

Internal use only

Retail Investor Day

September, 2021



ZIP

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**

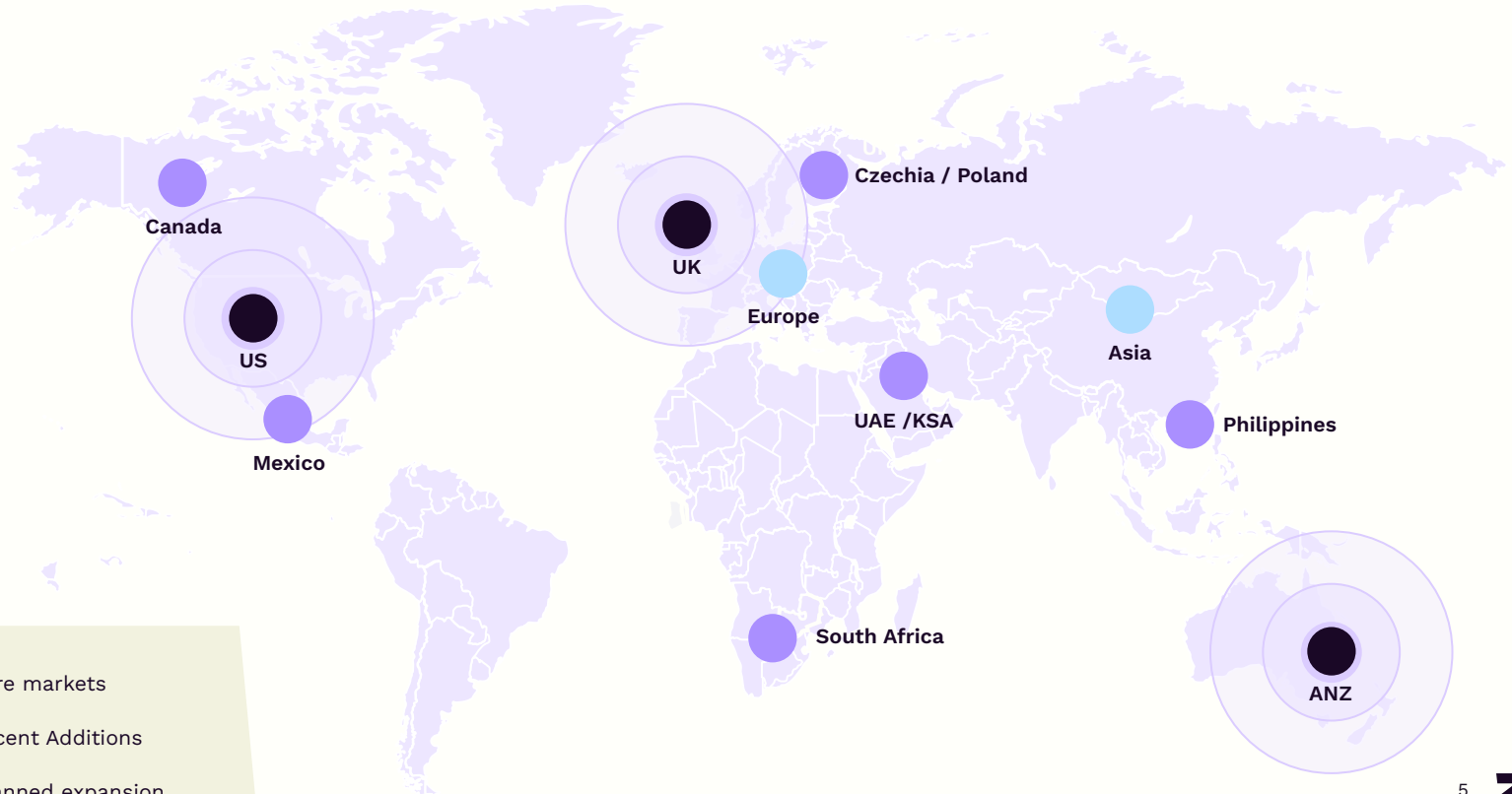


**Global
Reach**



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

Internal use only

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



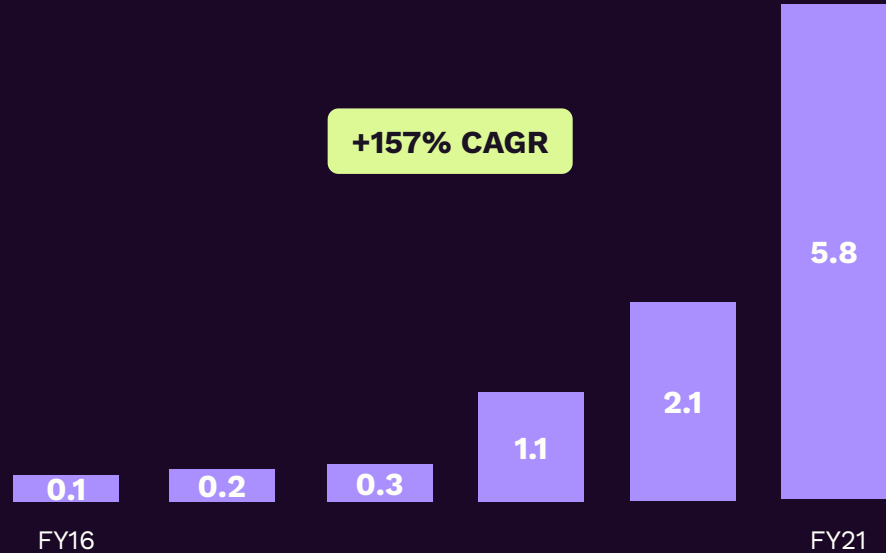
Tasneen Padiath



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)



mal use only

Product & Innovation



Today



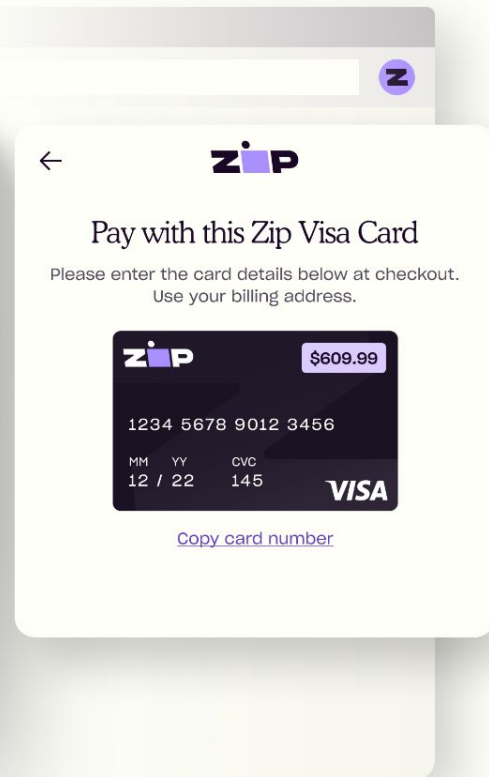
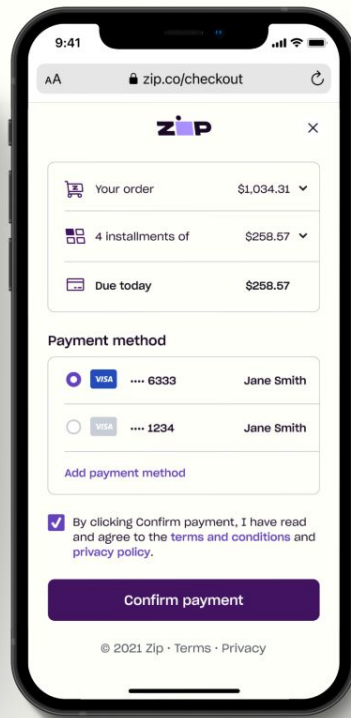
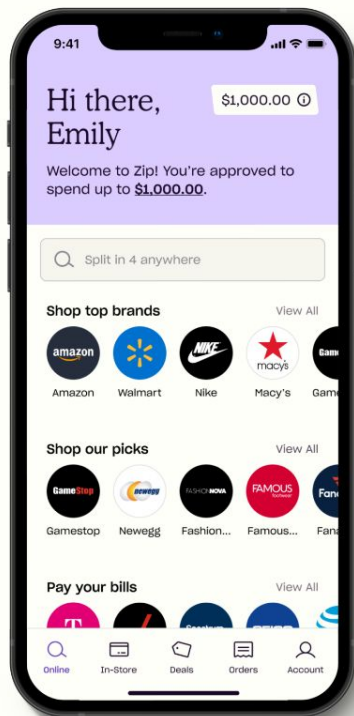
App



