17 April 2026

3Q FY26 results update
US net bad debts remained steady and TTV growth accelerated.
Upgraded FY26 guidance.

Zip Co Limited (ASX: ZIP) ("**Zip**", or the "**Company**") today announced its third quarter update for the three-month period ended 31 March 2026 ("**3Q26**"). Zip also upgrades its FY26 Group cash EBTDA guidance to be no less than $260.0m.

3Q26 GROUP HIGHLIGHTS

- Record cash EBTDA of $65.1m (up 41.5% vs 3Q25)
- Significant operating margin expansion to 19.4% (vs 16.5% in 3Q25)
- Total transaction volume (TTV) grew to $4.0b (up 22.4% vs 3Q25)
- Total income increased to $335.2m (up 20.2% vs 3Q25)
- Revenue margin of 8.4% (vs 8.6% in 3Q25), reflecting higher US contribution
- Transactions of 27.4m (up 20.3% vs 3Q25)
- Net bad debts of 1.9% of TTV (vs 1.6% of TTV in 3Q25) in line with management targets and strategic settings, including US net bad debts remaining steady at 1.86% of TTV
- Strong cash net transaction margin (NTM) of 3.9% (vs 3.9% in 3Q25)
- Active customers at quarter end of 6.5m (up 3.5% vs 3Q25)
- Merchants on Zip's platforms increased to 93.9k (up 12.7% vs 3Q25)

Zip Group CEO and Managing Director, Cynthia Scott said:

> *"Zip's resilient business model continues to drive increased profitability at scale, delivering record cash earnings of $65.1m, up 41.5% year on year. Operating margin expanded 292bps to 19.4%, reflecting strong unit economics and significant operating leverage. Momentum continued across both markets, underpinned by deepened customer engagement and disciplined execution.*
>
> *In the US, TTV growth accelerated to 43.1% (in USD) year on year while active customers grew 9.0% (+375k), merchants on the platform increased 17.9%, and the business expanded its Pay-in-Z offering through the launch of Pay-in-2. We achieved these outcomes while holding credit losses steady within our target range, with US credit losses forecast to decline in 4Q26 to below 1.75% of TTV.*
>
> *The ANZ business continues to accelerate profitable growth with revenue and Australian receivables up 5.0% and 8.7% year on year respectively. In Australia, we announced ZMobile in April 2026, expanding our customer proposition and introducing a new capital-light revenue stream for Zip.*
>
> *Following a strong third quarter performance, we have upgraded our FY26 Group cash EBTDA guidance to be no less than $260.0m, while reconfirming each of our FY26 target ranges."*

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BUSINESS PERFORMANCE

All key operating metrics are based on Zip's unaudited management financials as of 31 March 2026.

Financial performance (AUD)	3Q26	vs 2Q26	vs 3Q25
Revenue	**$332.2m**	**-2.2%**	**+20.2%**
US	$223.9m	-3.6%	+29.3%
ANZ	$108.3m	+0.9%	+5.0%
TTV	**$3,991.1m**	**-10.9%**	**+22.4%**
US	$3,053.7m	-9.5%	+29.0%
ANZ	$937.4m	-15.0%	+4.8%
Transactions	**27.4m**	**-5.4%**	**+20.3%**
US	14.8m	-4.8%	+34.8%
ANZ	12.6m	-6.1%	+6.7%
Cash NTM	**3.9%**	**+41bps**	**+2bps**
US	3.5%	+34bps	-24bps
ANZ	5.5%	+71bps	+100bps

Financial performance (USD)	3Q26	vs 2Q26	vs 3Q25
US revenue	$155.5m	+1.8%	+43.3%
US TTV	$2,122.7m	-4.4%	+43.1%

