

30 July 2024

## 4Q24 Appendix 4C Quarterly Cash Flow Report

**Zip Co Limited** (ASX: ZIP) (“**Zip**”, or the “**Company**”) today provides its Appendix 4C Quarterly cash flow report in accordance with ASX Listing Rule 4.7B.

Release approved by the Group Chief Executive Officer and Managing Director on behalf of the Board.

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### **About Zip**

ASX-listed Zip Co Limited (ASX: ZIP) is a digital financial services company, offering innovative, people-centred products that bring customers and merchants together. Operating in two core markets - Australia and New Zealand (ANZ) and the United States (US), Zip offers point-of-sale credit and digital payment services, connecting millions of customers with its global network of tens of thousands of merchants.

Founded in Australia in 2013, Zip provides fair, flexible and transparent payment options, helping customers to take control of their financial future and helping merchants to grow their businesses. Zip is also a licensed and regulated credit provider and is committed to responsible lending.

For more information, visit: [www.zip.co](http://www.zip.co)

For any shareholding and registry service enquiries, please contact Computershare. Phone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Shareholders who would like to receive email communications from Computershare for all future correspondence, visit <http://www.computershare.com.au/easyupdate/ZIP>.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Zip Co Limited

**ABN**

50 139 546 428

**Quarter ended ("current quarter")**

30 June 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	224,002	871,763
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(9,847)	(38,252)
(d) leased assets	-	-
(e) staff costs	(40,311)	(156,902)
(f) administration and corporate costs	(50,122)	(223,005)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1,739	6,219
1.5 Interest and other costs of finance paid	(59,711)	(236,034)
1.6 Income taxes paid	(3,008)	(3,008)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Net movement in customer receivables	(14,433)	(6,597)
- Net movement in settlement with payment partners	16,897	55,156
<b>1.9 Net cash from operating activities</b>	<b>65,206</b>	<b>269,340</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) Entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(343)	(1,015)
(d) investments	-	(1,544)
(e) intellectual property	(3,346)	(16,469)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	3,132
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)		
- Movement in term deposits	830	2,686
- Settlement of deferred consideration	-	(2,028)
- Sale of receivable loans	3,198	30,462
<b>2.6 Net cash from investing activities</b>	<b>339</b>	<b>15,224</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	52	52
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(61)	(61)
3.5 Proceeds from borrowings	583,184	1,589,238
3.6 Repayment of borrowings	(621,068)	(1,741,239)
3.7 Transaction costs related to loans and borrowings	(0)	(7,398)
3.8 Dividends paid	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
3.9	Other (provide details if material)		
	- Incentive payment in relation to convertible Notes	-	(31,496)
	- Repayment of convertible notes	-	(10,753)
	- Transaction costs related to modification convertible notes	-	(3,632)
	- Repayment of principal of leasing liabilities	(750)	(3,045)
<b>3.10</b>	<b>Net cash (used in) financing activities</b>	<b>(38,643)</b>	<b>(208,334)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	327,198	275,910
4.2	Net cash from operating activities (item 1.9 above)	65,206	269,340
4.3	Net cash from investing activities (item 2.6 above)	339	15,224
4.4	Net cash (used in) financing activities (item 3.10 above)	(38,643)	(208,334)
4.5	Effect of movement in exchange rates on cash held	(1,094)	866
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>353,006</b>	<b>353,006</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	121,346	132,059
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Restricted cash)	231,660	195,139
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>353,006</b>	<b>327,198</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	1,038
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: During the current quarter, a capital payment of \$1.0 million and interest payment of \$38k was made to Peter Gray for his investment in Class C Note in Variable Funding Note 2 (VFN2) in the Zip Master Trust. The capital and interest payment was made on the same terms as all Class C Note holders and the investment was made as part of a public offer process, on the same commercial terms as offered to each of the Class C noteholders investing in VFN2 in the Zip Master Trust.*

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	2,783,400	2,430,288
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	2,783,400	2,430,288
7.5 <b>Unused financing facilities available at quarter end</b>		353,112
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

Facility	Lender	Facility limit \$A'millions	Drawn \$A'millions	Maturity
Zip Master Trust				
Rated Note Series				
*2021-2	Public ABS	663.5	663.5	Sep 2024
*2023-1	Public ABS	190.0	190.0	May 2026
*2023-2	Public ABS	267.0	267.0	Oct 2026
*2024-1	Public ABS	285.0	285.0	Oct-2025
Variable Funding Note	Private Facility	468.3	378.2	Mar 2025
Variable Funding Note 2	Private Facility	285.0	142.5	Apr 2026
ZipMoney 2017-1 Trust	Private Facility	116.6	80.2	Jul 2024
AR3LLC <sup>1</sup>	Private Facility	339.7	283.8	Dec 2026
Zip NZ Trust 2021-1	Private Facility	18.3	10.1	Jul 2024
Corporate debt facility	Corporate Funding	150.0	130.0	Dec-2027
<b>Total</b>		<b>2,783.4</b>	<b>2,430.3</b>	

1. Zip has the option to increase the facility to an aggregate amount of up to US\$300.0m, subject to the lender's discretion and terms and conditions.

- During 2024, Zip executed the following:
  - Following the sale of Zip Business receivable loans in Australia and New Zealand to a third party, Zip has fully repaid all external Zip Business funders during the third quarter under its facilities in Australia and New Zealand;
  - On 12 March 2024, Zip refinanced Zip's Series VFN No. 1 facility in the Zip Master Trust for a one year period for \$468.3m;
  - Zip successfully completed a \$300.0m rated note issuance for 18 months within the Master Trust (2024-1) with a weighted-average margin of 2.65% and the senior notes being AAA-rated. The proceeds were partly used to refinance a facility in the Master Trust (2021-1) that matured on 10 April 2024;
  - Zip successfully completed a new \$300.0m warehouse facility ("VFN No. 3") for two years within the Zip Master Trust. The proceeds were partly used to refinance a facility in the Master Trust (2021-1) that matured on 10 April 2024;
  - The proceeds from the above refinancings were used to repay the \$500.0m Master Trust facility (2021-1) that matured on 10 April 2024;
  - Zip repaid early and cancelled VFN No.2 (Facility limit \$143.7 million); and
  - During the quarter Zip repaid \$20 million of the corporate debt facility and post 30 June 2024 Zip repaid the corporate debt facility in full and the associated exit fee in full via an equity raise.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	65,206
8.2	Cash and cash equivalents at quarter end (item 5.1)	121,346
8.3	Unused finance facilities available at quarter end (item 7.5)	353,112
8.4	Total available funding (item 8.2 + item 8.3)	474,458

**8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)**

N/A

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

**8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:**

**8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?**

Answer: N/A

**8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?**

Answer: N/A

**8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2024

Authorised by: Authorised by the Disclosure Committee  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial



**Quarterly cash flow report for entities subject to Listing Rule 4.7B**

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records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.