Checkout

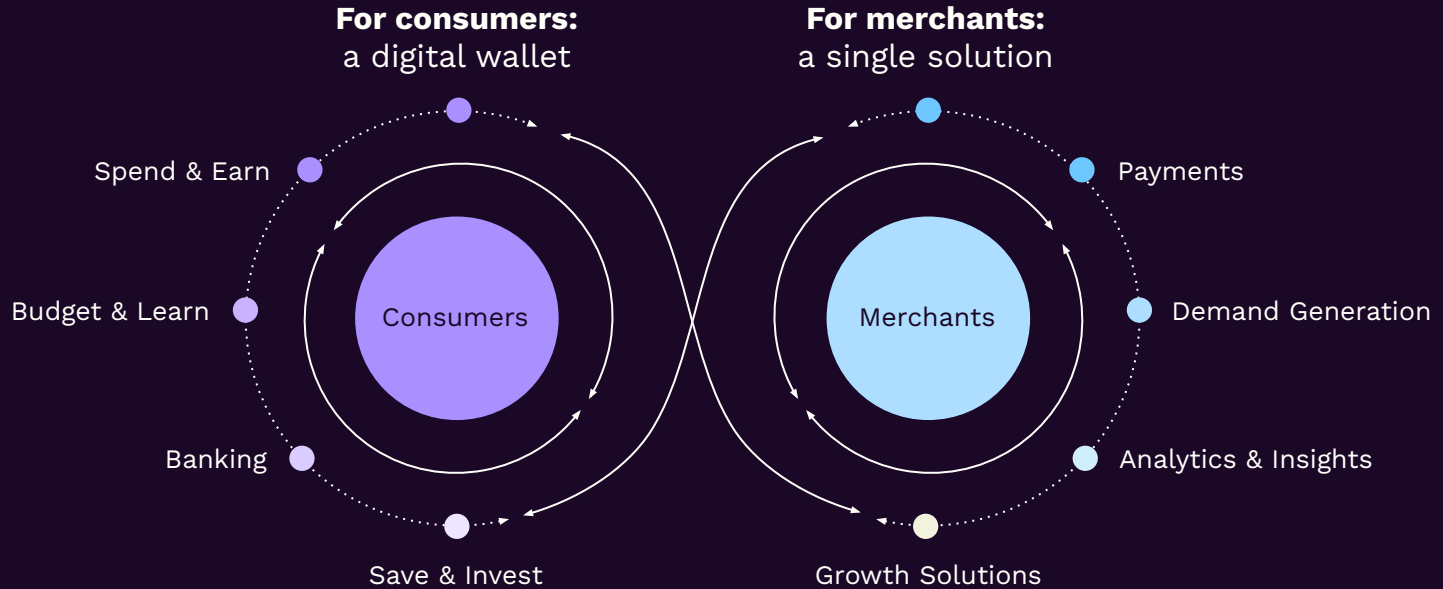


Browser



Our flywheel ecosystem

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



Consumers

Where we're going



Physical Card



Savings Account



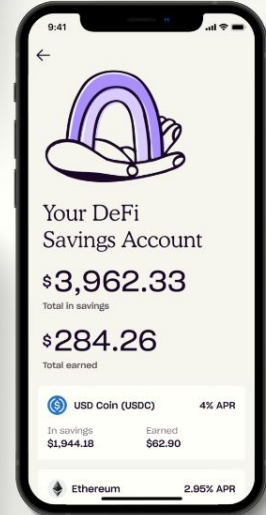
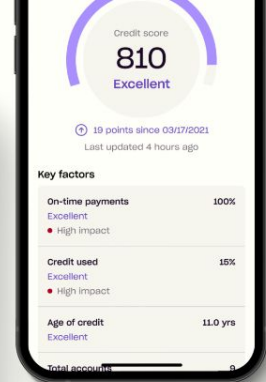
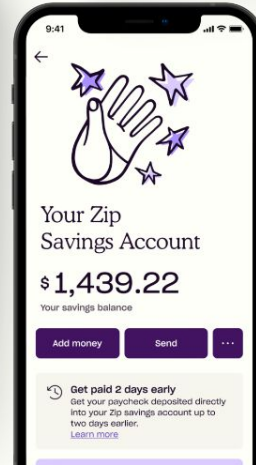
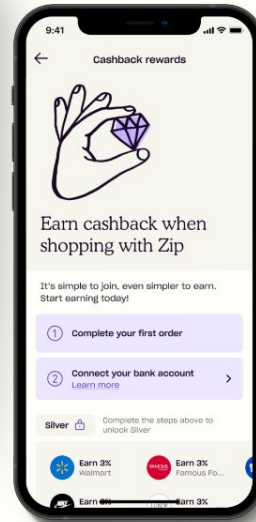
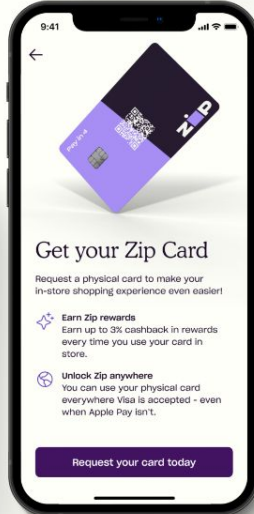
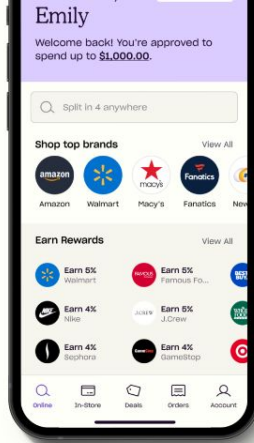
Credit Builder



Rewards



Crypto





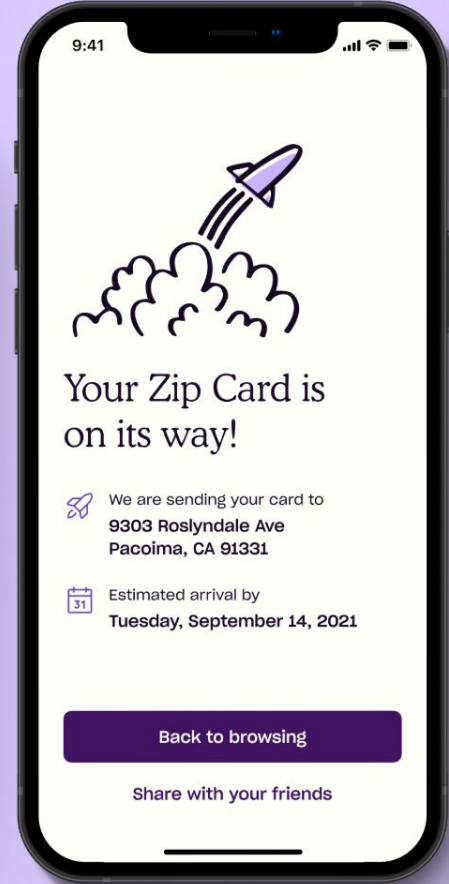
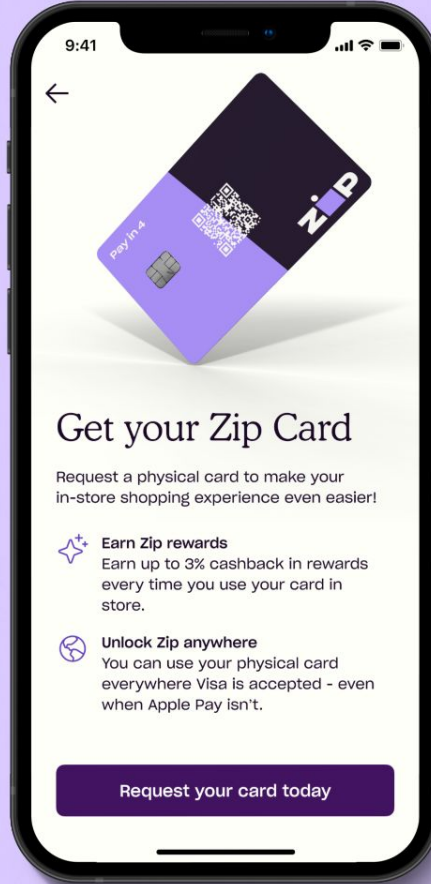
Ways to pay

Pay in 4 Card



Pay in 4 Card

Personal use only

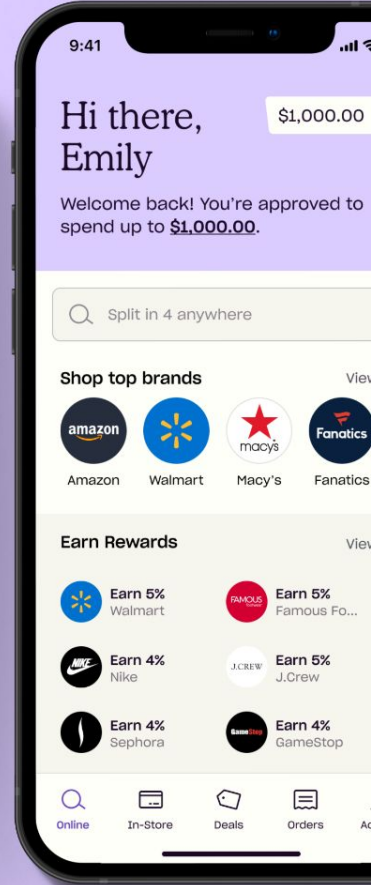
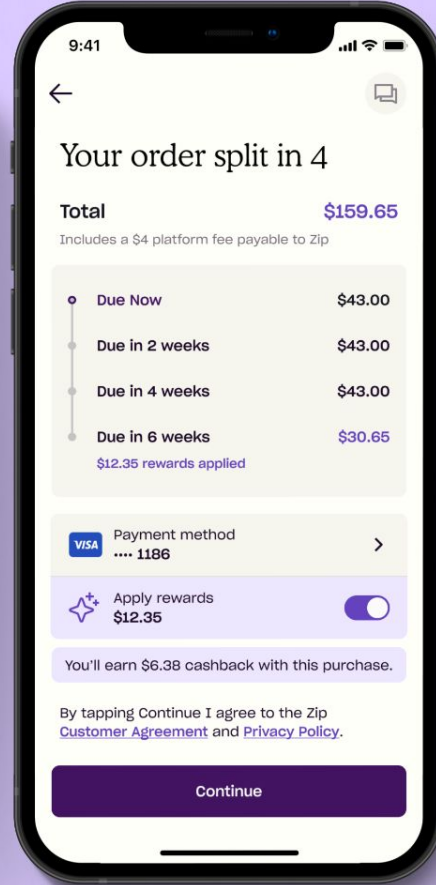
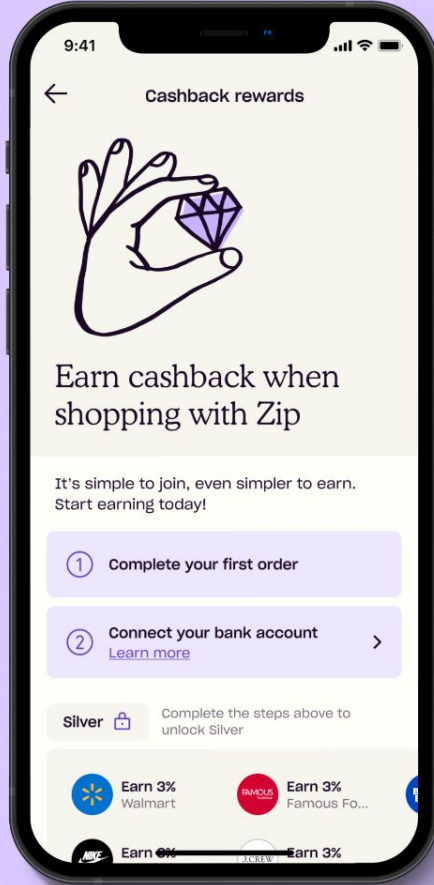


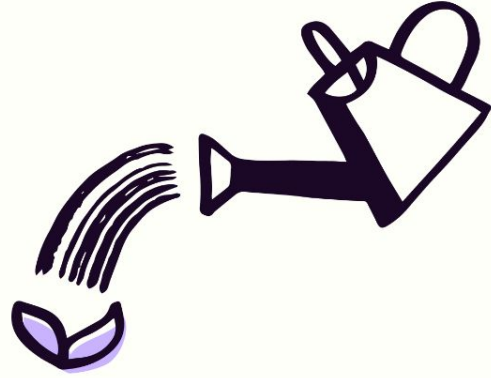


Rewards

Rewards

Illustrative use only

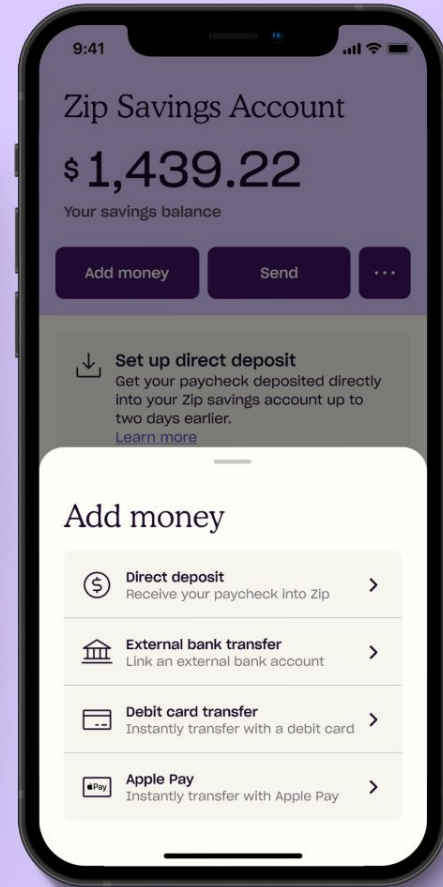
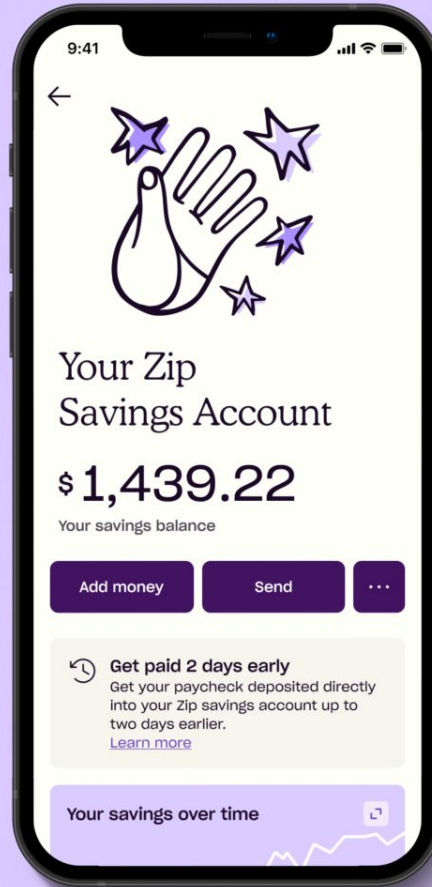




Savings accounts

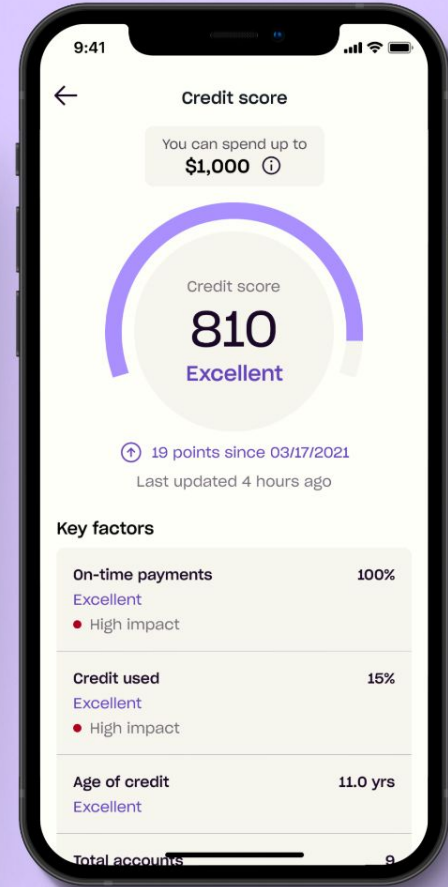
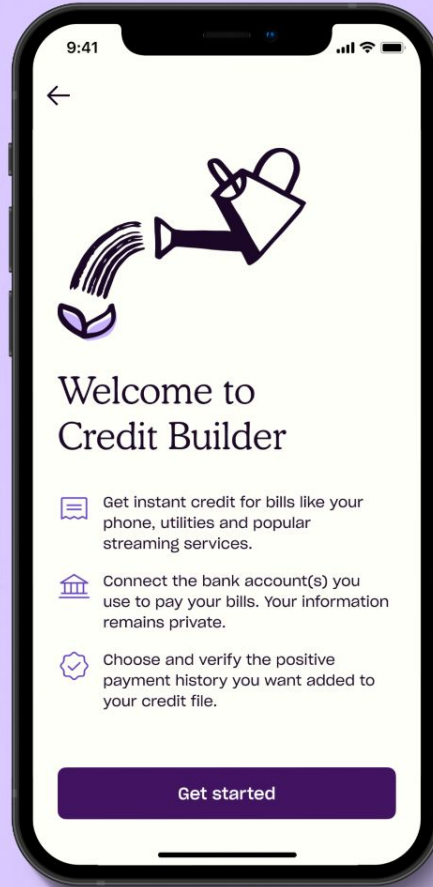
Zip savings account

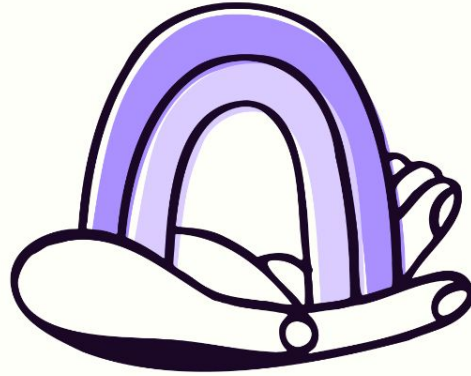
Illustrative use only



Credit builder

Illustrative use only

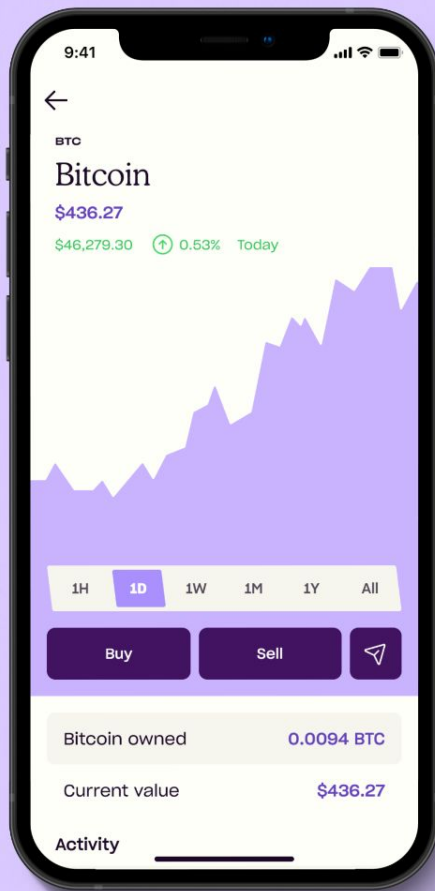




Crypto

Buy, hold, sell - and pay with crypto

Illustrative use only



9:41

Nike
@ nike.com Follow

Shipping Speed
FREE
Arrives by Thu, Aug 5

2. PAYMENT

ADD CARD

Card Number

Your order split in 4

Your order \$172.00
Payment plan [4 installments of \\$43.00](#)
Due today \$43.00

