

1 September 2023

CONVERTIBLE NOTES UPDATE

CVI Convertible Notes

Zip Co Limited (ASX: ZIP) (“Zip”, or the “Company”) announces today it has cancelled an additional \$10.0m of the \$100.0m Convertible Notes that were issued in September 2020 to CVI Investments, Inc. (“**CVI Convertible Notes**”), an affiliate of Heights Capital Management, which is an affiliate of the US-based Susquehanna International Group (“**SIG**”).

Under the terms of the CVI Convertible Notes, a payment of \$10.8m has been made to SIG, which included accrued interest of \$752,690. Existing cash reserves were used to fund the payment. Following the redemption, 400 Convertible Notes with a face value of \$40.0m remain outstanding and held by CVI investments, Inc.

Senior Convertible Notes

The outstanding notional amount relating to Zip’s senior convertible notes with a maturity date of 23 April 2028 (“**Senior Convertible Notes**”) has been further reduced to approximately \$127.1m.

This follows the transactions in December 2022 and June 2023 where Zip reduced its potential future payments in relation to Zip’s Senior Convertible Notes by \$70.0m and \$192.2m respectively to an outstanding notional of \$137.8m.

Subsequent to the Company’s EGM on 31 July 2023, where shareholders approved the ability for the notes to be physically settled on conversion at a share price of \$0.517, approximately \$10.8m of Zip’s Senior Convertible Notes have been converted into 20,861,698 ordinary shares.

Release approved by the Company Secretary on behalf of the Board.

- ENDS -

For more information, please contact:

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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>.