# Retail Investor Day

September, 2021



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

0nly

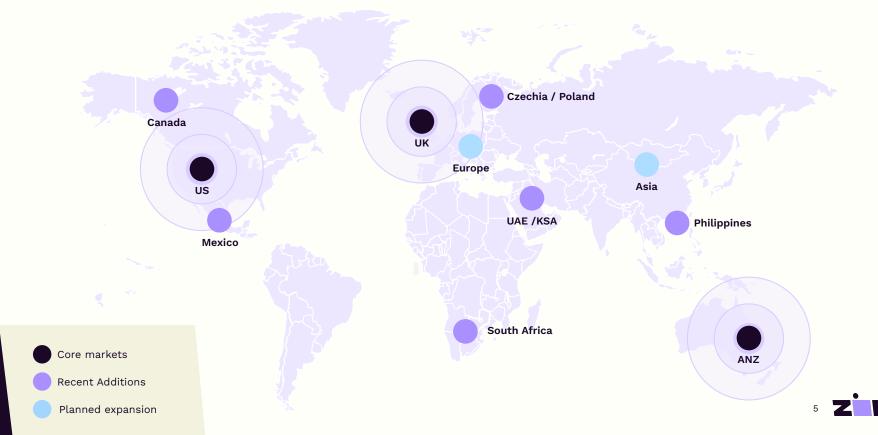


4 **Z** 

## We are a truly global player

For personal us

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

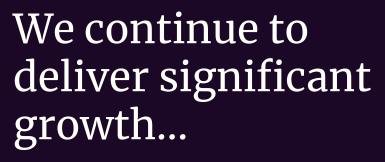


## We are global leaders in BNPL with local expertise in every market

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



Total transaction volume (\$AUDb)





QIUQ

Dersona



#### Z1P Share Price (\$AUD)

## ...creating material value for Zip shareholders



# Product & Innovation



## Today

App

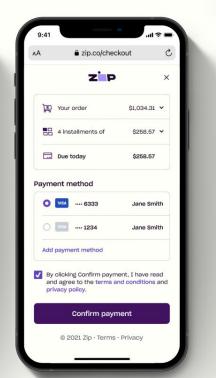
Checkout

Browser

ZEP 0 S N personal Пп

Z

Hi there. \$1,000.00 () Emily Welcome to Zip! You're approved to spend up to \$1,000.00. Q Split in 4 anywhere Shop top brands View All X mazo macys Amazon Walmart Nike Macy's Game Shop our picks View All Fan Gamestop Newegg Fashion... Famous... Fan Pay your bills View All 2 ---Q 0 Online In-Store Deals Orders Account



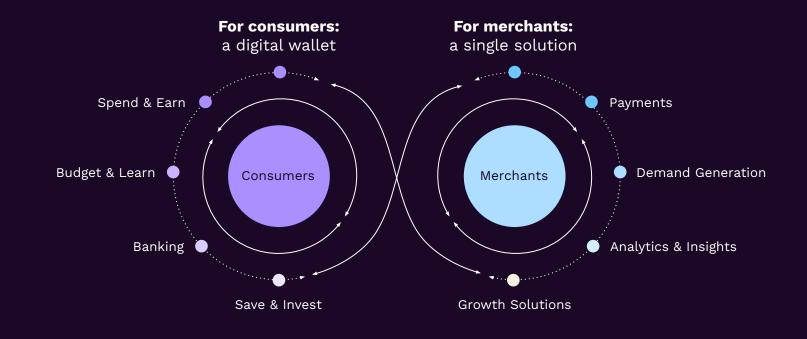
Z ZP Pay with this Zip Visa Card Please enter the card details below at checkout. Use your billing address. ZP \$609.99 1234 5678 9012 3456 12 / 22 145 VISA Copy card number

 $\leftarrow$ 



### Our flywheel ecosystem

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







## Where we're going

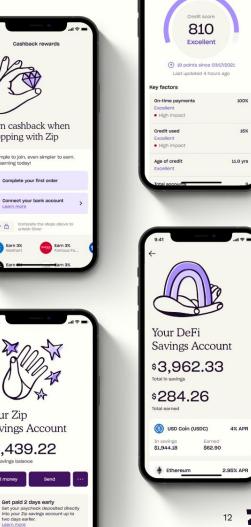
- Physical Card
- 🟦 Savings Account
  - Credit Builder

