



## **ASX Announcement**

26 October 2020

# **Zebit, Inc., a U.S. Based E-Commerce and BNPL Company, Lists on ASX After Completing \$35m IPO**

## **Highlights**

- **Zebit, Inc. lists on the ASX following a fully underwritten A\$35m Initial Public Offer (IPO)**
- **IPO provides capital to accelerate growth and capture U.S. market opportunity of ~120m credit-challenged consumers**
- **Our e-commerce and custom BNPL offering 'Zebit Marketplace' offers these consumers a large selection of products across more than 25 product categories (such as electronics, appliances, home décor, furniture, and beauty) and store credit to pay for their purchases over six months without any late charges or hidden fees**
- **Significant investment in proprietary data and analysis enable Zebit to deploy predictive models at registration and checkout using this information to understand the credit risk of a customer and each order**

## **IPO Summary**

Zebit, Inc. (Zebit or the Company) (ASX: ZBT) is pleased to announce the successful completion of its initial public offering (IPO) and that it has been admitted to the official list of the Australian Securities Exchange (ASX).

The IPO was completed via an offering of Chess Depositary Interests (CDIs) over shares of common stock (Shares) in Zebit on a 1 CDI to 1 Share basis at an IPO price of A\$1.58 per CDI (the Offer).

Under the Offer, Zebit issued 22.2 million CDIs to raise A\$35.0m of new capital for the Company. The vast majority of pre-IPO investors, Board members, key management personnel, and employees have entered into escrow arrangements, which will see their holdings subject to trading restrictions for between 12 to 24 months following listing.

Zebit would like to thank its existing shareholders for their continued support and welcomes its new investors to the register.

The net proceeds of the Offer will be used primarily to scale the business, including working capital to support investment in marketing and accounts receivable, add next generation enhancements to Zebit's bespoke eCommerce and credit platform, hire additional key senior team members, and explore some natural adjacent revenue growth initiatives.

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## Zebit's Business

Zebit is a California based eCommerce company that is dedicated to changing the lives of over 120 million U.S. credit-challenged consumers by giving them access to a broad set of products and the ability to pay for those products in instalments over six months. Zebit was founded in 2015 and operates in all 50 States across the U.S.

As an eCommerce retailer, Zebit generates revenue through product sales, capturing the full gross margin of each product sold on the Zebit Marketplace. Zebit offers over 90,000 products across multiple product categories through its fully integrated drop-ship network that includes some of the largest wholesalers, distributors, and manufacturers in the U.S. This network has allowed Zebit to avoid the typical activities that reduce eCommerce gross margins including buying and carrying inventory, inventory obsolescence, general discounting and warehousing and logistics.

In the U.S., there is currently no single off-the-shelf data source that can predict a credit -challenged consumer's credit worthiness. Zebit's competitive advantage is deeply rooted in its credit and risk approach, modelling, and decades of management experience serving this population. Zebit leverages a variety of external device, identity, employment, income, and alternative credit information, in addition to the proprietary data it has assembled since inception.

Zebit's technology enables it to create predictive machine learning models using this information to understand the credit risk of its customers. Zebit makes a risk assessment at the point a person applies for store credit to use in the Zebit eCommerce store (Zebit Marketplace) and when a customer attempts to make a purchase at checkout. Zebit's advanced analytics and models are designed to detect fraud and drive consumer acquisition, determine store credit allocation, and registration and point of sale underwriting.

## Business Update

- As of September 30, 2020, Zebit had ~661,000 registered users, an increase of 34,000 since June 30, 2020, and Zebit has continued to trade in line with expectations.
- During 3Q20, Zebit expanded its business to business (B2B) registered user acquisition channel, entering into strategic partnerships with several marketing companies and platforms.
- The Company has also filled two strategic positions on its senior management team, with the recruitment of Kerissa Hollis as VP of Legal and Compliance and Melissa Cogan as VP of HR.

Zebit's Co-Founder, President and CEO, Marc Schneider said:

*"I founded Zebit in 2015 to make a fundamental and much needed change for millions of people in the U.S. who are in a perpetual struggle to get a foothold toward financial stability. It is hard to imagine that an economic superpower such as the U.S. has 78% of its population living pay check to pay check and over 120 million consumers who have been effectively blocked from accessing cost-effective, "mainstream" credit because they either have no credit score or have experienced volatility in their lives that has contributed to an impaired score. Zebit has created a new business model to allow credit-challenged consumers to finance products over time and in a transparent fashion.*

*Zebit is also doing what many did not think was possible – finding the signal in the data to understand the risk of a consumer vs. relying on a legacy fee base of interest, fees and penalties that destabilizes them. We have built our own big data set by investing tens of millions of dollars into our platform. In 2020, we*



*are harnessing that investment with new decision models at the point of registration and sale in our Zebit Marketplace. We believe both customer loyalty demonstrated by long-tail repeat purchase behaviour, in combination with leading edge risk models underpin the Company's potential future growth.*

*I would like to thank our existing investors for the support and welcome our new investors to the Company. Zebit intends to deploy the capital raised via the IPO to accelerate its growth."*

**ENDS**

**Authorised on behalf of the Zebit, Inc. Board by Marc Schneider, Executive Director, President and Chief Executive Officer.**

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Zebit's CHES Depositary Interests (CDIs) are issued in reliance on the exemption from registration contained in Regulation S of the U.S. Securities Act of 1933 (Securities Act) for offers of securities which are made outside of the U.S. Accordingly, the CDIs have not been, and will not be, registered under the Securities Act or the laws of any state or other jurisdiction in the U.S. As a result of relying on the Regulation S exception, the CDIs are 'restricted securities' under Rule 144 of the Securities Act. This means that you are unable to sell the CDIs into the U.S. or to a U.S. person who is not a QIB for the foreseeable future except in very limited circumstances after the end of the restricted period, unless the re-sale of the CDIs is registered under the Securities Act or an exemption is available. To enforce the above transfer restrictions, all CDIs issued bear a FOR Financial Product designation on the ASX. This designation restricts any CDIs from being sold on ASX to U.S. persons excluding QIBs. However, you are still able to freely transfer your CDIs on ASX to any person other than a U.S. person who is not a QIB. In addition, hedging transactions with regard to the CDIs may only be conducted in accordance with the Securities Act.