Bitcoin Wallet
BTC 0.0037

1 BTC = \$46,279.30 USD

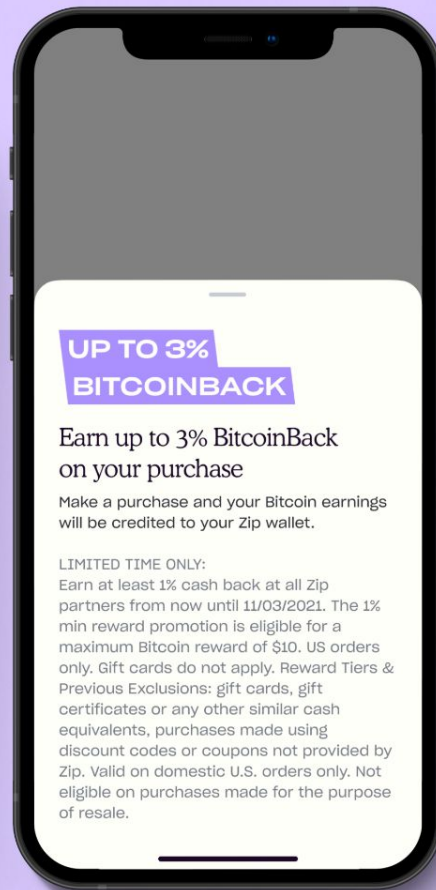
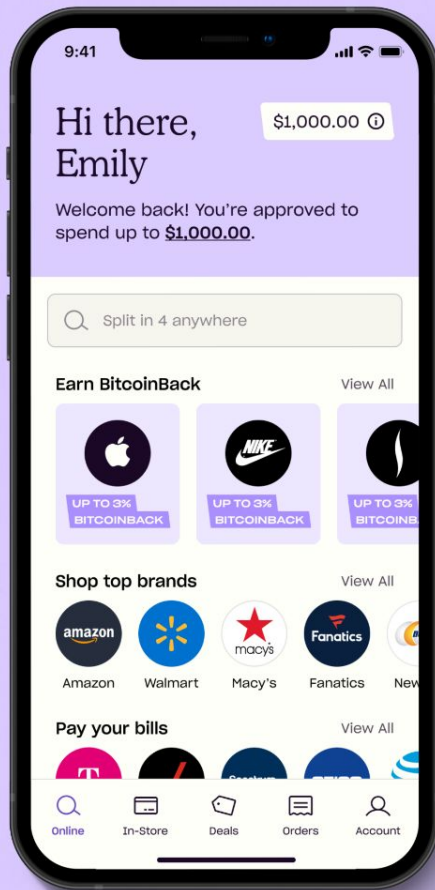
By tapping Continue I agree to the Zip
[Customer Agreement](#) and [Privacy Policy](#).

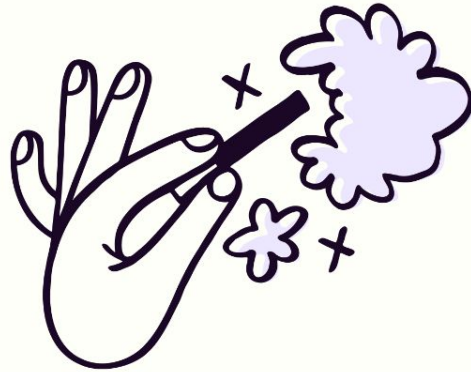
Continue

Detailed description: This is a screenshot of a mobile application interface for a Nike purchase. At the top, the time is 9:41. Below that is a close button and the text 'Nike @ nike.com Follow'. The shipping speed is 'FREE' and it arrives by 'Thu, Aug 5'. The section is titled '2. PAYMENT' and has an 'ADD CARD' button. A modal window is open, titled 'Your order split in 4'. It shows 'Your order \$172.00', 'Payment plan 4 installments of \$43.00', and 'Due today \$43.00'. Below that is a 'Bitcoin Wallet' option showing 'BTC 0.0037' and a right arrow. It also states '1 BTC = \$46,279.30 USD'. At the bottom, there is a disclaimer: 'By tapping Continue I agree to the Zip Customer Agreement and Privacy Policy.' and a 'Continue' button.

Crypto rewards

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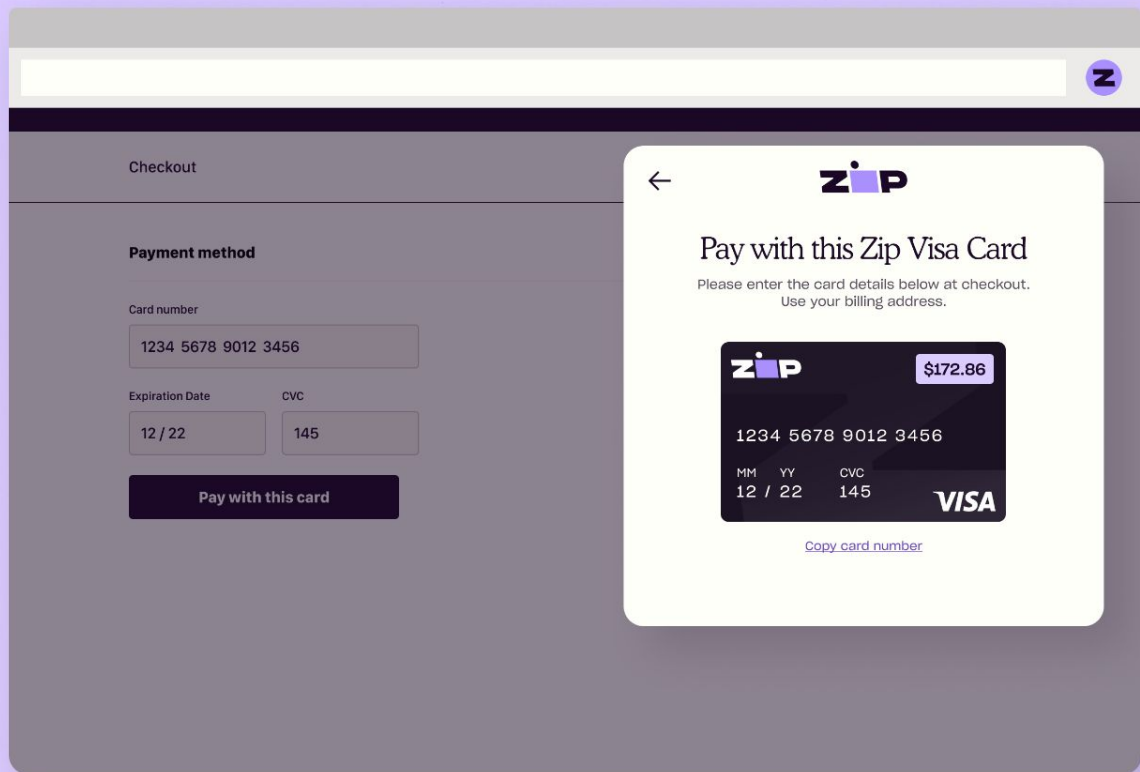




Shopping assistant

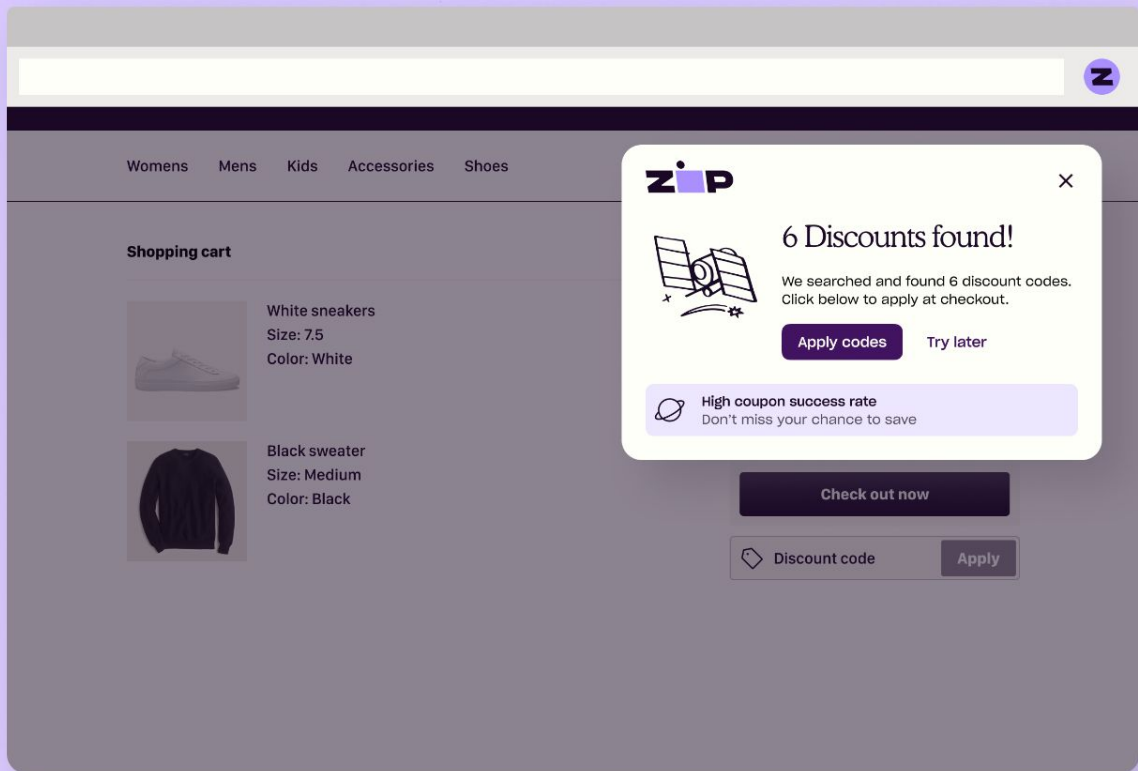
Chrome extension

Coming soon:
Microsoft Edge + Safari



Find discounts

Personal use only



Find better deals

Personal use only

The screenshot shows a mobile shopping app interface. The background is a product page for Apple AirPods Pro with a Wireless Charging Case. The product image is centered, and to its right, the price is listed as \$249.99. A ZIP overlay is positioned in the foreground, displaying a better deal from Best Buy at \$249.99 + tax. Below this, a list of other retailers and their prices is shown: Amazon at \$219.00 + tax, Target at \$234.99 + tax, and Walmart at \$234.99 + tax. A promotional code ZIP15 is also visible.

ZIP

We found a better deal!

