



15 April 2021

Zip successfully prices A\$ 400 million senior convertible notes due 2028

Zip Co Limited (ASX: Z1P) ("**Zip**" or the "**Company**") is pleased to announce that it has successfully priced A\$400m zero coupon senior unsecured convertible notes due 2028 (the "**Notes**") (the "**Offering**"). The Notes will mature on 23 April 2028 unless otherwise redeemed, repurchased, or converted in accordance with their terms and conditions.

The Notes are convertible into fully paid ordinary shares of Zip (the "**Ordinary Shares**"). The initial conversion price of the Notes is A\$12.39 per Ordinary Share, which represents a conversion premium of 35% over the Reference Share Price.

As previously announced, Zip intends to use the proceeds of the Offering (net of commissions, professional fees and other administrative expenses) to drive growth in core markets, expand into new regions and for general corporate purposes.

A summary of the key terms and conditions of the Notes is set out in the Appendix of this announcement.

Zip Co-founder and COO, Peter Gray said:

"We are very pleased with the strong global demand for this Offering. This transaction further diversifies Zip's sources of capital and allows us to pursue our global growth aspirations while reducing potential dilution of existing shareholders. Another fantastic outcome for Zip and its shareholders".

Concurrent with the Offering, a delta placement of approximately 11 million Ordinary Shares has been executed by Jarden Australia Pty Limited to facilitate some of the hedging activity in relation to the Notes. The clearing price of A\$9.18 per Ordinary Share, which represents a discount of 4.5% to the closing price of the Ordinary Shares on 14 April 2021, was used as the Reference Share Price for the Notes.

The Company will lodge an offering circular in connection with the Offering with the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). This contains certain operating and financial information, including an updated pro forma capitalisation and indebtedness summary of the Company reflecting the impact of the Notes as at 31 December 2020.

Settlement of the Offering is expected on or about 23 April 2021 and it subject to satisfaction of customary conditions precedent.

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Jarden Australia Pty Limited and Merrill Lynch Equities (Australia) Limited acted as Joint Lead Managers (“JLMs”) on the Offering.

Co-founders sell down

The previously announced sell down by the Co-founders Larry Diamond and Peter Gray has been executed in conjunction with the delta placement. As a result, the Co-founders have sold 2 million shares in aggregate at the Reference Share Price.

Release approved by the Chief Executive Officer on behalf of the Board.

- ENDS -

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About Zip

ASX-listed Zip Co Limited (Z1P: ASX) is a leading player in the digital retail finance and payments industry. The company offers point-of-sale credit and digital payment services to the retail, home, health, automotive and travel industries. Zip has operations across Australia, New Zealand, South Africa, the United Kingdom and the USA. Zip also owns Pocketbook, a leading personal financial management tool. The company is focused on offering transparent, responsible and fairly priced consumer and SME products. Zip’s platform is entirely digital and leverages big data in its proprietary fraud and credit-decisioning technology to deliver real-time responses. Zip is managed by a team with over 100 years’ experience in retail finance and payments and is a licensed and regulated credit provider.

For more information, visit: www.zip.co

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Appendix:

Key terms of the Notes:

Issuer	Zip Co Limited
Issue Size	A\$400m
Status	Direct, unconditional, unsubordinated and unsecured obligations of the Issuer
Maturity Date	23 April 2028 (7 years)
Investor Put Date / Put Price	23 April 2025 (4 years) at 109.36% of the principal amount
Coupon	Zero
Redemption Price at Maturity	116.96% of the principal amount
Early Redemption Amount	The amount that would provide a holder who purchased the Notes at the Issue Price on the Closing Date with a gross compound yield of 2.25 per cent per annum (calculated on a semi-annual basis)
Conversion Price / Premium	A\$12.39 per Ordinary Share, representing 35% premium above the Reference Share Price
Reference Share Price	A\$9.18 per Ordinary Share
Settlement	The conversion of the Notes will be physically settled by the issuance of new Ordinary Shares determined by dividing the principal amount of the Notes to be converted by the applicable conversion price.
Conversion Price Adjustment	Standard anti-dilutive adjustments including a Conversion Price adjustment for all dividends paid by Zip.
Listing	SGX-ST
Selling Restrictions	Reg S (Cat 1) only
MiFID II professionals/ECPs - only/No PRIIPs KID	Manufacturer target (MiFID II product governance) is expected to be eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in the European Economic Area
UK MiFIR professionals/ECPs - only/No PRIIPs KID	Manufacturer target (UK MiFIR product governance) is expected to be eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as not available to retail in the United Kingdom

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This information contained in this announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Ordinary Shares and the Notes mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Ordinary Shares or the Notes will be made in the United States.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The JLMs, together with their respective related bodies corporate, shareholders and affiliates, and each of their respective officers, directors, employees, affiliates, agents and advisers (each a "**Limited Party**") have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this announcement and there is no statement in this announcement which is based on any statement made by the JLMs or any other Limited Party. To the maximum extent permitted by law, the JLMs and each other Limited Party expressly disclaim all liabilities (including for negligence) in respect of, and take no responsibility for, any part of this announcement, and make no representation or warranty (whether express or implied) regarding any part of this announcement, including as to the currency, accuracy, reliability or completeness of any information in this announcement.

Neither the JLMs nor any other Limited Party makes any recommendations as to whether any potential investor should participate in the Offering. Further, neither the JLMs nor any other Limited Party accepts any fiduciary obligations to or relationship with any investor or potential investor in connection with the Offering or otherwise, and by accessing this announcement each recipient expressly disclaims any such fiduciary relationship and agrees that it is responsible for making its own independent judgements with respect to the Offering and any other transaction or other matter arising in connection with this announcement.

The JLMs and other Limited Parties may have interests in the securities of Zip. Further, they may act as market maker or buy or sell those securities or associated derivatives as principal or agent. Such persons may receive fees or other benefits for engaging in their activities.

Determination of eligibility of investors for the purposes of the Offering is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Zip and/or the JLMs. To the maximum extent permitted by law, Zip, the JLMs and the Limited Parties each disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion or otherwise. The JLMs may rely on information

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provided by or on behalf of institutional investors in connection with managing, conducting or underwriting the Offering without having independently verified that information and the JLMs do not assume responsibility for the accuracy or completeness of the information.

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