🖗 Rewards

🛱 Crypto









#### Ways to pay



Pay in 4 Card





#### Pay in 4 Card



# Your Zip Card is on its way!

- III

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

Estimated arrival by Tuesday, September 14, 2021

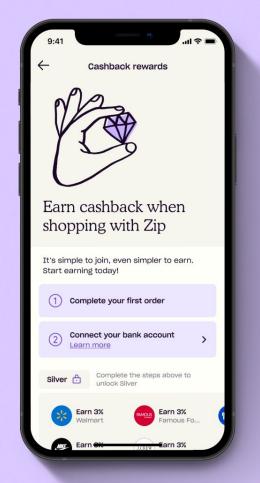
#### Back to browsing

Share with your friends

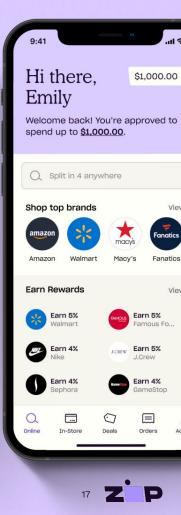


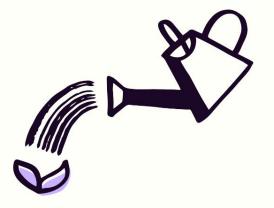
Rewards





9:41	<b>ال</b> ال
<del>.</del> -	Ð
Your order spli	t in 4
<b>Total</b> Includes a \$4 platform fee pay	<b>\$159.65</b> rable to Zip
• Due Now	\$43.00
• Due in 2 weeks	\$43.00
• Due in 4 weeks	\$43.00
Due in 6 weeks     \$12.35 rewards applied	\$30.65
VISA Payment method ···· 1186	>
Apply rewards \$12.35	
You'll earn \$6.38 cashback	with this purchase.
By tapping Continue I agree Customer Agreement and Pri	
Continue	

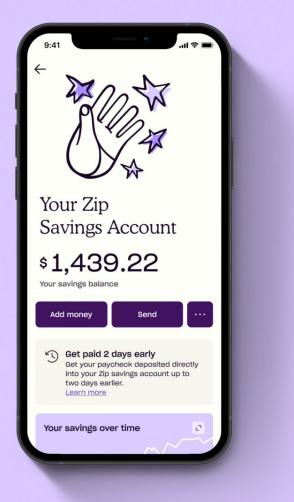


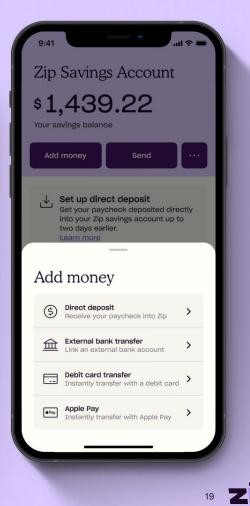


#### Savings accounts



#### Zip savings account



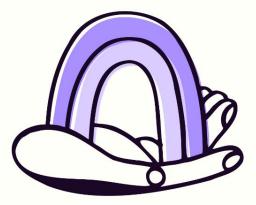


#### **Credit** builder





Illustrative

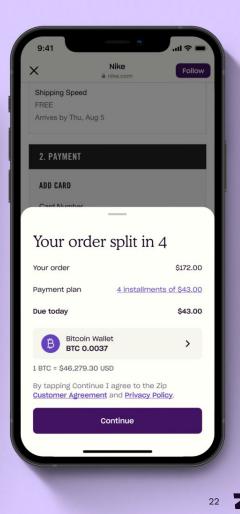


#### Crypto



#### Buy, hold, sell and pay with crypto

9:41 ← Bitcoin \$436.27 \$46,279.30 () 0.53%	Today			
1H 1D 1W	1M	1Y	All	I
Виу	Sell		Ą	
Bitcoin owned		0.009	4 втс	
Current value		\$4	36.27	
Activity		•		



#### Crypto rewards

...l 🕆 I 9:41 Hi there, \$1,000.00 () Emily Welcome back! You're approved to spend up to \$1,000.00. Q Split in 4 anywhere Earn BitcoinBack View All BITCOINBACH Shop top brands View All 2:5 macys mazon Fanatics Amazon Walmart Macy's Fanatics New Pay your bills View All ---2 Q 0 Online In-Store Deals Orders Account

#### UP TO 3% BITCOINBACK

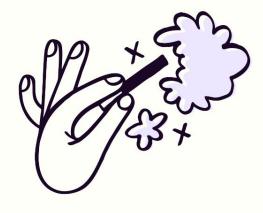
#### Earn up to 3% BitcoinBack on your purchase

Make a purchase and your Bitcoin earnings will be credited to your Zip wallet.

#### LIMITED TIME ONLY:

Earn at least 1% cash back at all Zip partners from now until 11/03/2021. The 1% min reward promotion is eligible for a maximum Bitcoin reward of \$10. US orders only. Gift cards do not apply. Reward Tiers & Previous Exclusions: gift cards, gift certificates or any other similar cash equivalents, purchases made using discount codes or coupons not provided by Zip. Valid on domestic U.S. orders only. Not eligible on purchases made for the purpose of resale.

23



### Shopping assistant



#### Chrome extension

**Coming soon:** Microsoft Edge + Safari

Checkout		÷	ZP
Payment method			Pay with this Zip Visa Card
Card number			Please enter the card details below at checkout. Use your billing address.
1234 5678 9012 3456			<b>ZIP</b> \$172.86
Expiration Date CVC			2 P \$172.86
12 / 22 14	.5		1234 5678 9012 3456
Pay with this c	ard		MM YY CVC 12 / 22 145 <b>VISA</b>
			Copy card number



#### Find discounts

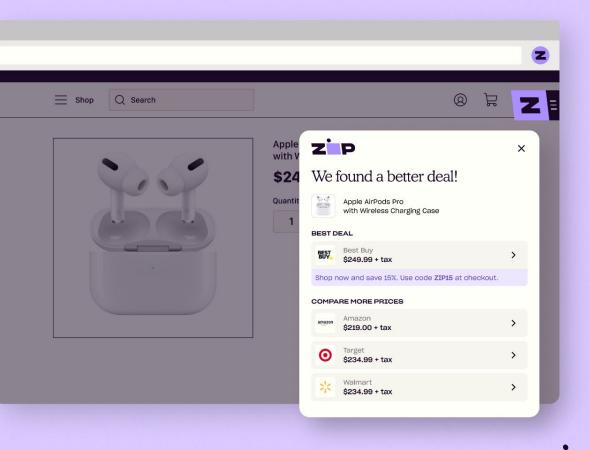
Womens Mens Kids Accessories Shoes ZP х 6 Discounts found! **Shopping cart** We searched and found 6 discount codes. Click below to apply at checkout. White sneakers Size: 7.5 Apply codes Try later Color: White High coupon success rate Ø Don't miss your chance to save Black sweater Size: Medium Color: Black 🚫 Discount code

Illustrative

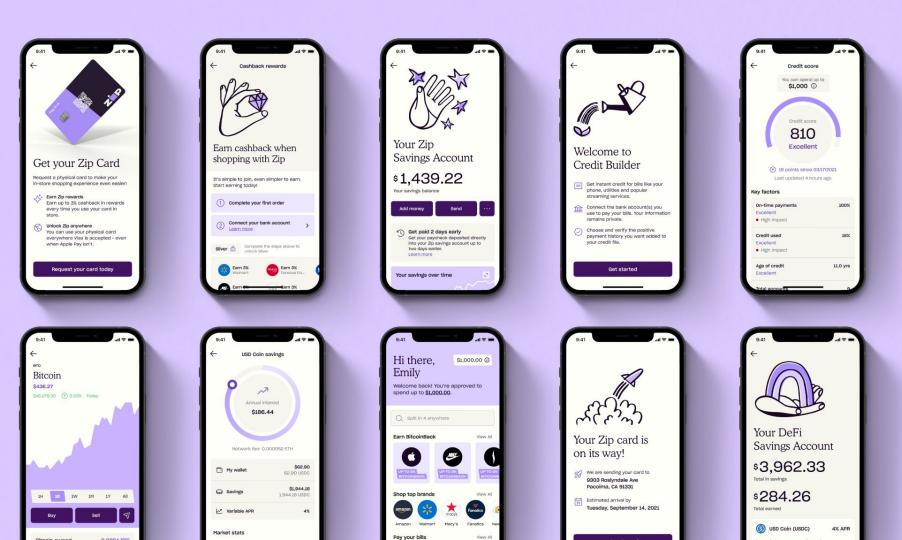
26 **Z** P

Z

#### Find better deals



27





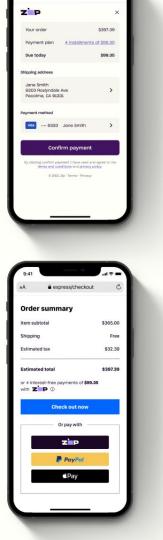
#### Innovation for Merchants

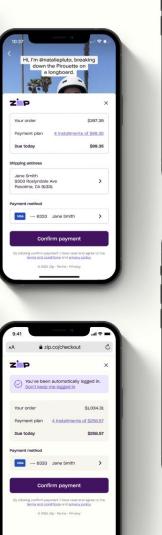


#### Merchants

## Where we're going

- Long duration
- Express checkout
  - 7 Demand gen
- (g<sup>†</sup> Remember me
  - Single global integration
  - Virtual card integration