Apple AirPods Pro with Wireless Charging Case

BEST DEAL

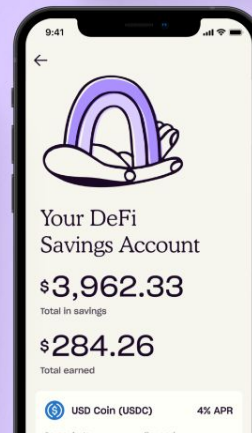
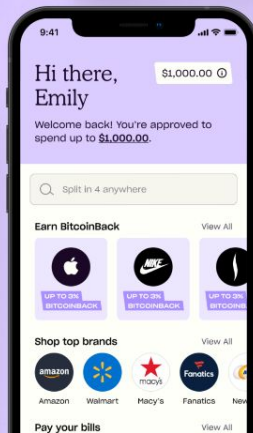
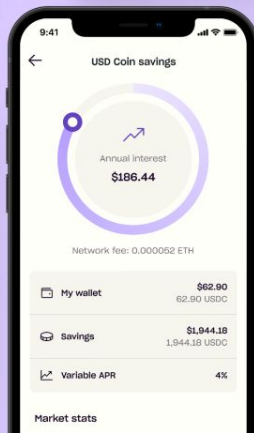
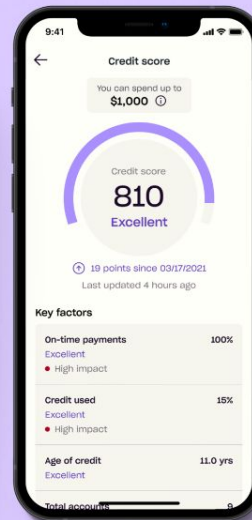
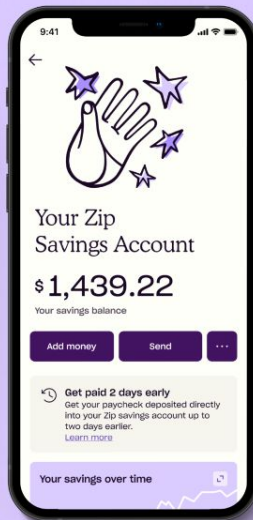
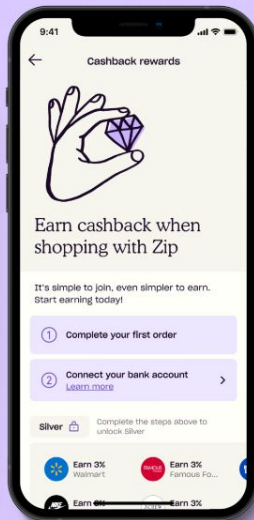
BEST BUY Best Buy \$249.99 + tax

Shop now and save 15%. Use code ZIP15 at checkout.

COMPARE MORE PRICES

Retailer	Price
amazon	\$219.00 + tax
Target	\$234.99 + tax
Walmart	\$234.99 + tax

Illustrative





Innovation for Merchants

Merchants

Where we're going



Long duration



Express checkout



Demand gen



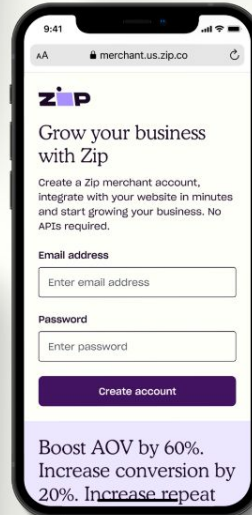
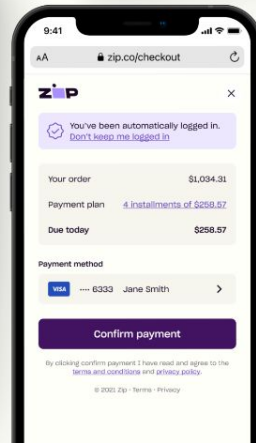
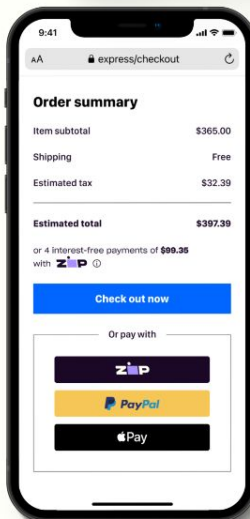
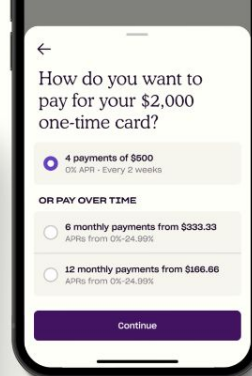
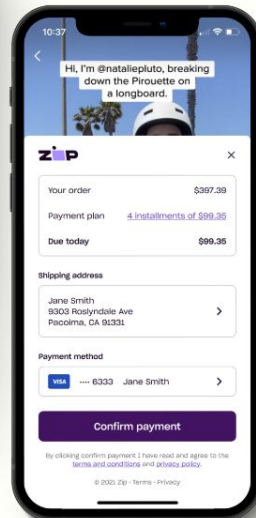
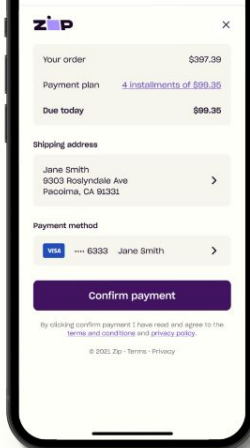
Remember me



Single global integration

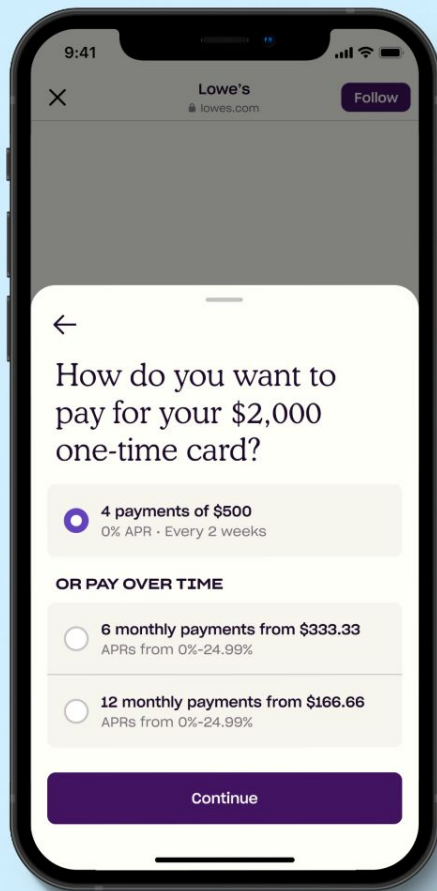


Virtual card integration



Long duration

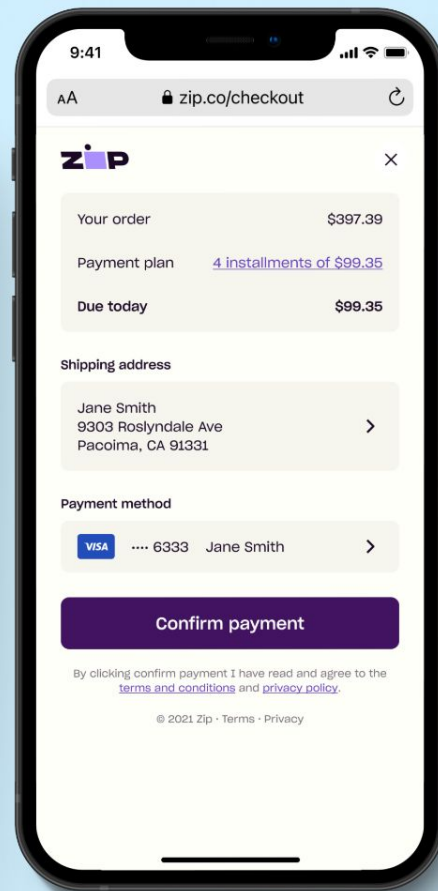
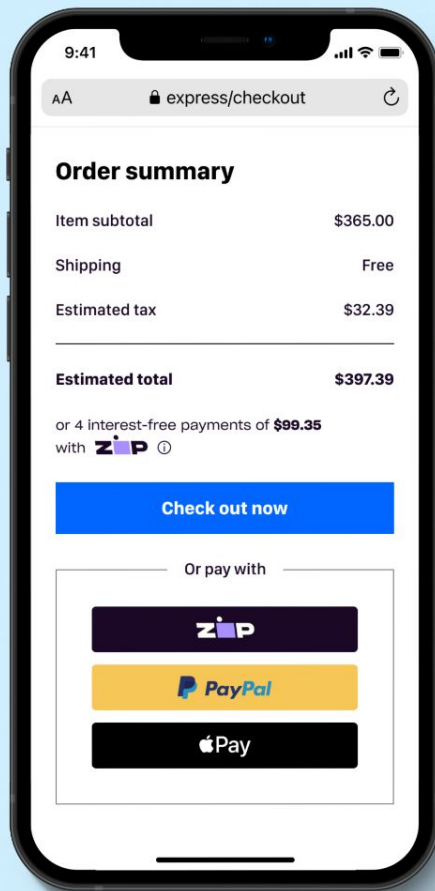
Personal use only



Illustrative

Express checkout

Illustrative



Demand gen

Internal use only

Illustrative

The screenshot shows the ZIP interface for creating a new campaign. 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 sections for Campaign info, Campaign type, Cashback rewards, User segment, and Timing.

Dynamic Ads **Cashback campaigns** Segments Abandoned Cart

Create new campaign

Campaign info

Campaign name:

Campaign Tags:

Campaign type

Cashback rewards

Cashback type:

Cashback amount:

Cashback rules:

If is greater than

+ Add condition

User segment

Select a user segment for your campaign.

