

25 January 2023

Mr Elvis Onyura
Principal Adviser, Listing Compliance

By email: ListingsComplianceSydney@asx.com.au.

Your Reference ID: 66839

Dear Mr Onyura,

Zip Co Limited ('ZIP'): Aware Query

Zip Co Limited (ASX: ZIP) ("**ZIP**", or the "**Company**") refers to your Aware Query letter dated 24 January 2023 (**Aware Letter**) and provides the following response to your request for information (shown in bold) as follows (with the noted terms as defined in the Aware Letter):

1. Does ZIP consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Yes. ZIP considers this information that a reasonable person would expect to have a material effect on the price or value of its securities.

This was reflected by ZIP marking the Announcement as price sensitive.

2. If the answer to question 1 is "no", please advise the basis for that view.

Not applicable.

3. When did ZIP first become aware of the Information?

Zip was not aware of the Information until immediately prior to the release of the Announcement, (prior to market open) on 24 January 2023.

Preliminary compilation work to prepare the Information (for internal management purposes of the Company) contained within the Announcement entitled "Q2 FY23 Results Update - Zip on Target" commenced on 31 December 2022 (which corresponds to a Prohibited Period for all Zip employees as per Zip's Securities Trading Policy).

A draft Announcement was shared with the Board for comment which was subject to further information requests and review. The Information collation, review process and confirmation of all statements contained within the draft Announcement continued until after market close on 23 January 2023.

On 24 January 2023 (prior to market open), a final version of the Announcement was provided to the Directors, outlining key changes since the prior draft version at which

time the CEO & Managing Director approved the release of the Announcement on behalf of the Board.

4. If the answer to question 1 is “yes”:

4.1 Noting the significant increase in the price of ZIP’s securities prior to the Announcement’s release, is ZIP of the view that the Information remained confidential until the Announcement was released? If so, please explain the basis for that view.

ZIP is of the view that the Information remained confidential until the Announcement was released.

ZIP kept the draft Announcement and Information contained therein on a need to know only basis and keeps tight controls over access to the Information prior to release of the Announcement. ZIP has established internal measures to ensure confidentiality which were implemented, including strict restriction of access to the Information via IT system controls.

4.2 Please explain when, in ZIP’s view, ZIP was obliged to release the Information under Listing Rules 3.1 and 3.1A. Additionally, please outline what steps ZIP took to ensure that the Information was released promptly and without delay.

ZIP’s view is that it was obliged to release the Information upon finalisation of and approval of the Announcement in final form by the CEO & Managing Director (on behalf of the Board). This approval was received, and the Announcement was accordingly released, prior to market open on 24 January 2023.

4.3 Does ZIP have any other explanation for the increase in price and volume of ZIP’s securities on 23 January 2023?

As noted by the ASX in the Aware Letter, there was an increase in price and volume of ZIP’s securities on 23 January 2023. ZIP’s securities closed at \$0.835, up 22.8% from a previous close of \$0.68, on elevated volumes.

The share price performance and elevated volumes on 23 January 2023 reflected movements of other AU and US listed peers, in the BNPL industry.

5. Please confirm that ZIP is complying with the Listing Rules and, in particular, Listing Rule 3.1.

The Company confirms that it remains in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that ZIP's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZIP with delegated authority from the board to respond to ASX on disclosure matters.

ZIP confirms that this response has been authorised and approved by the Disclosure Committee (in accordance with ZIP's published Continuous Disclosure Policy).

The Company Secretary has approved the release of this announcement.

- ENDS -

For more information, please contact:

Vivienne Lee
Director, Investor
Relations
vivienne.lee@zip.co

For general investor enquiries, email investors@zip.co

About Zip

ASX-listed Zip Co Limited (ASX: ZIP) is a leading global financial services company, offering innovative, people-centred products that bring customers and merchants together. On a mission to be the first payment choice everywhere and every day, Zip offers point-of-sale credit and digital payment services around the world, including through strategic investments, connecting millions of customers with its global network of tens of thousands of merchants.

Zip provides fair, flexible and transparent payment options to individual consumers, helping them to take control of their financial future and helping merchants to grow their businesses. Zip is committed to responsible lending and is managed by a team with over 100 years' experience in retail finance and payments. Zip is also a licensed and regulated credit provider and was founded in Australia in 2013.

For more information, visit: www.zip.co

Shareholders who would like to receive email communications from Computershare for all future correspondence, visit <http://www.computershare.com.au/easyupdate/ZIP>.



24 January 2023

Reference: 66839

Mr Tai Phan
Company Secretary
Zip Co Limited
Level 5
126 Phillip Street
Sydney NSW 2000

By email

Dear Mr Phan

Zip Co Limited ('ZIP'): Aware Query

ASX refers to the following:

- A. The increase in price and volume of ZIP's securities on 23 January 2023. ZIP's securities closed at \$0.835, up 22.8% from a previous close of \$0.68, on elevated volumes.
- B. ZIP's announcement entitled "Q2 FY23 Results Update - Zip on Target" lodged on the ASX Market Announcements Platform ('MAP') and released to the market at 9:48 AM on 24 January 2023 (the 'Announcement'), disclosing ZIP's second quarter results for the three month period ending 31 December 2022 (the 'Information'). ASX notes that ZIP submitted the Announcement as 'market sensitive' to MAP.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- F. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks ZIP to respond separately to each of the following questions and requests for information:

1. Does ZIP consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did ZIP first become aware of the Information?
4. If the answer to question 1 is "yes":
 - 4.1 Noting the significant increase in the price of ZIP's securities prior to the Announcement's release, is ZIP of the view that the Information remained confidential until the Announcement was released? If so, please explain the basis for that view.
 - 4.2 Please explain when, in ZIP's view, ZIP was obliged to release the Information under Listing Rules 3.1 and 3.1A. Additionally, please outline what steps ZIP took to ensure that the Information was released promptly and without delay.
 - 4.3 Does ZIP have any other explanation for the increase in price and volume of ZIP's securities on 23 January 2023?
5. Please confirm that ZIP is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ZIP's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZIP with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEDT Wednesday, 25 January 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ZIP's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ZIP to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading Halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ZIP's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ZIP's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ZIP's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that ZIP's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Elvis Onyura
Principal Adviser, Listings Compliance