How do you want to pay for your \$2,000 one-time card? • 4 <u>symmeto</u> 5 650 00 CX AT - Every 2 weeks • 5 monthly payments from \$333.33 • 12 monthly payments from \$366.66 Arts from 0X-24.90X • 24 Continue 9.41 • a merchant.us.zip.co • Continue • a merchant.us.zip.co • Continue • a merchant.us.zip.co • Continue • There are a content in mutues and start growing your business. No Arts frequired. Enter email address • Password Enter enail address • Password • Create account • Cre	←			
OX AFR - Every 2 weeks      OR PAY OVER TIME      Or fronthly payments from \$333.33     Arris from 034-0498X      Is monthly payments from \$460.66      Artis from 034-0498X      Continue  9.41      or of the other of the other of the other of the other	pay fo	or your \$2		
	O 4 pa	iyments of \$500 IPR - Every 2 weeks		
Artes from 05:-24.99x  Artes from 05:-24.99x  Continue  A   merchantus.zip.co  C  C  C  C  C  C  C  C  C  C  C  C  C	OR PAY C	OVER TIME		
Area from 03:-24.09x  Continue  9:41  9:41  9:41  a merchant us:zip.co  C  C  C  C  C  C  C  C  C  C  C  C  C	O APRI	onthly payments f s from 0%-24.99%	rom \$333.33	
9.41 A emerchant.us.zip.co C P Grow your business with Zip Create a Zip marchant account. Integrate with your website in minutes and start growing your business. No Parse required. Enter email address Enter email address Password Enter password Create account Boost AOV by 60%. Increase conversion by	O 12 m	nonthly payments s from 0%-24.99%	from \$166.66	
A merchant.us.zip.co C		Continue		
A merchant.us.zip.co C			_	
A merchant.us.zip.co C				
A merchant.us.zip.co C				
A merchant.us.zip.co C				
A merchant.us.zip.co C				
Create a 21p merchant account, Integrate with your website in minutes and start growing your business. No APIS required. Enter email address Password Enter password Create account Boost AOV by 60%. Increase conversion by	9:41		÷ 11.	-
Grow your business with Zip Create a Zip merchant account, ntegrate with your website in minutes and start growing your business. No APIS required. Enter email address Password Enter password Create account Boost AOV by 60%. Increase conversion by	AА	e merchant.us.	zip.co	C
Grow your business with Zip Create a Zip merchant account, ntegrate with your website in minutes and start growing your business. No APIS required. Enter email address Password Enter password Create account Boost AOV by 60%. Increase conversion by				
with Zip Create a Zip merchant account. Integrate with your website in minutes and start growing your business. No APIs required. Enter email address Password Enter password Create account BOOSS AOV by 60%. Increase conversion by	2			
Create a Zip merchant account, Integrate with your website in minutes and start growing your business. No APIS required. Email address Enter email address Password Enter password Create account BOOSt AOV by 60%. Increase conversion by			siness	
Integrate with your website in minutes and start growing your business. No APIs required. Enter email address Password Enter password Create account BOOST AOV by 60%. Increase conversion by			accust	
Enter email address Password Enter password Create account Boost AOV by 60%. Increase conversion by		with your webs t growing your b	site in minute	95
Password Enter password Create account Boost AOV by 60%. Increase conversion by	and start	uireu.		
Enter password Create account Boost AOV by 60%. Increase conversion by	and start APIs requ			
Create account Boost AOV by 60%. Increase conversion by	and start APIs requ Email add	dress		
Boost AOV by 60%. Increase conversion by	and start APIs requ Email add	dress mail address		
Boost AOV by 60%. Increase conversion by	and start APIs requ Email add Enter e Password	dress email address d		
Increase conversion by	and start APIs requ Email add Enter e Password	dress email address d		
Increase conversion by	and start APIs requ Email add Enter e Password	dress email address d assword	unt	
Increase conversion by	and start APIs requ Email add Enter e Password	dress email address d assword	unt	
· · · · · · · · · · · · · · · · · · ·	and start APIs requ Email add Enter e Password Enter p	dress mail address d d Create acco		
down martine pour	and start APIs requ Email add Enter e Password Enter p Boost	dress mail address d create acco t AOV by	60%.	
and the second se	and start APIs requ Email add Enter e Password Enter p Enter p Boost Incre	dress email address d create acco t AOV by ase conve	60%. ersion b	y
	and start APIs requ Email add Enter e Password Enter p Boost Increa	dress email address d create acco t AOV by ase conve	60%. ersion b	y
	and start APIs requ Email add Enter e Password Enter p Enter p Boost Incre	dress email address d create acco t AOV by ase conve	60%. ersion b	y
30	and start APIs requ Email add Enter e Password Enter p Enter p Boost Incre	dress email address d create acco t AOV by ase conve	60%. ersion b <u>re</u> peat	y