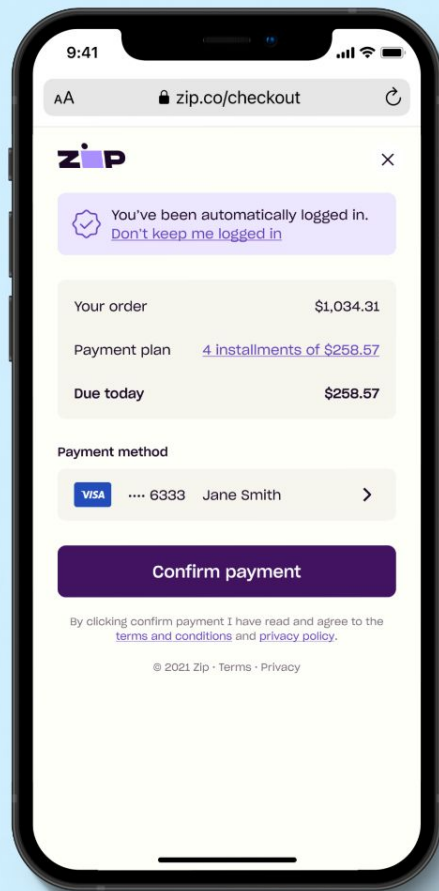
Timing

Select campaign start and end dates.

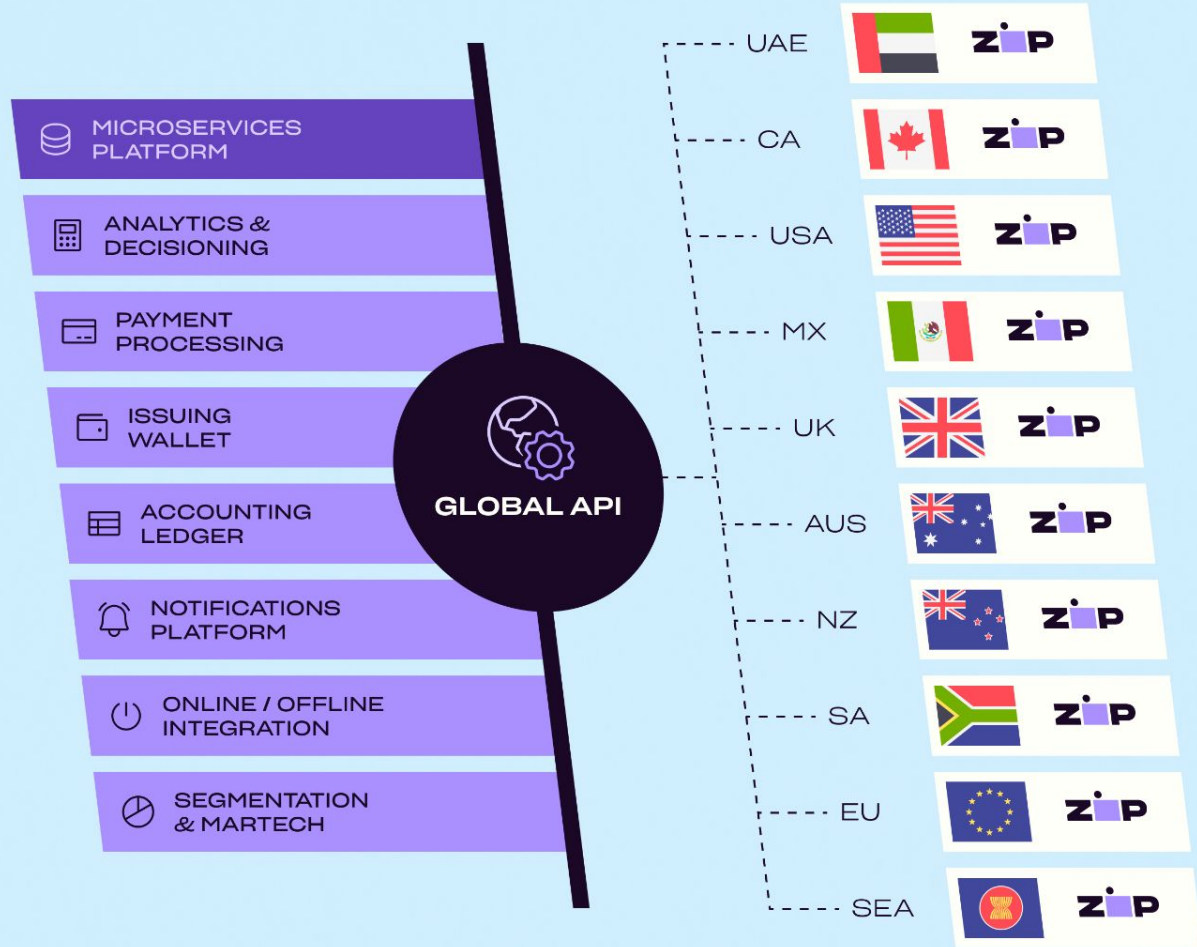
Start date:

End date:

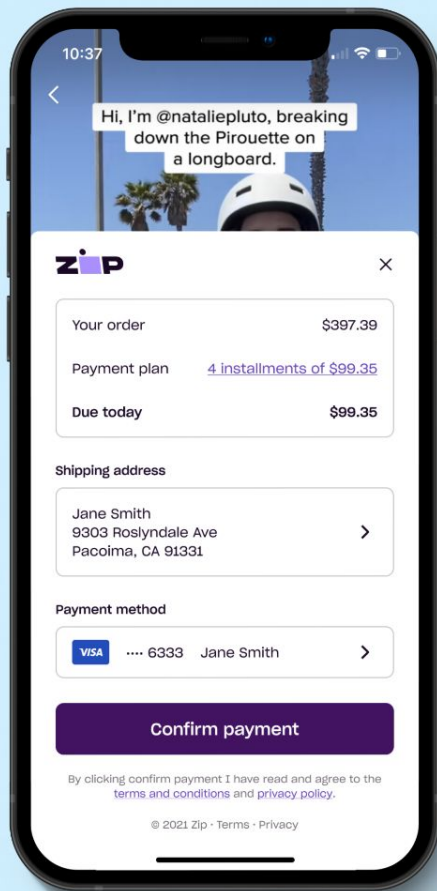
Remember
me



Single global integration



Virtual card integration



Illustrative

amazon.com.au



Microsoft

SHEIN

boohoo

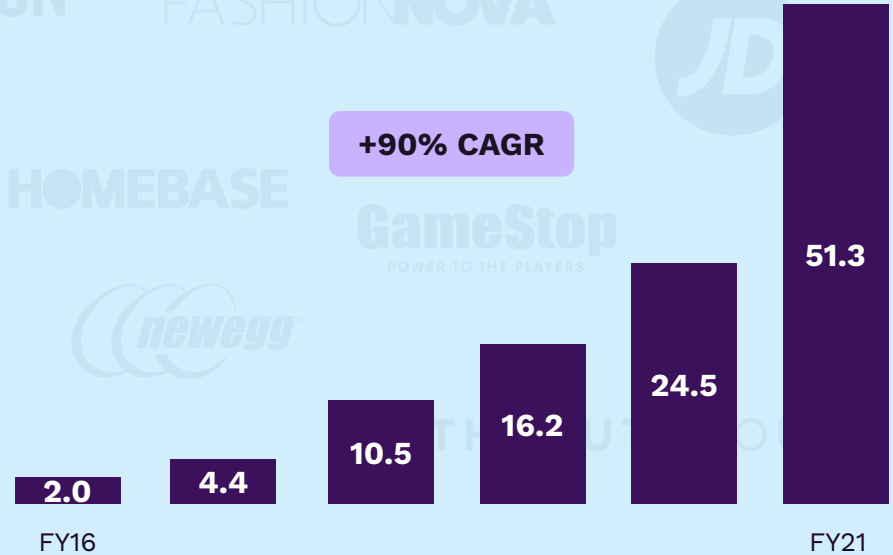
COTTON:ON

FASHIONNOVA



We continue to scale with world leading brands

Total Merchants ('000)



