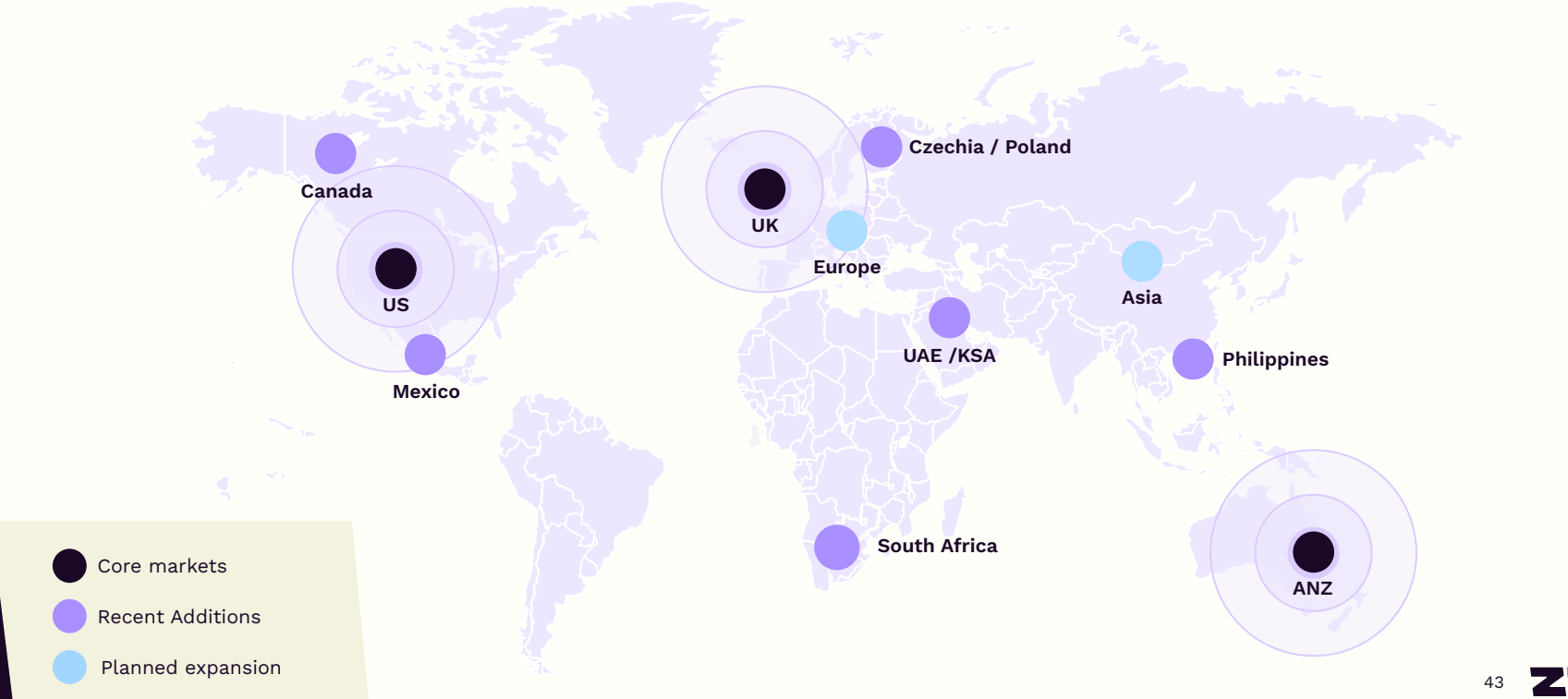
Invest > Monitor > Scale

Acquisitions



# Our footprint provides the platform to expand into the world's largest markets

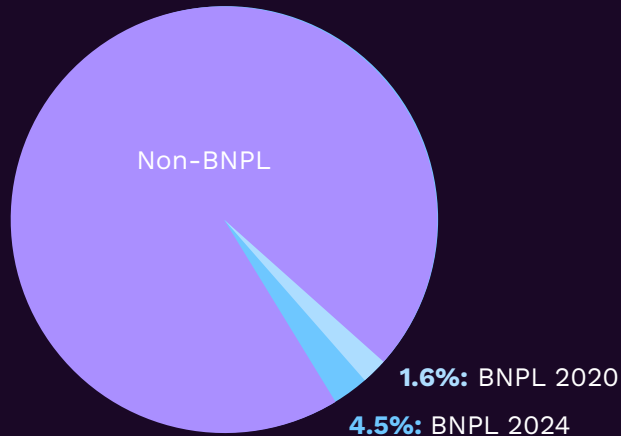
We have successfully landed in our priority regions with plans to scale quickly



