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ASX Release

Company Announcements Platform

Zebit, Inc. Announces Voluntary Delisting

Summary

Zebit, Inc. (**Zebit** or **the Company**) (ASX: ZBT) has formally applied to the Australian Securities Exchange (**ASX**) to be removed from the official list of the ASX (**Official List**) (**Delisting**). The Delisting will be put forward for securityholder approval at a general meeting to be held on 16 March 2022.

The Delisting is considered by the Company's Board (**Board**) to be in the best interests of the Company for a number of reasons, including low levels of trading liquidity which mean that the costs and administrative burden of remaining listed on ASX outweigh any benefits associated with remaining listed.

Delisting

The Company has formally applied to ASX requesting that ASX remove the Company from the official list of ASX (**Official List**) pursuant ASX Listing Rule 17.11.

The key reasons for seeking to be removed from the Official List are:

- **Liquidity:** Trading in the Company's CDIs is limited in frequency and volume, having regard to the Company's overall capital position. The Company's low liquidity levels have resulted in limited trading opportunities for securityholders seeking to exit their positions and for new ones to acquire CDIs. It is not anticipated that trading levels/liquidity will improve in the near future. As at 1 February 2022, of the Company's 1,375 CDI holders, 639 CDI holders (approximately 46.47%) held small holdings of A\$500 or less.
- **Costs:** The Company believes that the ongoing administrative and compliance obligations and costs associated with maintaining the Company's CDIs listed on ASX are disproportionate to the benefit obtained from the Company being listed. Legal, accounting, insurance, and other expenses incurred in satisfying ASX filing, reporting, and compliance requirements have proven burdensome for the Company in recent times, given its limited cash reserves. The Company estimates that Delisting will save it approximately US\$140,000 per month over the next 12 months (US\$1.68 million per year).
- **Capital requirements:** The Company expects that it will require additional capital in FY22 to fund its existing operations and future growth. Having regard to the Company's limited liquidity, CDI price, and market feedback, the Company believes it is unlikely to be able to raise the capital it requires from Australian investors, and that the Delisting may enable it to raise the required capital from US investors who are either unable to invest in ASX listed companies due to their investment mandates, or who are unwilling to invest in ASX listed companies.
- **Valuation:** Since the Company's IPO debut, the Board has observed ongoing fluctuations in the quoted price of the Company's CDIs and noted that the value attributed to a CDI has been largely independent of news flows, even when positive news has been released. This has caused the Board to question whether the market is fairly valuing the Company. Undervaluation means that the placement of significant equity to investors at current market prices may be more dilutive to



existing stockholders than if the Company was, in the Board's opinion, more fairly valued. The Board believes that being an unlisted Company would allow a more objective and independent appraisal of valuation to take place, without concern for any illiquid public market.

- **Management time and effort:** A significant portion of the Company's management time is presently being dedicated to time-intensive matters relating to the Company's ASX listing. If the company proceeds with Delisting, management's time will be able to be spent on other matters for the benefit of the Company.

ASX has provided its formal consent to the delisting of the Company from the Official List pursuant to Listing Rule 17.11, subject to compliance with the following conditions:

- The Company's removal from the Official List of ASX is approved by a special resolution of ordinary security holders of the Company.
- The notice of meeting seeking security holder approval for the Company's removal from the Official List must include a statement, in a form and substance satisfactory to ASX, setting out:
 - a timetable of key dates, including the time and date at which the Company will be removed from ASX if that approval is given;
 - a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - a statement to the effect that if security holders wish to sell their securities on ASX, they will need to do so before the Company is removed from the Official List; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow a security holder to dispose of their holding and how they can access those processes; and
 - to ASX's satisfaction, the information prescribed in section 2.11 of ASX Guidance Note 33.
- The Company releasing the full terms of ASX's decision to the market immediately (this announcement satisfies this requirement and sets out the terms of ASX's decision).

The consequences for the Company and its securityholders of the Company being removed from the Official List will be detailed in full in the notice of meeting and will include the following:

- CDIs in the Company will no longer be publicly quoted or traded on the ASX, and securityholders will only be able to sell the converted, underlying shares in off-market private transactions requiring securityholders to identify and agree the terms of sale. Transactions of this kind will be subject to:
 - the applicable laws and regulations of the state of Delaware, USA as well as US federal securities laws and regulations; and
 - the Company's By-laws;
- The Company will no longer be able to raise capital on the ASX, including through the issuance of securities using limited disclosure fundraising documents. The main method for the Company to offer its securities for sale moving forward will be via the release of a full form prospectus or through a placement to sophisticated or professional investors.

As noted above, following Delisting, the Company's securities will no longer be able to be traded on ASX and it will be more difficult for a securityholder to dispose of their securities. Securityholders will be able to trade their securities on the ASX until the Suspension Date noted in the indicative timetable below. After



the Suspension Date, securityholders wishing to trade their securities will be entitled to transfer their securities off-market to a willing third party purchaser in accordance with the Company's By-laws.

In addition to a right to participate in, and vote at, the meeting, shareholders have the right to assert various claims against Zebit and its directors under US federal law as well as under Delaware state law being, including for breach of fiduciary duties, fraud, self-dealing and a variety of acts.

The Delisting is subject to securityholder approval (as a special resolution at the general meeting proposed to be held on 16 March 2022. Further details relating to the Delisting, including potential advantages and disadvantages for securityholders, will be included in the notice of meeting which will be dispatched to securityholders shortly. All securityholders will be entitled to vote on the resolution.

Indicative timetable

The indicative timetable for the proposed Delisting is set out below. Subject to the Company's Constitution, the Corporations Act and the ASX Listing Rules, the Company reserves the right to amend the indicative timetable without prior notice to securityholders.

Indicative date	Event
9 February 2022	Record date for voting at special meeting
21 February 2022	Notice of Meeting seeking securityholder approval of the Delisting to be sent to securityholders
16 March 2022	Special meeting to be held to approve the Delisting
Immediately after special meeting	Results of special meeting announced to market
19 April 2022	Suspension date (date on which trading of CDIs is suspended on the ASX at the close of trading)
22 April 2022	Anticipated delisting date (effective date of removal of the Company from ASX)
26 April 2022	CHESS Depository Nominees Pty Limited (CDN) to revoke the trust under which it holds the CDIs and notify securityholders of such termination
27 April 2022	Process to convert CDIs into underlying shares commences.

Authorisation

This announcement was approved by Marc Schneider, Co-Founder, President and CEO on behalf of Zebit's Board.



About Zebit, Inc.

ASX-listed Zebit, Inc. (ZBT: ASX) or (“Zebit”) is a California based, ESG eCommerce company that is dedicated to changing the lives of US credit-challenged consumers by giving them access to a broad set of products and the ability to pay for those products in instalments over six months. Zebit was founded in 2015 and operates in all 50 states across the US.

For more information, visit: <https://zebit.com/>

About Zebit, Inc.

For investor or media enquiries:

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Zebit’s CHESSE Depositary Interests (CDIs) are issued in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act of 1933 (Securities Act) for offers of securities which are made outside of the U.S. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the U.S. As a result of relying on the Regulation S exception, the CDIs are ‘restricted securities’ under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the U.S. or to a U.S. person who is not a QIB for the foreseeable future except in very limited circumstances after the end of the restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a FOR Financial Product designation on the ASX. This designation restricts any CDIs from being sold on ASX to U.S. persons excluding QIBs. However, you are still able to freely transfer your CDIs on ASX to any person other than a U.S. person who is not a QIB. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.