

12 July 2022

Zip Co Limited and Sezzle Inc Terminate the Merger Agreement for Zip's Proposed Acquisition of Sezzle

In light of current macroeconomic and market conditions, Zip Co Limited (ASX: ZIP) ("Zip", or the "Company") and Sezzle Inc. (ASX:SZL) ("Sezzle") have mutually agreed to terminate their previously announced merger agreement for the proposed acquisition of Sezzle by Zip.

Zip remains firmly focused on its strategic plan and accelerating its path to profitability. Zip's underlying business remains strong with consistent customer and transaction volume growth across core markets, and a solid pipeline of enterprise merchants joining the platform. The US remains a core market and area of focus, and a significant opportunity for the business. Zip is well capitalised to execute on its strategy and in line with previous guidance, Zip continues to expect to deliver group profitability during FY24.

As part of the mutual termination, Sezzle will receive from Zip U.S. \$11 million, to cover, among other things, Sezzle's legal, accounting, and other costs associated with the transaction.

Chair of the Zip Board Diane Smith-Gander said:

"We believe that mutually terminating the merger agreement with Sezzle at this time is in the best interests of Zip and its shareholders, and will allow Zip to focus on its strategy and core business in the current environment."

Release approved by Chair on behalf of the Board.

- ENDS -

For more information, please contact:

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About Zip

ASX-listed Zip Co Limited (ASX: ZIP) (ABN 58 164 440 993) is a leading global financial services company, offering innovative, people-centered 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 in 14 markets around the world, including through strategic investments, connecting millions of customers with its global network of tens of thousands of merchants.

One of the fastest growing BNPL providers globally, Zip has a presence in Australia, Canada, Czech Republic, India, Mexico, New Zealand, the Philippines, Poland, Saudi Arabia, Singapore, South Africa, UAE, the United Kingdom and the USA. Zip provides fair, flexible and transparent payment options to individual consumers and SMBs, helping them to take control of their financial future and helping merchants to grow their businesses. Zip is committed to responsible lending and also owns Pocketbook, a leading personal financial management tool. Zip is managed by a team with over 100 years' experience in retail finance and payments and is a licensed and regulated credit provider. Zip was founded in Australia in 2013.

For more information, visit: www.zip.co

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