# The US is our highest priority...

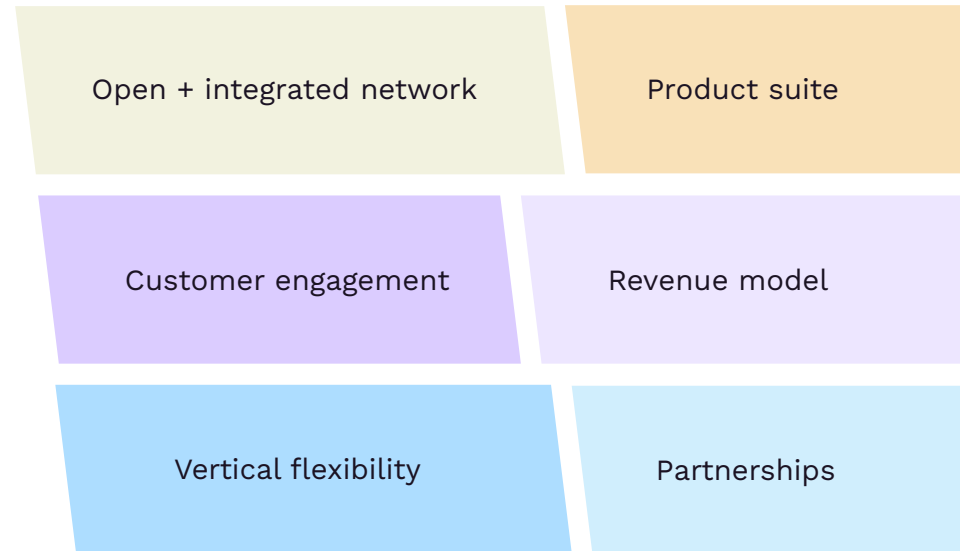
**\$5.2tn** US retail market<sup>1</sup>