#### Long duration

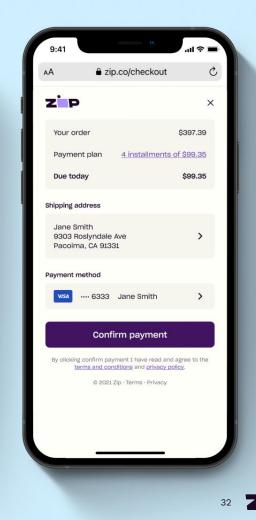
9:41		
×	Lowe's	Follow
$\leftarrow$	_	
pay for	o you want your \$2,00 ne card?	
	nents of \$500 • Every 2 weeks	
OR PAY OV	ERTIME	
	thly payments from a om 0%-24.99%	\$333.33
	nthly payments from om 0%-24.99%	\$166.66
	Continue	

Illustrative

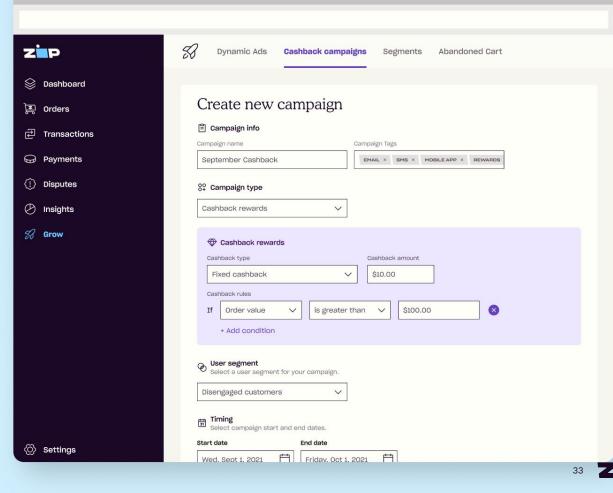


#### Express checkout

9:41		
AA	express/checkout	S
Order	summary	
Item subt	otal	\$365.00
Shipping		Free
Estimatec	l tax	\$32.39
Estimated	d total	\$397.39
or 4 intere with	st-free payments of \$99.35	i
	Check out now	
	Or pay with	
	ZIP	
	PayPal	
	€Pay	
		_
_		



#### Demand gen



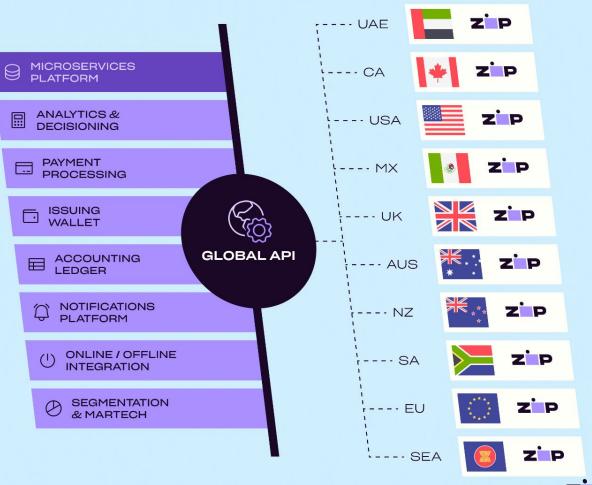
Illustrative

#### Remember me

9:41		.ıl ≎ ∎
A ê	zip.co/checkout	Ċ
Z <sup>i</sup> P		×
You've b	een automatically I ep me logged in	logged in.
Your order		\$1,034.31
Payment plan	4 installments	of \$258.57
Due today		\$258.57
Payment method		
VISA 633	33 Jane Smith	>
	pnfirm payment	
terms and	conditions and privacy	

34 **Z P** 

# Single global integration



35 Z P

# Virtual card integration

Hi, I'm @nataliepluta down the Pirou a longboar	ette on
z' P	×
Your order	\$397.39
Payment plan <u>4 instal</u>	Iments of \$99.35
Due today	\$99.35
hipping address	
Jane Smith 9303 Roslyndale Ave Pacoima, CA 91331	>
ayment method	
VISA 6333 Jane Sm	ith >
Confirm payr	ment
By clicking confirm payment I have terms and conditions and	
© 2021 Zip · Terms ·	Privacy

