

ASX Release

1 March 2022

ZIP SUCCESSFULLY COMPLETES A\$148.7 MILLION INSTITUTIONAL PLACEMENT

Placement

Zip Co Limited (ASX: Z1P) (“**Zip**”) is pleased to announce the successful completion of its fully underwritten A\$148.7 million institutional placement, announced on Monday, 28 February 2022 (the “**Placement**”). Proceeds raised under the Placement will help Zip strengthen its balance sheet and position Zip for sustainable growth by providing more capital runway to execute on the potential synergies from its proposed acquisition of Sezzle Inc. (the “**Proposed Transaction**”), announced on Monday, 28 February 2022¹.

The Placement received strong support from existing and new investors. The issue price for the new Zip ordinary shares issued under the Placement was A\$1.90 per share (the “**Placement Price**”), representing a discount of 14% to Zip’s last closing price of A\$2.21 on Friday, 25 February 2022.

The Placement will result in the issue of approximately 78.3 million new Zip ordinary shares (the “**Placement Shares**”), representing approximately 13.3% of Zip’s existing shares on issue². The Placement Shares will rank equally with existing Zip ordinary shares and are expected to settle on Thursday, 3 March 2022 and commence trading on Friday, 4 March 2022. The Placement is not conditional on the Proposed Transaction occurring and is occurring without Zip shareholder approval under Zip’s ASX Listing Rule 7.1 placement capacity.

Share Purchase Plan

As previously announced, following completion of the Placement eligible Zip shareholders³ will have the opportunity to participate in a non-underwritten Share Purchase Plan to raise up to A\$50 million (the “**SPP**”) ⁴. Under the SPP, eligible shareholders will have the opportunity to apply for up to A\$30,000 of new Zip ordinary shares without incurring broker or transaction costs⁵.

The issue price of the new Zip ordinary shares to be issued under the SPP (the “**SPP Shares**”) will be the lower of:

- the Placement Price of A\$1.90; and
- a 2% discount to the 5 day volume weighted average price of Zip ordinary shares up to and including the closing date of the SPP (currently scheduled for Friday, 1 April 2022).

The SPP Shares will rank equally with existing Zip ordinary shares from their issue date. The SPP is not conditional on the Proposed Transaction completing. Full details of the SPP will be set out in the SPP offer booklet, which is

¹ For more information about the Potential Transaction, refer to Zip’s ASX announcement and Investor Presentation released on 28 February 2022. Importantly, if the Proposed Transaction does not complete, Zip will use the proceeds from the Placement to improve its balance sheet strength to support growth and for general working capital purposes.

² Based on Zip’s current ordinary shares on issue as at 25 February 2022.

³ Eligible shareholders are those registered in Australia and New Zealand subject to exceptions noted in the SPP offer booklet.

⁴ Zip reserves the right to increase or decrease the size of the SPP at its discretion.

⁵ Zip reserves the right to scale back applications under the SPP at its discretion.

expected to be released to the ASX and made available to eligible shareholders on the SPP offer opening date of Friday, 11 March 2022.

Timetable

Set out in the Appendix of this Announcement is an indicative timetable for the Placement and SPP.

Release approved by the Chief Executive Officer on behalf of the board of directors of Zip.

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About Zip

Zip is a leading global financial services company, offering innovative, people-centred products that bring customers and merchants together. On a mission to be the first payment choice everywhere and every day, Zip offers point-of-sale credit and digital payment services in 14 geographies around the world, including through strategic investments, connecting millions of customers with its global network of tens of thousands of merchants.

One of the fastest growing BNPL providers globally, Zip has a presence in Australia, Canada, Czech Republic, India, Mexico, New Zealand, the Philippines, Poland, Saudi Arabia, Singapore, South Africa, UAE, the United Kingdom and the United States. Zip provides fair, flexible and transparent payment options to individual consumers and SMBs, helping them to take control of their financial future and helping merchants to grow their businesses. Zip is committed to responsible lending and also owns Pocketbook, a leading personal financial management tool. Founded in Australia in 2013, Zip now employs over 1,500 Zipsters worldwide.

For more information, visit: www.zip.co.

Appendix: Key information for the Placement and SPP

Placement timetable

Event	Date ⁶
Announcement of completion of the Placement	Tuesday, 1 March 2022
Settlement of Placement Shares issued under the Placement	Thursday, 3 March 2022
Allotment and commencement of trading of Placement Shares issued under the Placement	Friday, 4 March 2022

SPP timetable

Event	Date ⁷
Record date for SPP	7:00pm (AEDT), Friday, 25 February 2022
SPP offer opens and dispatch SPP documents to shareholders	Friday, 11 March 2022
SPP offer closes	5:00pm (AEDT), Friday, 1 April 2022
Announcement of results of the SPP, including scaleback policy (if applicable)	Wednesday, 6 April 2022
Settlement and allotment of the SPP Shares issued under the SPP	Friday, 8 April 2022
Expected quotation on the ASX and normal trading of the SPP Shares issued under the SPP	Monday, 11 April 2022
Dispatch of allotment confirmations / holding statements for the SPP Shares issued under the SPP	Monday, 11 April 2022

⁶ The above timetable is indicative only and subject to variation. Zip reserves the right to alter the timetable at its absolute discretion and without notice, subject to the ASX Listing Rules and applicable law. All dates and times are Australian Eastern Daylight Time unless otherwise stated.

⁷ See footnote 6.