



ASX Release

17 December 2020

\$120 Million raised through successful placement to institutional investors

Highlights:

- **Successful completion of fully underwritten placement, raising \$120 million of growth capital (before costs).**
- **Proceeds to be used primarily to fund global growth (US, UK and New Markets), whilst driving product expansion in Australia with Zip Business**
- **In addition, Zip will offer existing eligible shareholders the opportunity to participate in the capital raise under a Share Purchase Plan ("SPP"). The SPP will raise up to \$30 million¹ and is not underwritten.**

Placement

Zip Co Limited (ASX: Z1P) ("**Zip**", or the "**Company**") is pleased to announce that it has received firm commitments to raise \$120 million before costs via a placement ("**Placement**") of 22,471,911 ordinary shares ("**Placement Shares**"). The oversubscribed placement was completed with the support of new and existing institutional investors and fully underwritten by Merrill Lynch Equities (Australia) Limited with Shaw and Partners acting as Co-Lead Manager. The issue price for the Placement Shares was \$5.34 per share representing a 4.1% discount to the last traded price of Zip's shares on the ASX on 16 December 2020.

The Placement Shares are expected to be allotted and issued on Tuesday, 22 December 2020 and will rank equally with Zip's existing ordinary shares on issue. The Placement Shares will represent approximately 4.3% of the issued capital of Zip before the Placement and will be issued within Zip's existing placement capacity under ASX Listing Rule 7.1.

¹ Subject to Zip's discretion to accept oversubscriptions.

Larry Diamond, Managing Director and CEO of Zip said:

"We are grateful for the support of existing shareholders that participated in the raise, as well new long-term shareholders that joined our register, supporting our objective of making Zip the first payment choice everywhere and every day.

The additional growth capital will enable Zip to capitalise on the successful acquisition of QuadPay in the US, scale Zip's operations in the UK, lead the active pursuit of global growth opportunities and support the launch of Zip Business."

Share Purchase Plan

As previously announced, following completion of the Placement, Zip's eligible shareholders will be given the opportunity to subscribe for new shares under a Share Purchase Plan at a price per share equal to the lower of the price under the Placement of \$5.34 and a 2% discount to the 5-day VWAP of Zip's shares up to and including the date the Share Purchase Plan is scheduled to close (expected to be 13 January 2021).

Under the terms of the Share Purchase Plan, shareholders registered at 7.00pm (Sydney time) on Tuesday, 15 December 2020 will be entitled to subscribe for up to \$30,000 of Zip shares to raise up to \$30 million (subject to Zip's discretion to increase this cap and accept oversubscriptions and/or scaleback applications).

Further details of the Share Purchase Plan will be provided to shareholders in due course.

Timetable

Set out in the Appendix of this Announcement is an indicative timetable for the Placement and Share Purchase Plan.

The Placement has been undertaken and fully underwritten by Merrill Lynch Equities (Australia) Limited as Lead Manager and Underwriter, with Shaw and Partners also acting as Co-Lead Manager. Arnold Bloch Leibler acted as Zip's Australian legal adviser.

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. Zip 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 Offer Timetables

The indicative Placement timetable of key dates is set out below*

Event	Date
Settlement of new shares under the Placement	Monday, 21 December 2020
Allotment and commencement of trading of new shares issued under the Placement	Tuesday, 22 December 2020

The indicative SPP timetable of key dates is set out below*

Event	Date
Record date for shareholders to participate in SPP	7:00pm (Sydney time) on Tuesday, 15 December 2020
Dispatch SPP documents to shareholders	Wednesday, 23 December 2020
SPP offer opens	9:00am (Sydney time) on Monday, 4 January 2021
SPP offer closes	5:00pm (Sydney time) on Wednesday, 13 January 2021
Scaleback policy announced (if applicable)	Monday, 18 January 2021
Settlement of new shares under the SPP	Tuesday, 19 January 2021
Allotment of new shares under the SPP	Wednesday, 20 January 2021
Expected quotation on the ASX and normal trading of new shares under the SPP commences	Thursday, 21 January 2021
Dispatch of allotment confirmations/holding statements for New Shares	On or around Thursday, 21 January 2021

***Note:** The timetables above are indicative only and subject to change. Zip reserves the right to amend any or all of these events, dates and times, without notice, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws.