

20 October 2020

## ZIP UNLOCKS EVERYDAY PAYMENTS WITH TAP & ZIP

**Zip Co Limited** (ASX: Z1P) ("**Zip**" or "the **Company**") today announces the official launch of Tap & Zip, a new product feature that reimagines buy now, pay later (BNPL) instore by enabling Zip Pay users to shop effortlessly anywhere that accepts Visa<sup>1</sup>.

Tap & Zip builds on Zip's mission to be the first payment choice everywhere and every day. It will see Zip expand into more everyday spend categories and capitalise on the significant instore payments opportunity. Currently, just 13%<sup>2</sup> of stores in Australia are able to accept buy now, pay later options. Tap & Zip addresses this significant and untapped customer need.

Today's announcement underscores Zip's obsession with providing merchants and customers the best possible payment experiences. For merchants, this initiative greatly increases access to new customers, bigger basket values and increased sales volumes. For customers, it means they can use Zip Pay to shop everywhere and pay later, always interest-free. Customers can also continue to check-out using Zip's existing instore solutions, if that is what they prefer.

Tap & Zip follows a strategic product review of Zip's instore payments experience, which to date has been based on barcode and QR technology, which requires complex point-of-sale integrations. Ever since contactless payments were introduced in Australia in 2006<sup>3</sup> Australians have universally accepted tapping as the preferred experience. With 24% of Zip transactions occurring in physical stores compared with the broader Australian retail data, which sees approximately 87% of payments instore – the opportunity to grow the BNPL share is significant.

Larry Diamond, Co-founder and Chief Executive Officer, said:

*"BNPL has seen phenomenal growth over the last few years, as customers switched traditional forms of credit for flexible, digital alternatives. However, until now that growth has been restricted by a clunky instore checkout experience and limited acceptance.*

*We continuously hear from Zip customers that they want to use their digital wallet to pay for everyday purchases like groceries and petrol, or to buy products and services from merchants that don't accept BNPL. As a customer-obsessed organisation, we are excited to announce Tap & Zip, which completely changes the game, enabling Zip to compete with the credit card at every checkout in Australia. Everywhere Australians can pay with a Visa contactless card, they'll now also be able to Tap & Zip, interest-free.*

*This is a huge day for Zip and the Australian retail sector. Tap & Zip is a new way for customers to pay that will dramatically increase instore transactions and conversion rates for thousands*

<sup>1</sup> Anywhere that accepts Visa payments online and Visa contactless payments in-store.

<sup>2</sup> Insight from Australian Merchant Acquiring Program research, conducted by RFI Research and commissioned by Zip Co.

<sup>3</sup> "Credit card purchases will give way to tap and go", The Australian newspaper, October 21, 2013.

*of retailers and merchants around the country, many of whom have been significantly impacted over the past year.*

*Tap & Zip marks the future of BNPL: flexible and transparent payment options that are accepted everywhere.”*

Zip has been granted a Principal Issuer license with Visa, the world’s leading payments technology company, and will leverage Marqeta’s leading open-API card-issuing platform, which together enables users to create Zip-branded virtual cards in real-time. This virtual card allows users to shop at any instore or online retailer where Visa is accepted<sup>4</sup>, and can be added to selected digital wallets. As a principal member and partner of Visa, Zip will earn interchange revenue on transaction volume processed on its cards.

Julian Potter, Visa’s Group Country Manager for Australia, New Zealand and South Pacific said:

*“Tap & Zip customers can enjoy the choice and flexibility that Zip provides, and know their transactions are backed by Visa’s global acceptance and multiple layers of security. Visa is proud to bring its scale and capabilities to enable fintechs like Zip to develop new payment solutions and to reach their global potential.”*

Zip attaches two further press releases that support the launch of Tap & Zip.

This release was approved by the Chief Executive Officer on behalf of the Board.

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<sup>4</sup> Anywhere that accepts Visa payments online and Visa contactless payments in-store.

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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](http://www.zip.co)

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## ZIP OFFERS APPLE PAY

**Zip Co Limited** (ASX: Z1P) ("**Zip**" or "the **Company**") today brings its customers Apple Pay, making everyday payments easier, more secure and private with iPhone and Apple Watch.

Zip customers can now use Apple Pay to pay for just about everything, everywhere, by creating a virtual card linked to their Zip Pay account and adding it to the Wallet app on iPhone and Apple Watch.

For everyday purchases, Zip customers only need to hold their iPhone or Apple Watch near a payment terminal to make a contactless payment. They can purchase everything from their morning coffee to groceries, their bus ride to lunch on the go. Customers can also use Apple Pay on iPhone and Mac to make faster and more convenient purchases in apps or on the web in Safari without having to create accounts or repeatedly type in shipping and billing information. Apple Pay makes it easier to pay for food and grocery deliveries, online shopping, transportation, and parking, among other things. Apple Pay can also be used to make payments in apps on Apple Watch.

Apple Pay is a safer, more secure and private way to pay that helps customers avoid handing their payment card to someone else, touching physical buttons or exchanging cash – and uses the power of iPhone to protect every transaction.

Every Apple Pay purchase is secure because it is authenticated with Face ID, Touch ID, or device passcode, as well as a one-time unique dynamic security code.

Apple Pay will be available to Zip customers from 20 October 2020.

For more information on Zip, visit: [www.zip.co](http://www.zip.co)

For more information on Apple Pay, visit: <https://www.apple.com/au/apple-pay/>

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## **ZIP PARTNERS WITH GOOGLE PAY TO POWER TAP & ZIP FOR EVERYDAY PAYMENTS**

**Zip Co Limited** (ASX: Z1P) ("**Zip**" or "the **Company**") has stepped up its mission of making everyday payments easier by partnering with Google Pay, to power its new Tap & Zip shop-everywhere payments product.

Zip customers can now Tap & Zip to pay for just about everything, everywhere, by creating a virtual card linked to their Zip Pay account, and adding it to their Android Phone and Google Pay. They can Tap & Zip everything from their daily coffees to groceries, to their train ticket to work or their daily lunch

Google Pay is the fast, simple way to pay at millions of places – on sites, in apps, and in stores. It brings together everything you need at checkout and protects your payment info with multiple layers of security.

Google Pay will be available to Zip customers from 20 October 2020.

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