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17 July 2024

Zip announces equity capital raising and early repayment of corporate debt

Highlights

- Fully underwritten equity placement to raise A\$217m
- Non-underwritten share purchase plan to raise up to a further A\$50m
- Proceeds from the equity capital raising to fund early repayment of Zip's existing corporate debt facility and associated exit fee
- Strengthens Zip's balance sheet, resets the capital structure and provides additional flexibility and liquidity to pursue further growth
- Proposed transaction is EPS accretive for Zip shareholders in FY25

Zip Co Limited (ASX: ZIP) ("**Zip**", or the "**Company**") is pleased to announce that it has commenced an equity capital raise.

The equity capital raising comprises a fully underwritten share placement¹ to investors to raise A\$217m (before costs) ("**Placement**") and a non-underwritten share purchase plan ("**SPP**"), to be offered to eligible shareholders with a registered address in Australia and New Zealand, to raise up to an additional A\$50m (before costs).

New shares issued under the Placement will be issued at a price per share equal to the higher of A\$1.52 or the price determined by a bookbuild process to be undertaken in respect of the Placement ("**Placement Price**"). The floor price of A\$1.52 per new share represents a 5.3%² discount to the last traded price of Zip's shares on the ASX of A\$1.61 per share on Tuesday, 16 July 2024.

A maximum of approximately 142.8² million shares will be issued under the Placement, equivalent to ~12.7% of existing Zip shares on issue and will be issued within Zip's existing placement capacity under ASX Listing Rule 7.1.

Proceeds from the Placement will be used to repay Zip's existing corporate debt facility and the associated exit fee, which will also support future growth.

Shares issued under the capital raising will rank equally with the existing Company shares on issue.

Please refer to the Investor Presentation lodged on the ASX on 17 July 2024 for additional information.

¹ Refer to Appendix B of the Investor Presentation

² Calculated assuming a bookbuild floor price of \$1.52

4Q FY24 Results

Zip today announced its fourth quarter results for the three-month period ending 30 June 2024. The Company also provided an update in relation to full year Normalised Group Cash EBTDA given the Company's strong financial performance in 4Q24.

Please refer to the 4Q FY24 results update lodged on the ASX on 17 July 2024.

Zip Group CEO and Managing Director, Cynthia Scott said:

"The equity capital raising we have announced today will further strengthen our balance sheet, optimise our capital structure and provide additional flexibility for Zip to deliver on its growth plans. Combined with the outstanding momentum in our businesses as highlighted in our 4Q results, this transaction is consistent with our focus on operational excellence and driving long-term shareholder value."

Share Purchase Plan

Following the completion of the Placement, Zip will offer eligible shareholders the opportunity to participate in a non-underwritten SPP to raise up to A\$50m. Under the SPP, eligible Zip shareholders, being shareholders who have a registered address in Australia and New Zealand on Zip's register at 7.00pm (Sydney time) on 16 July 2024 will have the opportunity to apply for up to A\$30,000 of new shares free of any brokerage, commission and transaction costs. New shares issued under the SPP will be issued at a price per share equal to the lower of the Placement Price and a 2.0% discount to the five-day volume weighted average of Zip shares on the ASX up to, and including, the closing date of the SPP which is currently scheduled for 14 August 2024. The Company may increase the size of the SPP or scale back applications at its absolute discretion.

Further details of the SPP will be set out in the SPP Offer Booklet, which is expected to be released to ASX and made available to eligible shareholders on or about 25 July 2024. An indicative timetable of key dates in relation to the SPP is set out below:

Event	Date
Record date for SPP	7:00pm (AEST), Tuesday, 16 July 2024
SPP offer opens and SPP documents made available to shareholders	Thursday, 25 July 2024
SPP offer closes	5:00pm (AEST), Wednesday, 14 August 2024
SPP results announced	Monday, 19 August
Settlement and allotment of the SPP shares issued under the SPP	Wednesday, 21 August 2024
Expected quotation on the ASX and normal trading of the SPP shares issued under the SPP	Thursday, 22 August 2024
Dispatch of allotment confirmations / holding statements for the SPP shares issued under the SPP	Friday, 23 August 2024

Analyst and investor briefing

Zip will hold a conference call at 10:30am on 17 July 2024 in relation to this announcement.

Attendees can register at this link <https://s1.c-conf.com/diamondpass/10040743-tozvdj.html>.

Goldman Sachs Australia Pty Ltd is acting as joint lead manager, sole bookrunner and sole underwriter on the equity placement, Unified Capital Partners Pty Ltd is acting as joint lead manager on the equity placement and Arnold Bloch Leibler is acting as Australian legal counsel to Zip in connection with this capital raising.

Release approved by the Group Chief Executive Officer and Managing Director on behalf of the Board.

- ENDS -

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About Zip

ASX-listed Zip Co Limited (ASX: ZIP) is a digital financial services company, offering innovative and people-centred products. Operating in two core markets - Australia and New Zealand (ANZ) and the United States (US), Zip offers access to point-of-sale credit and digital payment services, connecting millions of customers with its global network of tens of thousands of merchants.

Founded in Australia in 2013, Zip provides fair, flexible and transparent payment options, helping customers to take control of their financial future and helping merchants to grow their businesses.

For more information, visit: www.zip.co

For any shareholding and registry service enquiries, please contact Computershare. Phone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Shareholders who would like to receive email communications from Computershare for all future correspondence, visit <http://www.computershare.com.au/easyupdate/ZIP>

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