

9 June 2023

ZIP COMPLETES EQUITY PLACEMENT FOR LIABILITY MANAGEMENT EXERCISE

Zip Co Limited (ASX: ZIP) (“Zip”, or the “Company”) refers to its announcement on 8 June 2023 stating that it had launched a proposed liability management exercise on its A\$330.0 million outstanding Zero Coupon Senior Convertible Notes due 2028 (ISIN: XS2330529905 / Common Code: 233052990) (the “Existing Notes”) through a concurrent incentivised conversion invitation (“Conversion Invitation”) and consent solicitation (“Consent Solicitation”) to holders of Existing Notes (“Existing Noteholders”) and a placement of shares to raise A\$24.7 million (“Equity Placement”).

Today, Zip is pleased to announce that it has successfully completed the Equity Placement.

Zip Co-Founder and Global Chief Operating Officer, Peter Gray said:

“We are very pleased to announce the successful completion of the Equity Placement, the first leg of our liability management exercise. The placement will be used to fund the retirement of \$39.8 million of our convertible notes at a very significant discount to face value. Along with the Consent Solicitation process, this exercise will reduce our corporate debt by \$192.2 million, further strengthening the balance sheet and positioning the Company for our next phase of growth.”

Following the launch of the liability management exercise, Zip is pleased to announce that it has successfully completed the Equity Placement. Under the terms of the Equity Placement, Zip will issue 52.5 million fully paid ordinary shares (“Placement Shares”) at a fixed price of A\$0.47, representing a 6.9% discount to Zip’s last close share price of \$0.505 on 7 June 2023.

Zip received strong interest in the Placement from both domestic and offshore institutional investors.

The Placement Shares will rank equally with existing shares on issue and will be issued using Zip’s existing capacity under Listing Rule 7.1. The Placement shares are expected to settle on 14 June 2023, and be issued and commence trading on the ASX on a normal basis on 15 June 2023.

Zip shares are expected to resume normal trading on the ASX from market open today, 9 June 2023.

The proceeds of the Equity Placement will be used to fund the Cash Incentive Price under the Conversion Invitation, the Early Bird Fee¹ and transaction costs.

Subject to the completion of the Conversion Invitation and Consent Solicitation process², which both remain open, the completion of the liability management exercise will have the following impact on Zip

1. On a pre-tax basis, is expected to reduce corporate debt by A\$192.2 million³
2. Increase the number of shares on issue by 55.8 million shares
3. Expected to be cash neutral for the Company and highly value accretive to Zip shareholders

Goldman Sachs Australia Pty Ltd is acting as dealer manager in connection with the Conversion Invitation and Consent Solicitation, and sole underwriter in connection with the Equity Placement.

Release approved by the Board.

– ENDS –

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¹ Fee paid under an Early Bird Arrangement, payable to noteholders representing in aggregate up to 75% of the outstanding notional that vote in favour of the Consent Solicitation before the Irrevocable Undertaking Voting Deadline.

² Under the Consent Solicitation process, shareholder approval for physical settlement of the amended Existing Notes will be sought at an EGM to be held in July 2023.

³ The tax impact of proposed liability management exercise is yet to be determined. Please refer to Key Risk 22 on page 15 of the Investor Presentation released on ASX on 8 June 2023 for further detail.

About Zip

ASX-listed Zip Co Limited (ASX: 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 around the world, including through strategic investments, connecting millions of customers with its global network of tens of thousands of merchants.

Zip provides fair, flexible and transparent payment options to individual consumers, helping them to take control of their financial future and helping merchants to grow their businesses. Zip is committed to responsible lending and is managed by a team with over 100 years' experience in retail finance and payments. Zip is also a licensed and regulated credit provider and was founded in Australia in 2013.

For more information, visit: www.zip.co

Shareholders who would like to receive email communications from Computershare for all future correspondence, visit <http://www.computershare.com.au/easyupdate/ZIP>.

Important notices

This announcement has been prepared for publication in Australia and may not be released to U.S. wire services or distributed in the United States. The distribution of this announcement in certain jurisdictions may be restricted by law. Persons into whose possession this announcement comes are required to inform themselves about, and to observe, any such restrictions. This announcement and any materials relating to the Conversion Invitation or the Consent Solicitation do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.

The Placement Shares to be offered and sold in the Equity Placement have not been, and will not be, registered under the U.S. Securities Act of 1933 (the 'U.S. Securities Act') or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

This announcement contains certain forward looking statements and comments about future events, including about the plans, objectives and strategies of Zip's management, the industry and the markets in which Zip operates, Zip's expectations about the financial and operating performance of its businesses, the timetable and outcome of the Conversion Invitation, the outcome of the Placement and the use of proceeds thereof. Forward looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward looking statements will not be achieved. A number of important factors could cause Zip's actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements and many of these factors are beyond Zip's control.

Forward looking statements are provided as a general guide only, and should not be relied on as an indication or guarantee of future performance and involve known and unknown risks, uncertainty and other factors, many of which are outside the control of Zip. As such, undue reliance should not be placed on any forward looking statement. Past performance information given in this announcement is given for illustrative purposes only and is not necessarily a guide to future performance and no

representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward looking statements, forecast financial information or other forecast. Nothing contained in this announcement is to be relied upon as a promise, representation, warranty or guarantee as to the past, present or the future performance of Zip.

The information contained in this announcement does not constitute investment or financial product advice (nor taxation, accounting or legal advice), is not a recommendation to acquire Zip shares and is not intended to be used or relied upon as the basis for making an investment decision. This announcement has been prepared without taking into account the investment objectives, financial position or needs of any individuals. Before making any investment decisions, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and should seek legal, accounting and taxation advice appropriate to their jurisdiction. This announcement is not a prospectus, product disclosure document or any other disclosure document or offering document under Australian law (and has not been, and will not be, lodged with the Australian Securities and Investments Commission) or any other law. This announcement is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction and neither this announcement nor anything in it shall form any part of any contract for the acquisition of Zip shares.