Illustrative





We continue to scale with world leading brands



**Total Merchants ('000)** 

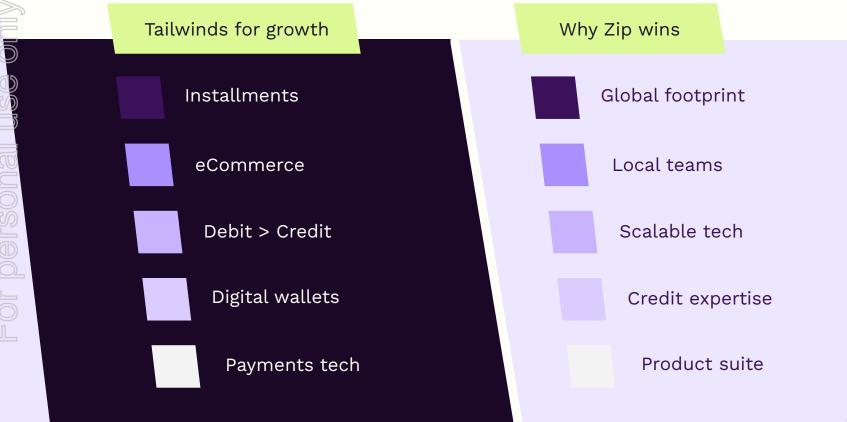


## Growth



38 Z P

### We are set to outperform



For persona

## Three key levers for growth

#### Consumers

Merchants

#### Global expansion

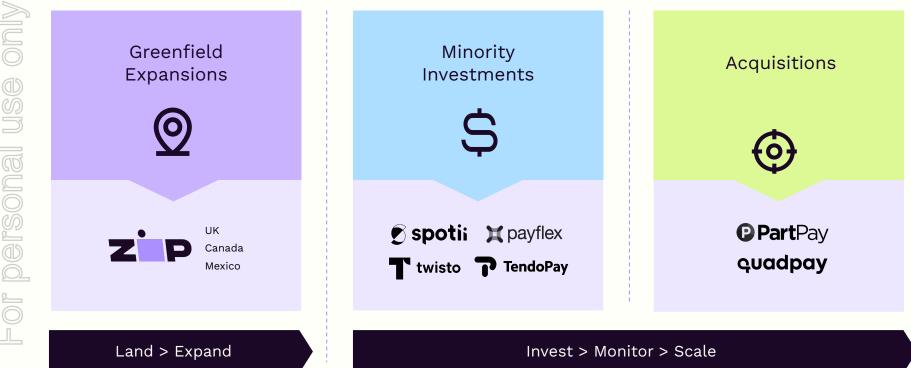


# We methodically invest for long term growth and scale

1.	Near term	2. Mid term	B. Long term	
	Presence in key regions to enable long term growth	Scaling from regional points of presence	New revenue streams, profitability and growth in enterprise value	h
	Example region: Europe	Example region: North America	Example region: ANZ	

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

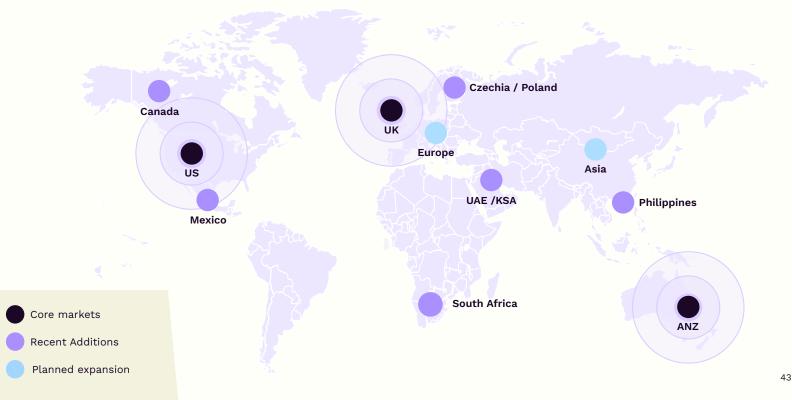


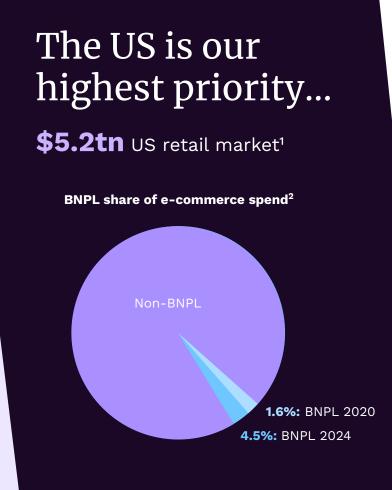
# Our footprint provides the platform to expand into the world's largest markets