**BNPL share of e-commerce spend<sup>2</sup>**

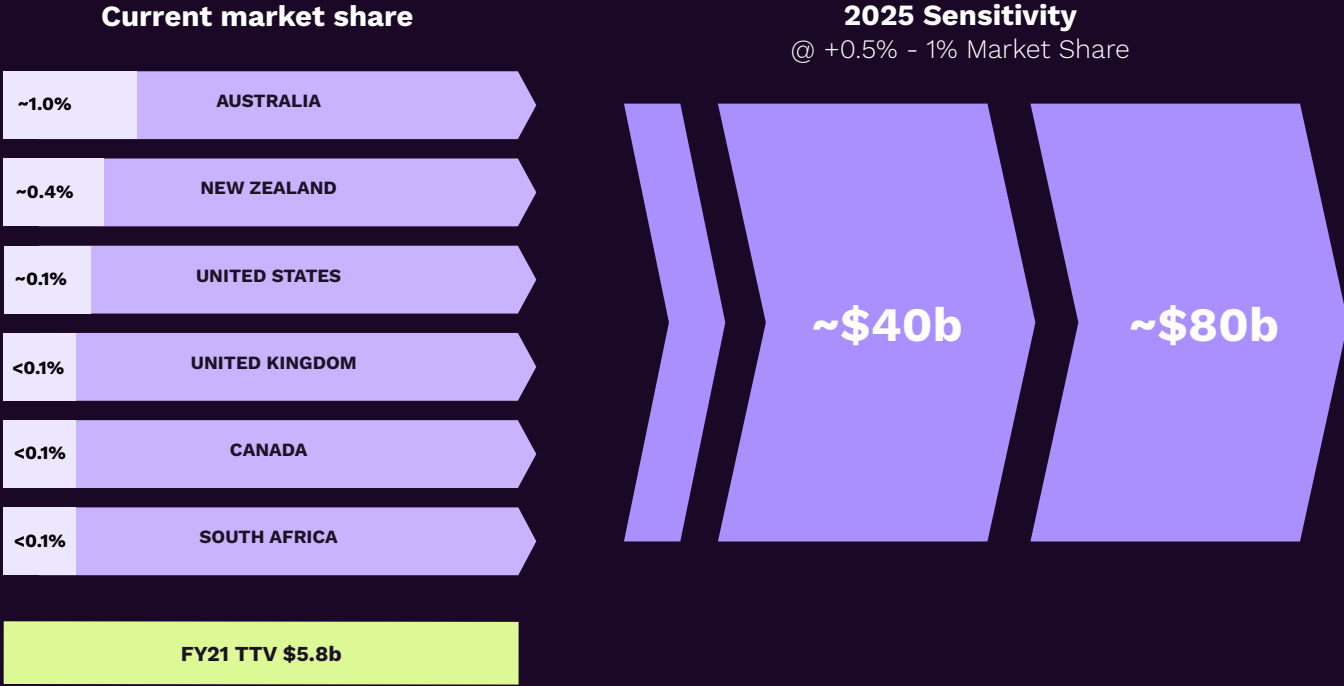


Note: 1. US Census, 2019. 2. Worldpay global payments report, 2021.

## ...we have the tools to win



# Executing our plan will deliver material growth



Note: 1 Market share based on total retail per Euromonitor Passport and Zip FY21 TTV excluding Zip Business

# Performance



# Investing in Zip



Growth business



Long term focus

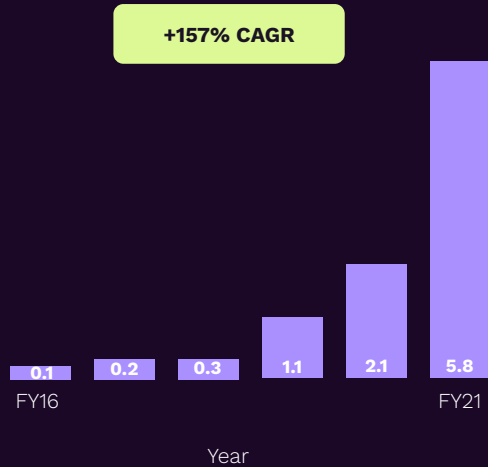


Scalable unit economics

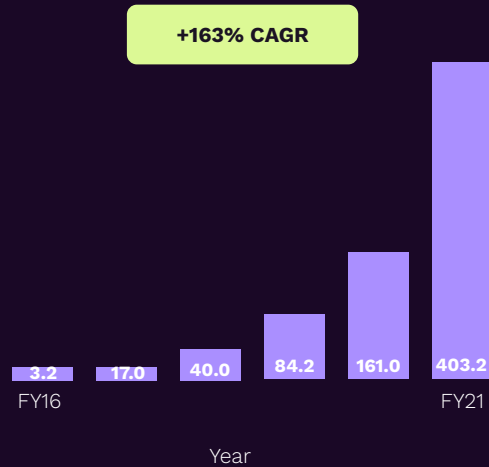


# We are a growth business

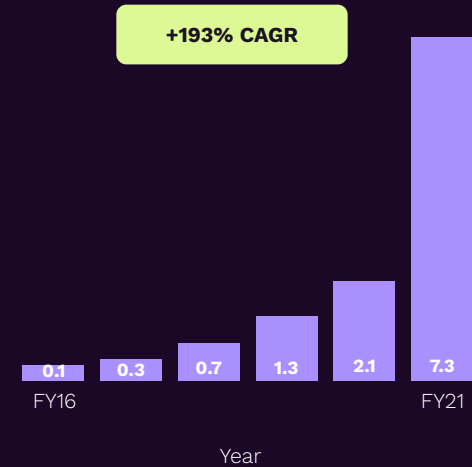
**Total Transaction Volume  
(\$AUDb)**



**Total Revenue  
(\$AUDm)**



**Total Customers  
(m)**



Note: 1 Compound annual growth rate from FY16-FY21



# We create margin from every transaction

## Unit economics overview

### Revenue

Customer	Instalment, account and late fees
Merchant	Merchant service fees, transaction fees
Network	Interchange, affiliate fees

### Cash Cost of Sales

Cost of funds	Interest costs
Bad debts	Fraud and losses
Processing costs	Credit checks, repayment processing fees

