



1 September 2020

ZIP COMPLETES THE ACQUISITION OF QUADPAY AND UP TO A\$200M CAPITAL RAISE TO DRIVE GLOBAL GROWTH

- **Completed 100% of the acquisition of QuadPay, a leading high growth Buy Now Pay Later ("BNPL") player in the US.**
- **Completed the issuance of A\$100m in convertible notes and up to an additional A\$100m in warrants to CVI Investments Inc, an affiliate of US-based Susquehanna Investment Group, to drive global growth.**
- **The QuadPay Acquisition delivers over US\$70m in monthly transaction volume and over 2 million customers to Zip, with further growth expected as interest-free instalments transform the way people pay in the US.**

Zip Co Limited (ASX: Z1P) ("**Zip**" or "**the Company**") is pleased to announce that the acquisition of QuadPay, Inc., as announced on 2 June 2020, was completed on 31 August 2020 (the "**QuadPay Acquisition**") and the issuance of A\$200m in convertible notes and warrants completed today (the "**Convertible Note Raising**").

Under the terms of the QuadPay Acquisition, the Company has:

- issued 118,776,189 fully paid ordinary shares to the QuadPay stockholders as the 'Merger Consideration Shares'; and
- granted 10,480,369 options to subscribe for new fully paid ordinary shares in the Company to existing employees and other option holders in QuadPay.

QuadPay is a leading, high growth, US-based BNPL player disrupting the credit card industry with a strong focus on innovation and customer centricity. QuadPay enables customers to pay in 4 interest-free instalments over 6 weeks, online and instore.

A trading update was released by the Company to the ASX on 24 August 2020 which highlighted the recent achievements of the QuadPay team, launching partnerships with Fiserv and MasterCard Vyze as well as leading retailers such as Fanatics and Mercari.

The convertible note raising with CVI Investments, Inc., an affiliate of Heights Capital Management, which is part of the US-based Susquehanna International Group, also announced on 2 June 2020, successfully completed today.

In accordance with the terms of the Convertible Note Raising, the Company has:

- issued 1,000 convertible notes each with a face value of \$100,000 to CVI Investments, Inc. to raise \$100m; and
- granted 19,365,208 warrants to CVI Investments, Inc. which could raise an additional \$100m if exercised.

Completion of the QuadPay Acquisition and Convertible Note Raising follows shareholder approval which was obtained at the Extraordinary General Meeting of the Company held on 31 August 2020 (the "**EGM**").

Key terms of the QuadPay Acquisition and the Convertible Note Raising were outlined in the Company's ASX announcement on 2 June 2020 and in the Notice of EGM released to the ASX on 30 July 2020.

Zip CEO and Co-Founder, Larry Diamond said:

"We are thrilled to welcome QuadPay to the Zip Family. The US is a critical part of our global strategy as merchants increasingly demand global payment solutions. The QuadPay business has continued to deliver strong results, driven by the flight to online and a move away from the outdated and unfair credit card. We are already working closely with the QuadPay team and expect to drive significant synergies as we come together to capitalise on the global opportunity. We are also delighted to welcome Susquehanna Investment Group onto the register and thank them for their support as we turbocharge our growth into new products and geographies."

Advisors

Zip is advised by:

- Financial advisor and Placement Agent: BofA Securities
- Australian legal adviser: Arnold Bloch Leibler
- US legal adviser: Skadden, Arps, Slate, Meagher & Flom LLP
- Accounting and tax adviser: EY

QuadPay is advised by:

- US legal adviser: DLA Piper
- Australian legal adviser: Gilbert + Tobin

SIG is advised by:

- Australian legal adviser: Ashurst

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

– ENDS –

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About Zip

ASX-listed Zip Co Limited (Z1P: ASX) or ("Zip") 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 and the United Kingdom, with associates in the USA and South Africa. Zip also owns Pocketbook, a leading personal financial management tool and SME lending provider Spotcap. 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