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

personal

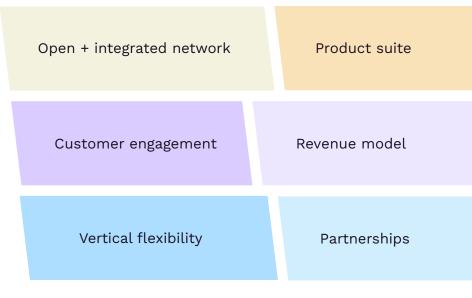
101





Only

### ...we have the tools to win



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

### Executing our plan will deliver material growth





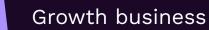


## Performance



46 **Z P** 







Long term focus

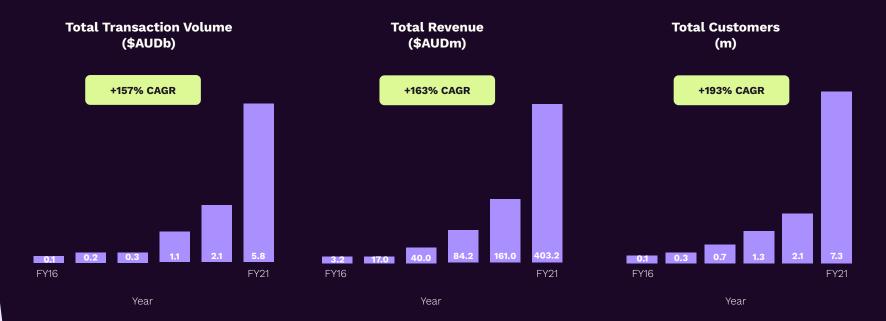


#### Scalable unit economics



### We are a growth business

oniy 5 6 Dersona



48

# We create margin from every transaction

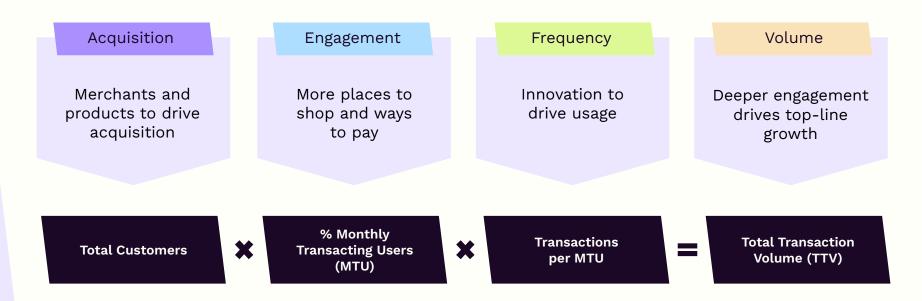
#### Unit economics overview

#### 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	Fraud and losses				
Processing costs	Credit checks, repayment processing fees					
Cash Transaction Margin >2%						
Revenue	Cash Cost of Sales	Cash Transaction Margin				



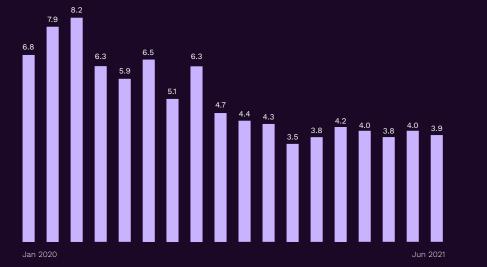
# We focus on key levers to drive transaction volume

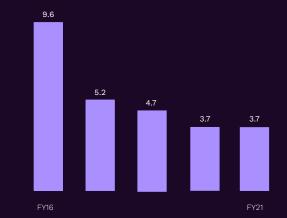




## Increased capital recycling and reduced interest rates are driving down interest costs

**Repayment velocity** (average months to recycle book) Interest rate on loans (Weighted average interest rate %)





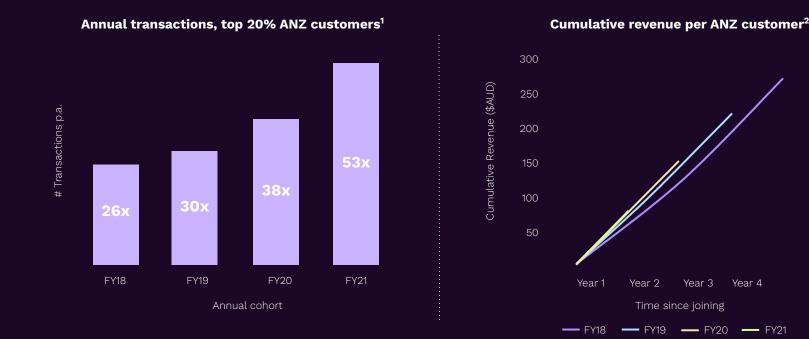


High repeat usage rates and investment in our decisioning capability support ongoing management of losses





