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QUADPAY ACHIEVES RECORD MONTH, SECURES MERCHANTS WITH OVER \$3BN IN COMBINED VOLUME, FORGES NEW PARTNERSHIPS

Zip Co Limited (ASX: Z1P) ("**Zip**" or "the **Company**") is pleased to provide a trading update for QuadPay, Inc. The EGM being held for shareholders to vote on the proposed acquisition of QuadPay is scheduled for 31 August 2020.

Trading Highlights

- Achieved record monthly transaction volume in excess of US\$70M in July, representing a 30% increase on the June quarter average and a 600%+ increase YoY.
- Added 133,000 customers in July and surpassed the 2M customer milestone in August.
- Partnered with multiple Internet Retail 100 merchants including Fanatics and Mercari (TYO:4385) representing combined online volume of over US\$3bn. Other notable merchant onboardings include Caleres Group (NYSE: CAL). Enterprise sales pipeline going into the holiday period continues to remain strong.
- Established a strategic partnership with Fiserv (NASDAQ: FISV) to offer Buy Now Pay Later ("BNPL") services across their US based merchant base, launching with Fanatics.
- Partnered with MasterCard Vyze to enable BNPL within the Vyze alternative lending stack.
- QuadPay continues to deliver industry leading net transaction margins (NTM) greater than 2%.
- Secured a debt facility of up to US\$200m provided by Goldman Sachs and Oaktree.

QuadPay is pleased to announce partnerships with multiple Internet Retail 100 merchants generating a combined US\$3bn in online volume. All are on track to go live before the Q4 US holiday period.

Fanatics, the global leader in licensed sports merchandise, has selected QuadPay and Fiserv to power BNPL via instalment payments. The multi-year, exclusive global deal will see QuadPay activated across Fanatics' owned roster of online stores, including Fanatics.com, FansEdge.com, SportsMemorabilia.com and international properties. Fanatics is the market leader for e-commerce and mobile shopping, and partners with over 300 of the world's preeminent leagues, teams and global sports brands. Fanatics is owned by Kynetic which is #14 on the Internet Retail 100 list and processed US\$2.5bn in 2019.

QuadPay has also partnered with Mercari (TYO:4385) to offer its BNPL solution across their US web and app properties. Mercari is a leading online marketplace and a top-15 app in the US app store shopping category. Mercari makes it super easy to sell (or buy) almost anything. With 50M+ app downloads in the U.S. and 350k new listings every day, QuadPay is excited to partner with and drive additional growth for Mercari.

Brad Lindenberg, QuadPay Co-CEO, said:

"The momentum we are starting to see is a testament to our product and technology capabilities which are being recognized as market leading. QuadPay is the easiest platform for enterprise merchants to integrate with, both online and in-store. With less than 15% of the Internet Retail 1000 offering an interest free BNPL service, we look forward to joining forces with Zip and rapidly accelerating our growth in market".

Other notable merchants include Calares Group (NYSE: CAL) which includes the Famous Footwear and Sam Edelman brands.

QuadPay establishes key distribution partnerships with Fiserv

Fiserv, Inc. (NASDAQ: FISV), a leading global provider of payments and financial services technology solutions has partnered with QuadPay to enable their merchant base to offer interest free instalment payments. QuadPay's unique technology enables Fiserv merchants to process QuadPay transactions through their existing Fiserv payment rails. Fiserv is one of the largest payment processors globally and QuadPay is thrilled to announce Fanatics as a marquee merchant to launch the partnership. Fiserv partners include many Internet Retail 100 merchants.

QuadPay Partners with Mastercard Vyze to Make it Easy for Retailers to Offer Shoppers BNPL Instalment Payments

QuadPay has partnered with Mastercard Vyze, the leading alternative financing platform, to provide businesses and customers with a seamless instalment-based payment shopping experience, online and in-store. The partnership between QuadPay and Mastercard Vyze enables Vyze to offer a leading BNPL payment method to their merchants, while providing QuadPay distribution across the Mastercard Vyze merchant network through a single integration.

QuadPay Secures a Revolving Line of Credit of Up to US\$200 million from Goldman Sachs, Oaktree Capital

QuadPay has secured a senior secured committed revolving line of credit of up to US\$200 million from Goldman Sachs, with mezzanine financing provided by Oaktree Capital. QuadPay will use the credit facility to expand its BNPL business to new merchants and customers throughout the United States. Given the short duration repayment profile, the facility would enable QuadPay to originate in excess of US\$2.5bn on an annual basis, providing significant headroom for future growth.

Zip and QuadPay are looking forward to the Zip shareholder vote at the upcoming EGM scheduled on August 31 with completion expected shortly thereafter. The two businesses have already commenced integration planning and driving synergies.

Release approved by the Chief Executive Office on behalf of the Board.

– ENDS –

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About Zip

ASX-listed Zip Co Limited (Z1P: ASX) or ("Zip") 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 and the United Kingdom, with associates in the USA and South Africa. Zip also owns Pocketbook, a leading personal financial management tool and SME lending provider Spotcap. 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