**Cash Transaction Margin** >2%

Revenue

—

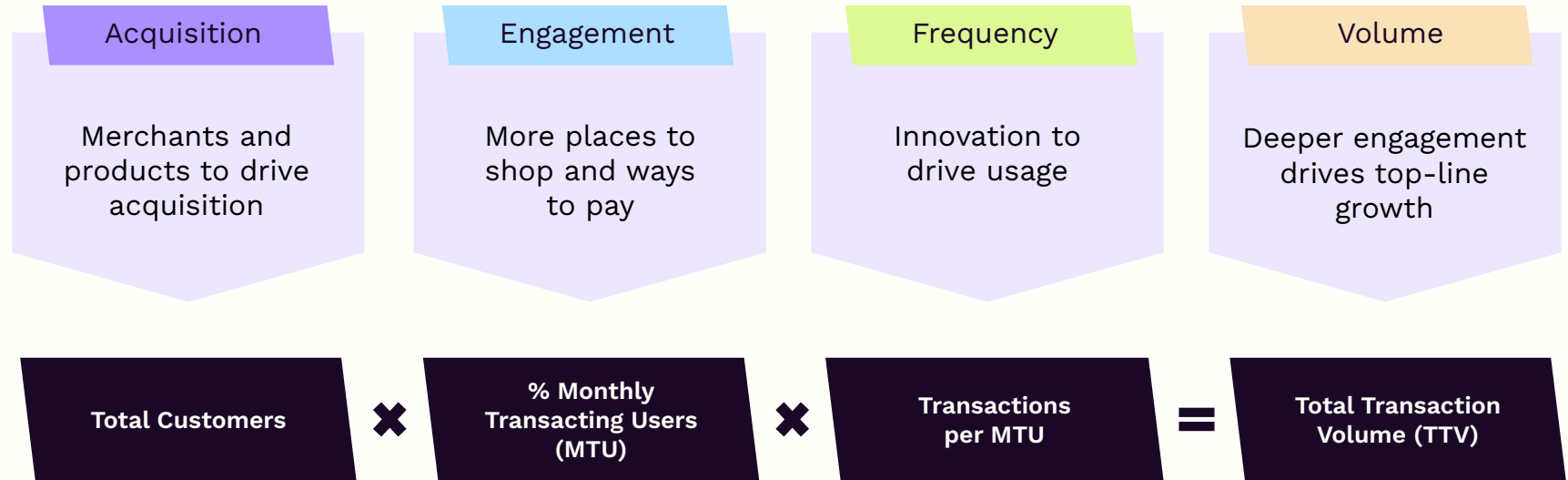
Cash Cost of Sales

=

Cash Transaction  
Margin

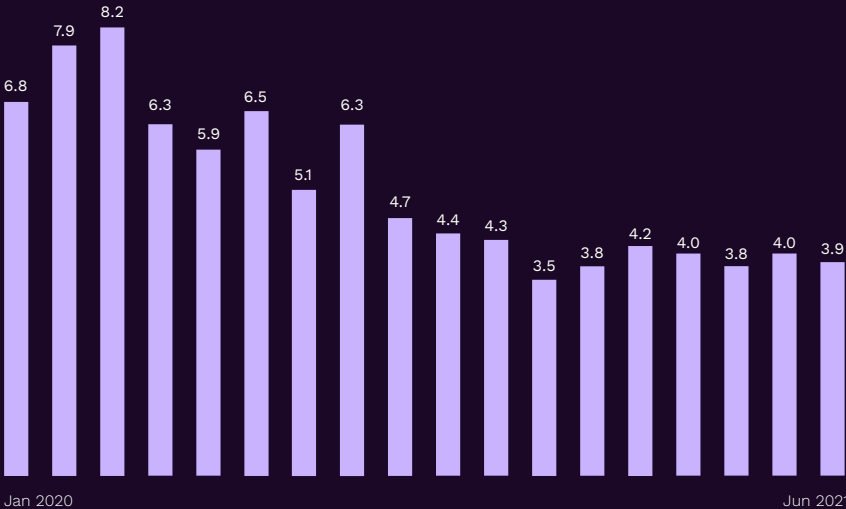


# We focus on key levers to drive transaction volume

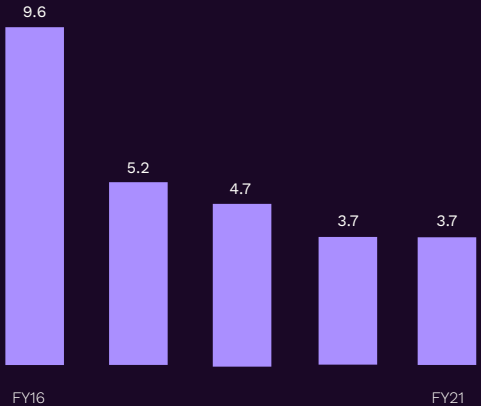


# Increased capital recycling and reduced interest rates are driving down interest costs

**Repayment velocity**  
(average months to recycle book)

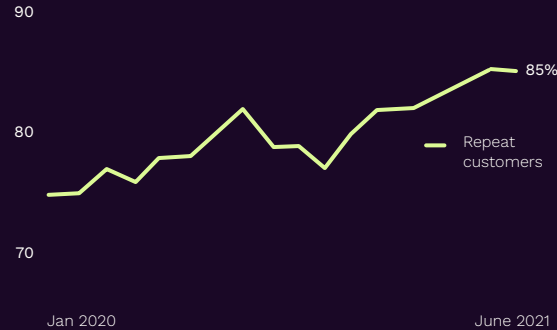


**Interest rate on loans**  
(Weighted average interest rate %)

