

29 October 2024

1Q25 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 and people-centred products. Operating in two core markets - Australia and New Zealand (ANZ) and the United States (US), Zip offers access to 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.

For more information, visit: 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 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	240,451	240,451
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(11,597)	(11,597)
(d) leased assets	-	-
(e) staff costs	(44,112)	(44,112)
(f) administration and corporate costs	(64,421)	(64,421)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2,249	2,249
1.5 Interest and other costs of finance paid	(56,336)	(56,336)
1.6 Income taxes paid	(1,773)	(1,773)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Net movement in customer receivables	9,839	9,839
- Net movement in settlement with payment partners and merchants	(10,480)	(10,480)
1.9 Net cash from operating activities	63,820	63,820

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) Entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(396)	(396)
(d) investments	-	-
(e) intellectual property	(3,775)	(3,775)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	(17,864)	(17,864)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)		
- Movement in term deposits	-	-
- Settlement of deferred consideration	-	-
- Sale of receivable loans	384	384
2.6 Net cash from investing activities	(21,651)	(21,651)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	284,986	284,986
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	(5,846)	(5,846)
3.5 Proceeds from borrowings	662,028	662,028
3.6 Repayment of borrowings	(906,900)	(906,900)
3.7 Transaction costs related to loans and borrowings	(88,889)	(88,889)
3.8 Dividends paid	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
3.9	Other (provide details if material)		
	- Incentive payment in relation to convertible Notes	-	-
	- Repayment of convertible notes	-	-
	- Transaction costs related to modification convertible notes	-	-
	- Repayment of principal of leasing liabilities	(916)	(916)
3.10	Net cash (used in) financing activities	(55,537)	(55,537)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	353,006	353,006
4.2	Net cash from operating activities (item 1.9 above)	63,820	63,820
4.3	Net cash from investing activities (item 2.6 above)	(21,651)	(21,651)
4.4	Net cash (used in) financing activities (item 3.10 above)	(55,537)	(55,537)
4.5	Effect of movement in exchange rates on cash held	1,905	1,905
4.6	Cash and cash equivalents at end of period	341,543	341,543

5.	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
	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	139,077	121,346
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Restricted cash)	202,466	231,660
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	341,543	353,006

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

7. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	2,629,300	2,203,445
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	2,629,300	2,203,455
7.5 Unused financing facilities available at quarter end		425,845
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				
*2023-1	Public ABS	190.0	190.0	May 2026
*2023-2	Public ABS	285.0	285.0	Oct 2026
*2024-1	Public ABS	285.0	285.0	Oct-2025
*2024-2	Public ABS	332.5	332.5	Sep-2027
Variable Funding Note	Private Facility	468.3	363.8	Mar 2025
Variable Funding Note 3	Private Facility	285.0	142.5	Apr 2026
Variable Funding Note 4	Private Facility	285.0	190.0	Mar 2027
ZipMoney 2017-1 Trust	Private Facility	155.5	111.7	Jul 2026
AR3LLC ¹	Private Facility	324.6	292.9	Dec 2026
Zip NZ Trust 2021-1	Private Facility	18.4	10.1	Jul 2026
Total		2,629.3	2,203.5	

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.

Key highlights included:

- Zip successfully completed a \$350.0m rated note issuance for three years within the Master Trust (2024-2) with a weighted-average margin ("WAM") of 2.13% and the senior notes being AAA-rated, Zip retained 5% of the facility
- Zip successfully completed a new \$300.0m warehouse facility for two and half years within the Zip Master Trust, Zip retained 5% of the facility
- The proceeds from the above two refinancings were used to repay \$698m Master Trust (2021-2) that matured on 10 September 2024
- Zip successfully extended the 2017-1 facility for two years with existing senior financiers and a new mezzanine investor. This facility is a smaller trust separate to Zip's Master Trust funding vehicle. The revised facility limit increased to \$155.5m
- Zip successfully extended the Zip NZ facility for two years with its existing senior financier
- In July 2024, Zip executed an institutional equity placement of \$217.0m at a share price of \$1.56 representing a 2.8% discount to the traded price of Zip's shares on the ASX on Tuesday, 16 July 2024. Proceeds were used to pay down the remaining corporate debt facility of \$130.0 million and associated exit fee of \$88.9 million
- In August 2024, Zip completed a Share Purchase Plan ("SPP"), raising \$50.1m at a share price of \$1.56

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	63,820
8.2	Cash and cash equivalents at quarter end (item 5.1)	139,078
8.3	Unused finance facilities available at quarter end (item 7.5)	425,845
8.4	Total available funding (item 8.2 + item 8.3)	564,923
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>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.</i>		
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	
<i>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.</i>		

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: 29 October 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 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.