MERCARI

Famous Footwear

HOMEBASE



GameStop
POWER TO THE PLAYERS

JB HI-FI

BUNNINGS
warehouse

ebay

thewarehouse



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

mal use only

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



zip UK
Canada
Mexico

Land > Expand

Minority
Investments



spotii **payflex**
twisto **TendoPay**

Invest > Monitor > Scale

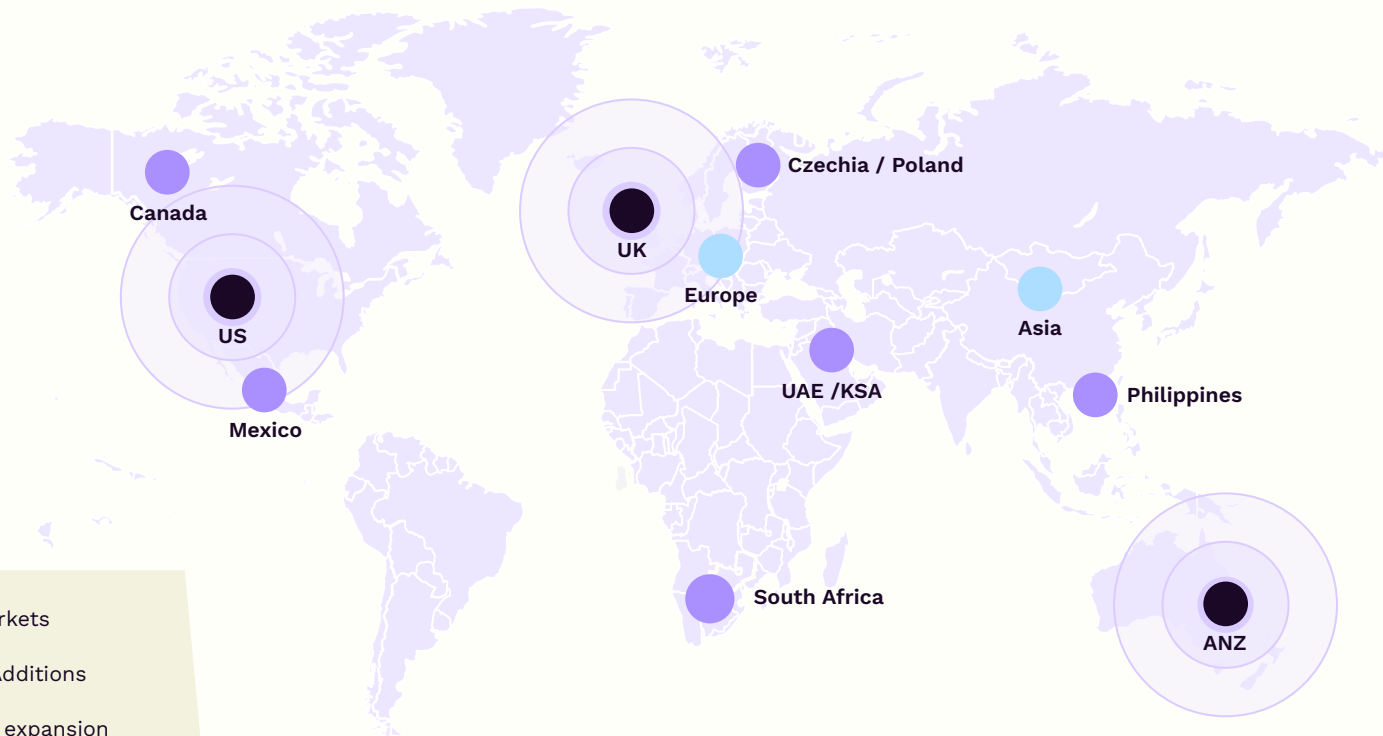
Acquisitions



PartPay
quadpay

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



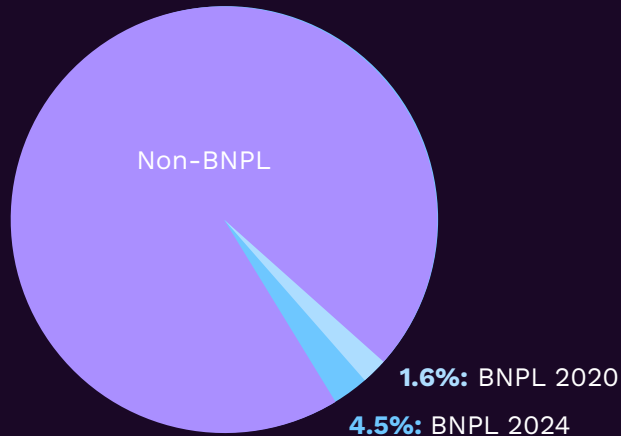
- Core markets
- Recent Additions
- Planned expansion

Internal use only

The US is our highest priority...

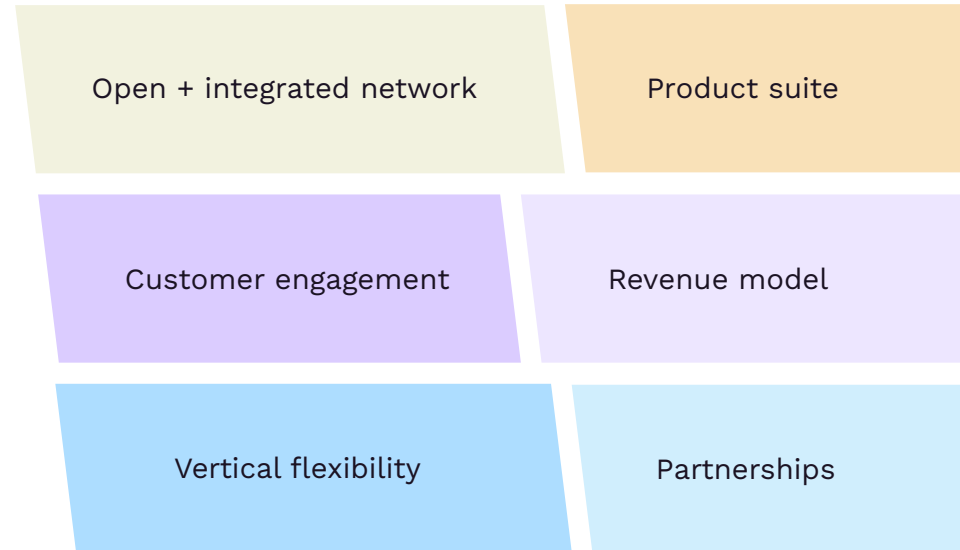
\$5.2tn US retail market¹

BNPL share of e-commerce spend²



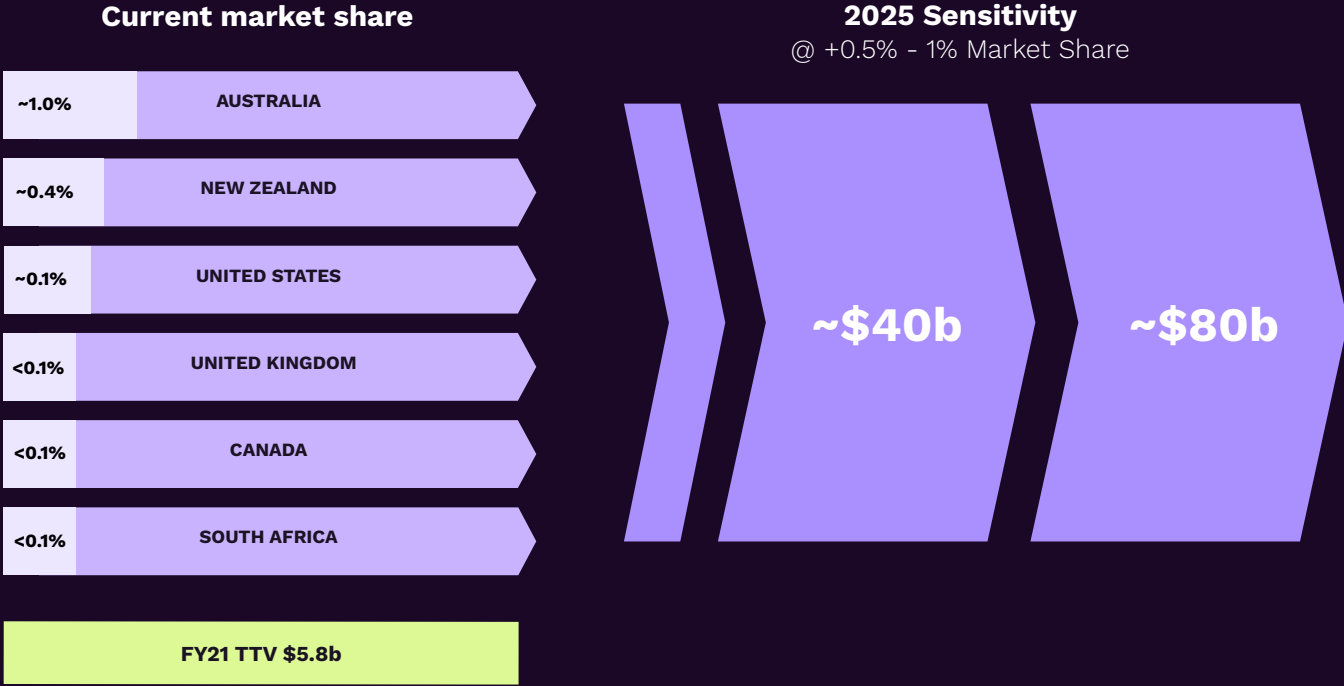
Note: 1. US Census, 2019. 2. Worldpay global payments report, 2021.

...we have the tools to win



Executing our plan will deliver material growth

Internal use only



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

mal use only

Performance



Investing in Zip

Growth business

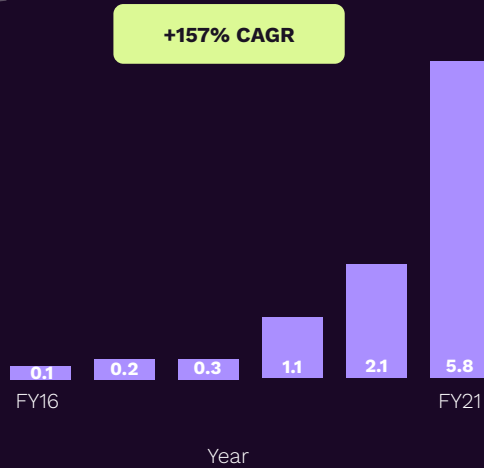
Long term focus

Scalable unit economics

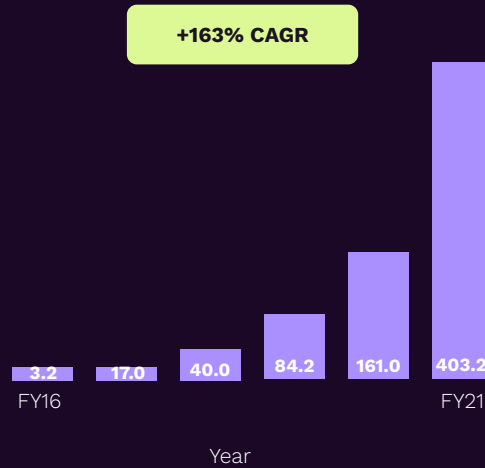


We are a growth business

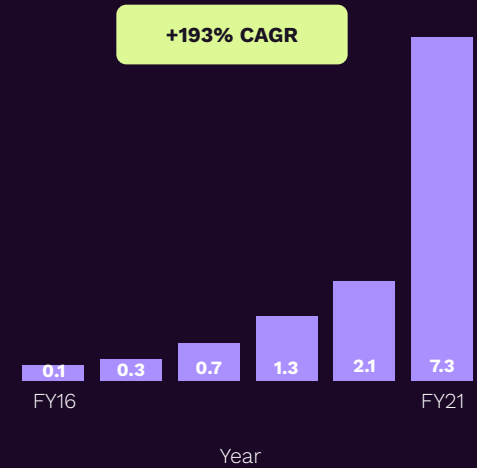
Total Transaction Volume
(\$AUDb)