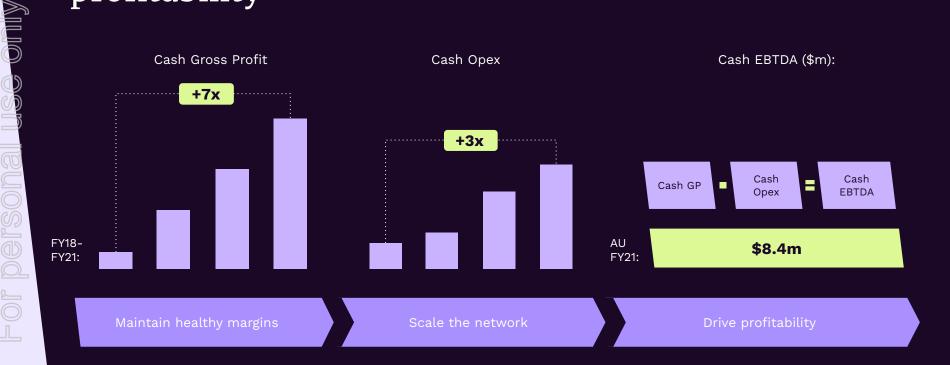
#### Deepening engagement and healthy margin creates higher customer lifetime value



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



For personal use only









## Thank you.



#### **Disclaimer and Important Notices**

🏹 ne information contained in this presentation has been prepared by Zip Co Limited ACN 139 546 428 (Company).

This presentation contains summary information about the current activities of the Company and its subsidiaries as at the date of this presentation. The information in this presentation is of a general nature and does not purport to be complete or to provide all information that an investor should consider when making an investment decision. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange. Certain market and industry data used in connection with this presentation has been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Company nor its representatives have independently verified any such data provided by third parties.

This presentation is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any securities in the Company. This presentation has been made available for information purposes only and does not constitute a prospectus, short form prospectus, profile statement, offer information statement or other offering document under Australian law or any other law. This presentation is not subject to the disclosure requirements affecting disclosure documents under Chapter 6D of the Corporations Act 2001 (Cth) and does contain all the information which would be required in such a disclosure document or prospectus.

This presentation is not a financial product nor investment advice nor a recommendation to acquire shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction. The Company is not licensed to provide, and this presentation does not constitute the provision of, financial product advice in respect of the Company's shares.

The Company does not have a significant operating history on which to base an evaluation of its business and prospects. Therefore, the information contained in this presentation is inherently speculative. The information in this presentation may be changed, modified or amended at any time by the Company, and is not intended to, and does not, constitute representations or warranties of the Company. Neither the Company or any of its directors, officers, agents, employees or advisors give any representation or warranty, express or implied, as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this presentation. Accordingly, to the maximum extent permitted by law, none of the Company, its directors, employees or agents, advisers, nor any other person accepts any liability whether direct or indirect, express or limited, contractual, tortuous, statutory or otherwise, in respect of, the accuracy or completeness of the information or for any of the opinions contained in this presentation.

This presentation may contain certain "forward looking statements". Forward risks, uncertainties and other factors, nany of which are outside the control of the Company can cause actual results to differ materially from such statements. The Company makes no undertaking to update or revise such statements. Investors are cautioned that my forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in any forward-looking statements made.

An investment in the Company's shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. Such risks and uncertainties include, but are not limited to: the acquisition and retention of customers, third party service provider reliance, competition, reliance on key personnel, additional requirements for capital, the ability to raise sufficient funds to meet the needs of the Company in the future, potential acquisitions, platform disruption, commercialisation, changes in technology, reliance on new products, development timeframes, product distribution, insurance, security breaches, maintenance of key business partner relationships, management of growth, brand establishment and maintenance, as well as political and operational risks, and governmental regulation and change in laws. Additional risks and uncertainties that the Company is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect the Company's operating and financial performance.

Usability of the Company's products depend upon various factors outside the control of the Company including, but not limited to: device operating systems, mobile device design and operation and platform provider standards and reliance on access to internet. A number of the Company's products and possible future products contain or will contain open source software, and the Company may license some of its software through open source projects, which may pose particular risks to its proprietary software and products in a manner that could have a negative effect on its business. The Company's intellectual property rights are valuable, and any inability to protect them could reduce the value of its products and brand. The Company's products may contain programming errors, which could harm its brand and operating results. The Company's products.

The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment. Before investing in the Company, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on the Company, carefully consider their personal circumstances and consult their professional advisers before making an investment decision.

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