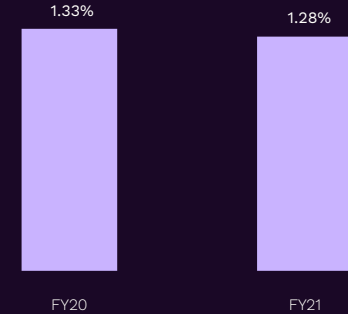


High repeat usage rates and investment in our decisioning capability support ongoing management of losses

**Returning Customer Contribution<sup>1</sup>**  
(as a % of TTV)



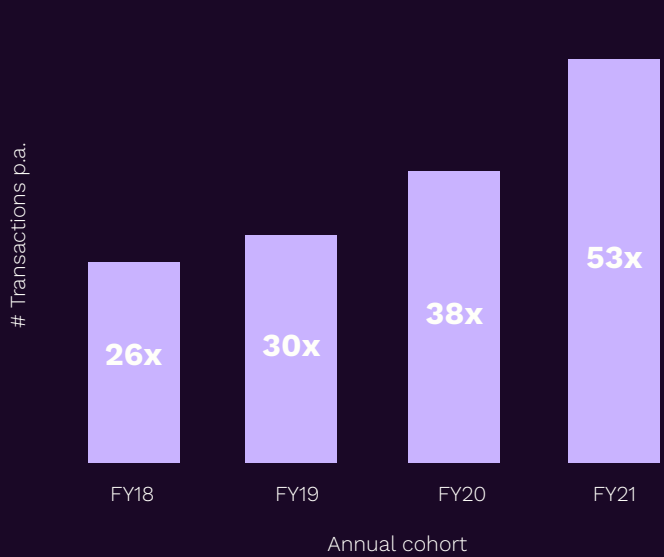
**Net Bad Debts Written Off<sup>2,3</sup>**  
(as a % of TTV)



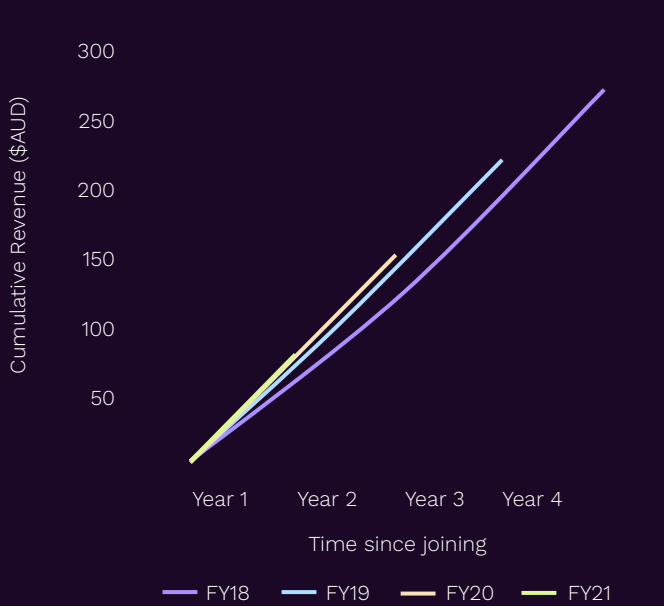
Note: 1. Includes Australia and US, 2. Zip Group, 3. Net bad debts represents impaired receivables written off during the year, net of any recoveries.