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

Acquisition

Merchants and products to drive acquisition

Engagement

More places to shop and ways to pay

Frequency

Innovation to drive usage

Volume

Deeper engagement drives top-line growth

Total Customers

×

% Monthly Transacting Users (MTU)

×

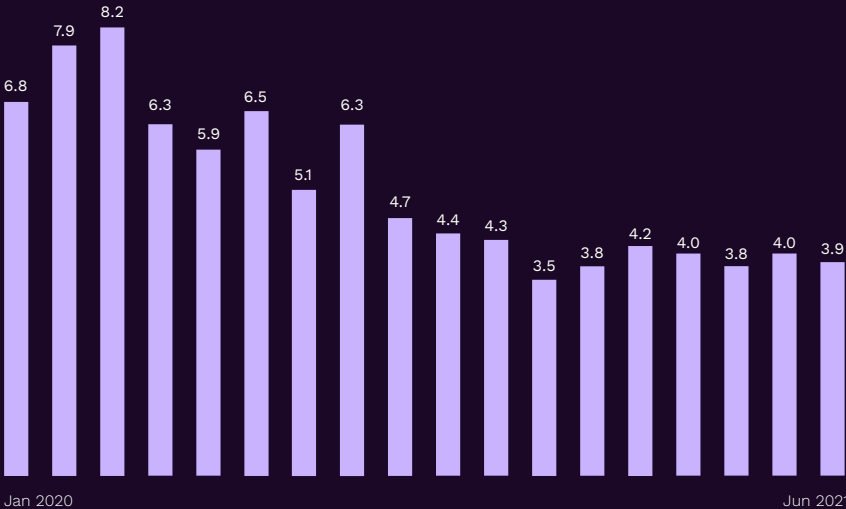
Transactions per MTU

=

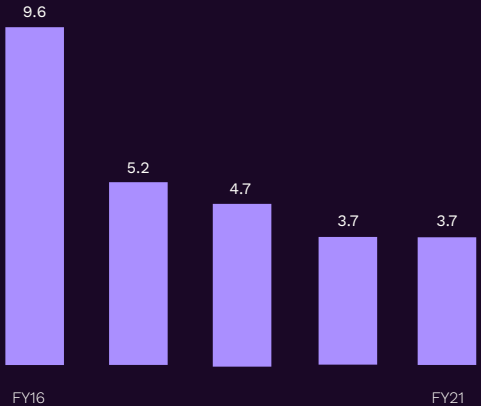
Total Transaction Volume (TTV)

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

Repayment velocity
(average months to recycle book)



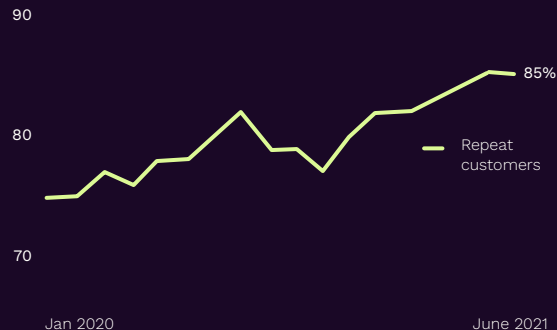
Interest rate on loans
(Weighted average interest rate %)



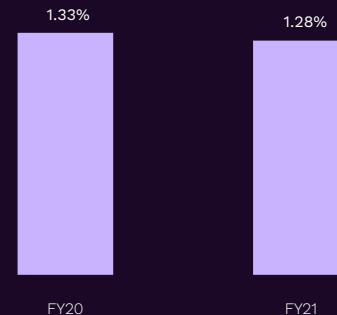
Internal use only

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

Returning Customer Contribution¹
(as a % of TTV)



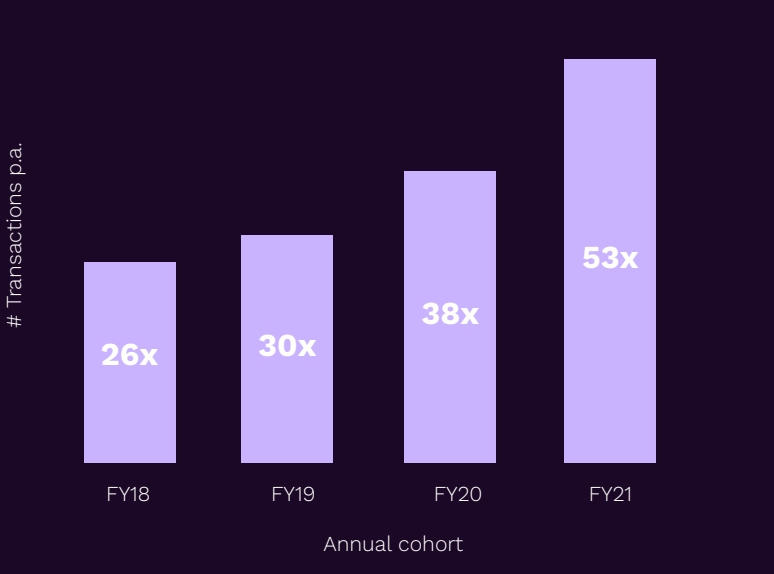
Net Bad Debts Written Off^{2,3}
(as a % of TTV)



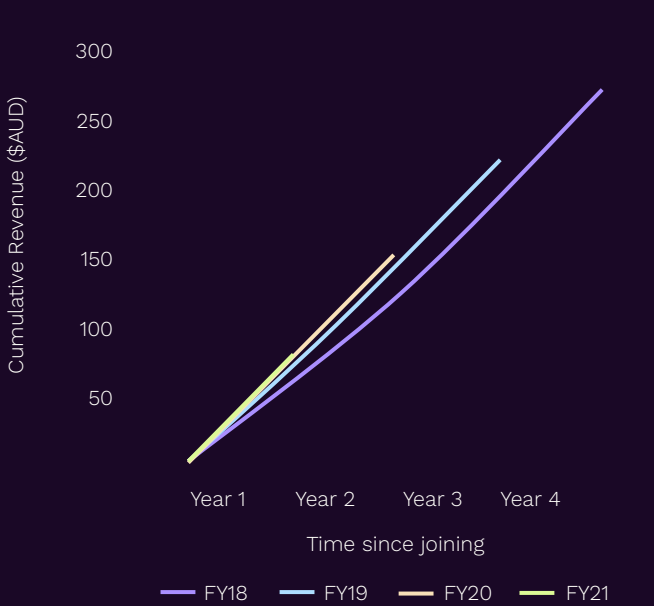
Note: 1. Includes Australia and US, 2. Zip Group, 3. Net bad debts represents impaired receivables written off during the year, net of any recoveries.

Deepening engagement and healthy margin creates higher customer lifetime value

Annual transactions, top 20% ANZ customers¹

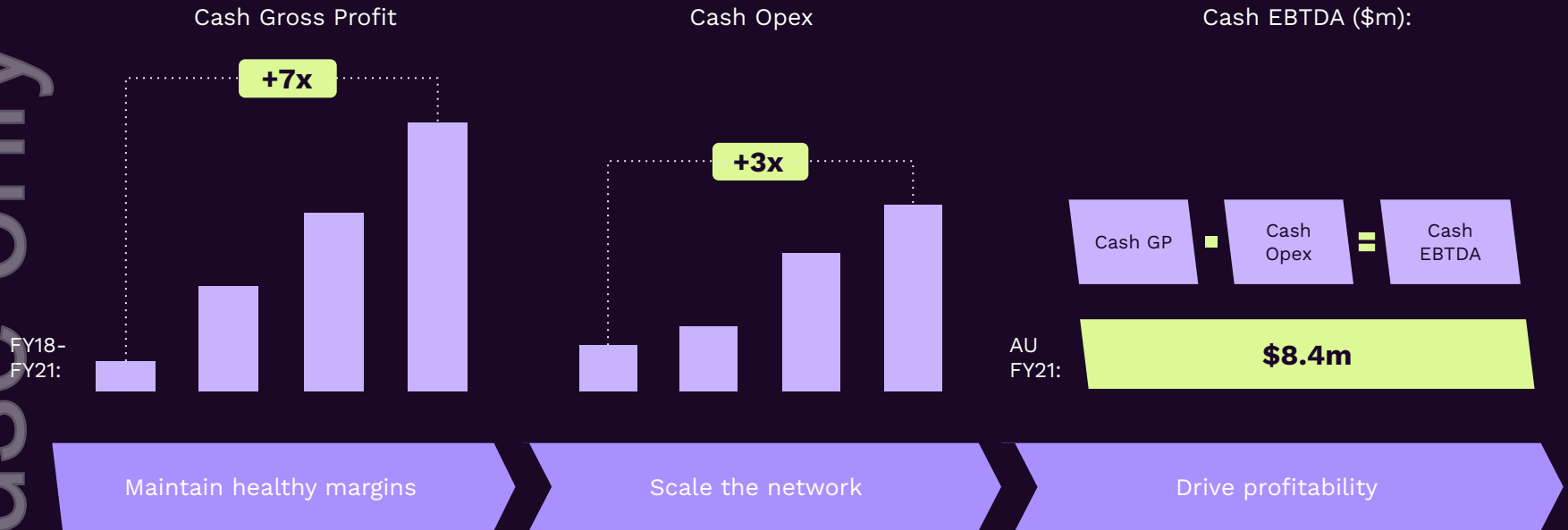


Cumulative revenue per ANZ customer²



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

Value

Customers

Merchants

Growth

**Unit
Economics**



Internal use only

Q&A



mal use only

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.