

29 October 2015

ZIPMONEY LIMITED FIRST QUARTER FY2016 UPDATE

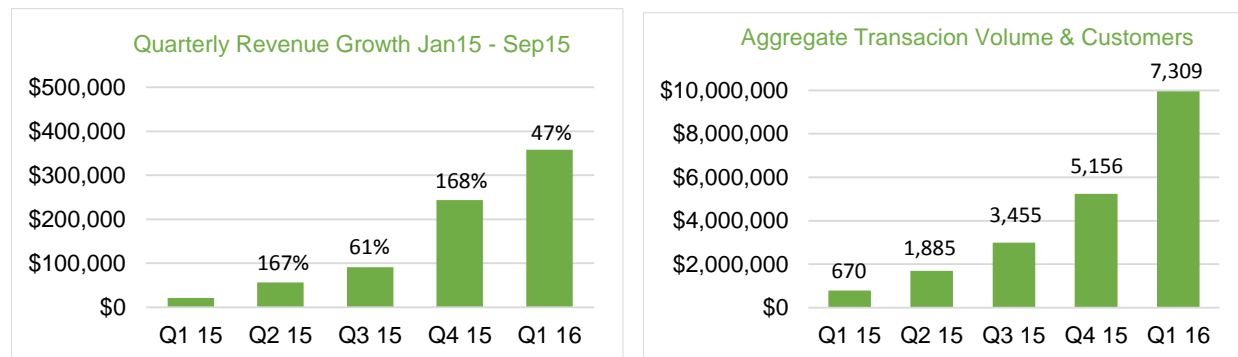
QUARTER HIGHLIGHTS

- Revenue growth up 47% on last quarter
- Loan origination and loan book growth up 100% on last quarter
- Merchant acquisition strategy progressing ahead of internal forecasts
- Appointment of former PayPal Head of Retail Services as Director Merchant Services

FINANCIAL AND OPERATIONAL PERFORMANCE

zipMoney Limited (ASX:ZML) (**zipMoney** or **Company**) is pleased to announce its first quarterly performance update since listing on the Australian Stock Exchange on 21 September 2015.

For the quarter ending 30 September 2015, the Company generated revenue of approximately \$358,000, up 47% on the previous quarter. This was delivered on \$4.7 million in new loans for the quarter. The quarter also saw active Customers across the platform increase to more than 7,000.



During the month of October zipMoney hit the first performance milestone, being \$10m in originated loans on the platform and has doubled the number of active merchants on the platform since 30 June.

Managing Director and CEO Larry Diamond said “the results demonstrate a continuation of the steady growth over the last 12 months and in particular since listing.”

“Our distribution strategy continues to drive customer and origination growth and we are receiving encouraging feedback from all of our merchant partners in respect of both increased sales and happy customers.”

zipMoney now has over 200 merchant locations throughout Australia both online and in-store. These range across retail including fashion & accessories, consumer electronics, home, sports and outdoors, health (dental and cosmetic) and online education markets.

Some of the recent merchants to join the platform include 99Bikes (a subsidiary of ASX-listed Flight Centre Limited), Klika (rated by Smart Company as Top 20 online retailer for 2015), New Vision Laser Centre and Bodyworx Cosmetic Surgery with existing merchants such as whitegoods retailer 2nds World, Reid Cycles and Kitten D'Amour continuing to support the business.

Mr Diamond said "zipMoney continues to focus on the growth and engagement of its merchant base and is currently in discussions with a number of SME and large enterprise clients across our core target markets. We are really excited with how the operational strategy is unfolding so far this quarter and look forward to bringing detail of our developments to the market over the coming period."

LOAN BOOK UPDATE

As at 30 September 2015, the zipMoney Loan Book was approximately \$6 million, having grown more than 100% over the previous quarter. The repayment profile remained very consistent at approximately 11% (of period end book) over the quarter.

The credit performance of the Loan Book continues to perform in line with internal management projections. The reported arrears rate was 1.12% and zipMoney wrote off \$13,475 for the quarter in bad debts. Executive Director & COO Peter Gray said "we are very pleased with the quality of the loan book to date and continue to invest in our decisioning technology as we scale the business vertically and horizontally."

ENDS

About zipMoney

zipMoney is a leading player in the digital retail finance industry. It offers point-of-sale credit and digital payment services to the retail, education, health and travel industries.

Investor Relations and Media

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/000 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

zipMoney Limited

ABN

50 139 546 428

Quarter ended ("current quarter")

30-Sep-15

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from customers	95	95
1.2 Payments for (a) staff costs	-131	-131
(b) business development		
(c) research and development		
(d) commercialisation		
(e) other working capital	-406	-406
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other (GST)	-74	-74
	-511	-511

Net Operating Cash Flows

1.8 Net Operating Cash Flows (carried forward)

Cash flows related to investing activities

1.9 Payment for acquisition of:		
(a) business (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets	-17	-17
(e) other - loan book	-650	-650
1.10 Proceeds from disposal of:		
(a) business (item 5)		
(b) equity investments		
(c) intellectual property		
(d) physical non-current assets		
(e) other non-current assets		
1.11 Loans to other entities	-800	-800
1.12 Payment for term deposit		
1.13 Other (ZM Payments Pty Ltd cash at bank)	1,354	1,354
	-113	-113
Net investing cash flows		
1.14 Total operating and investing cash flows (carried forward)	-625	-625

1.14	Total operating and investing cash flows (brought forward)	-625	-625
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	5,000	5,000
1.16	Proceeds from sale of forfeited shares		
1.17	Proceeds from borrowings		
1.18	Repayment of borrowings	-250	-250
1.19	Dividends Paid		
1.20	Other (capital raising costs)	-618	-618
	Net financing cash flows	4,132	4,132
	Net increase (decrease) in cash held	3,508	3,508
1.21	Cash at beginning of quarter/year to date	1,322	1,322
1.22	Exchange rate adjustments to item 1.21		
1.23	Cash at end of quarter	4,830	4,830

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter
		\$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	91
1.25	Aggregate amount of loans to the parties included in item 1.11	

1.26 Explanation necessary for an understanding of the transactions

Director fees, company secretary fees

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Acquisition of zipMoney Holdings Pty Ltd through the issue of ordinary and performance shares as detailed in prospectus dated 11 August 2015.

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

			Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	<i>Warehouse facility</i>	20,355	5,855
3.2	Credit standby arrangements			

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	725	10
4.2	Deposits at call	4,105	1,312
4.3	Bank overdraft		
4.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		4,830	1,322

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	zipMoney Holdings Pty Ltd	
5.2	Place of incorporation or registration	Victoria	
5.3		Issue of shares / performance shares as set out in prospectus dated 11 August 2015	
5.4	Consideration for acquisition or disposal		
5.4	Total net assets	(-1,383,000)	
5.5	Nature of business	Retail Finance	

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date:

29-Oct-15



(Company secretary)

Print name: Ian Hobson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 4 The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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