# Deepening engagement and healthy margin creates higher customer lifetime value

Annual transactions, top 20% ANZ customers<sup>1</sup>

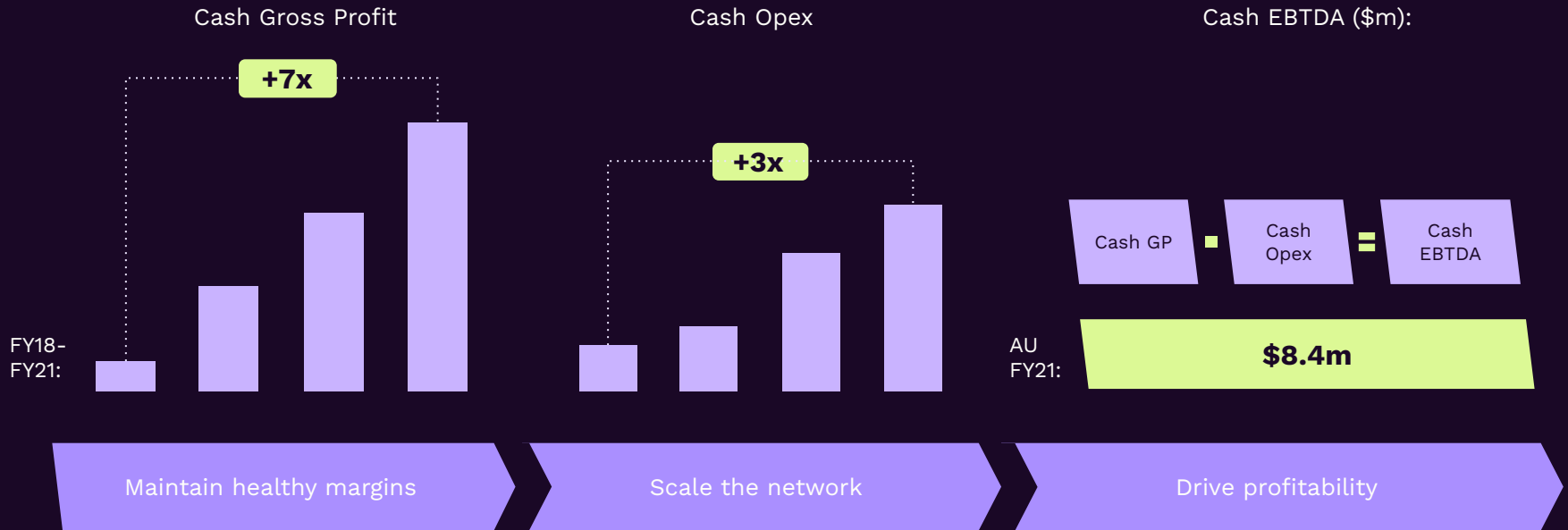


Cumulative revenue per ANZ customer<sup>2</sup>



Note: 1. Cohorts are based on 12 month active customers, transactions are on a rolling 12 month basis, 2. Based on cumulative revenue per ANZ customer by annual cohort (FY18 to FY21), 3. Values in AUD.

# At scale, strong unit economics converts to profitability



Note: 1. AU only, values in AUD

A photograph of two young women laughing and looking down together in front of a chain-link fence. The woman on the left is wearing a white tank top and light-colored pants. The woman on the right has long, dark, curly hair, is wearing sunglasses, a white t-shirt, and patterned pants. The background is a chain-link fence with greenery behind it.

**Value**

**Customers**

**Merchants**

**Growth**

**Unit  
Economics**

# Q&A





ZIP

Thank you.



# Disclaimer and Important Notices

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This release was approved by the Chief Executive Office on behalf of the Board.