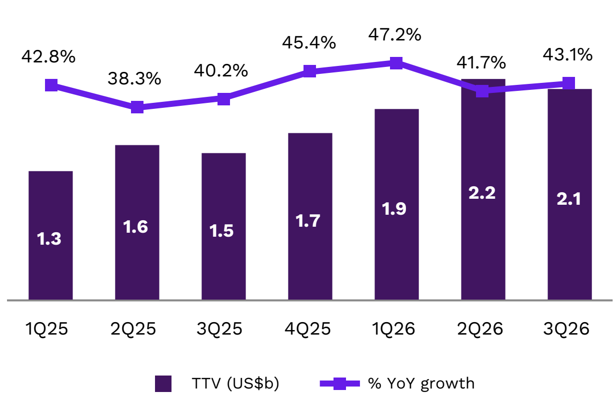
Operational performance	At 31 Mar 2026	vs 2Q26	vs 3Q25
Active customers[1]	**6.5m**	**-1.8%**	**+3.5%**
US	4.6m	-1.6%	+9.0%
ANZ	1.9m	-2.4%	-7.4%
Merchants[2]	**93.9k**	**+3.6%**	**+12.7%**
US	29.0k	+8.4%	+17.9%
ANZ	64.9k	+1.6%	+10.5%

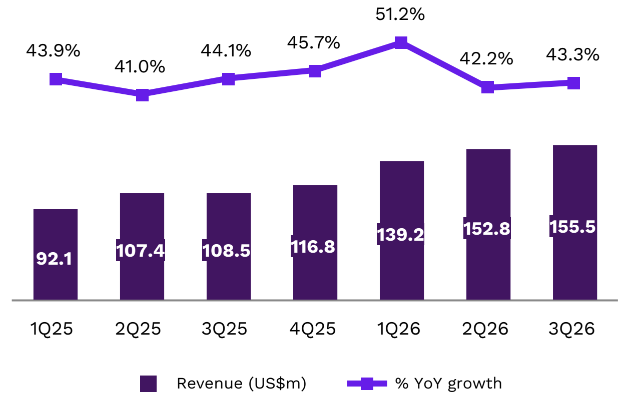
Net bad debts (% of TTV)	3Q26	2Q26	3Q25
Group	1.93%	1.80%	1.64%

1 Active customers defined as customer accounts that have had transaction activity in the last 12 months.
2 Cumulative merchants that have signed up to the Zip platform.

REGIONAL UPDATES - ZIP US

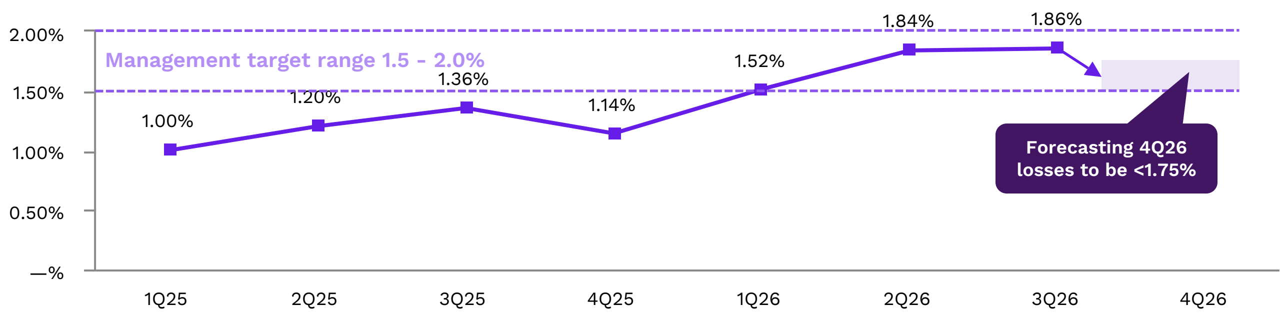
TTV and revenue growth remains above 40% year on year





Net bad debts as % of TTV remained stable while delivering strong top line and active customer growth[3]

(Net bad debts written off including recoveries as % of TTV)



US net bad debts written off including recoveries

Credit performance (USD)[3]	3Q26	2Q26	3Q25
Net bad debts written off	$39.4m	$40.9m	$20.1m

Key highlights in the US included:

- Strong top line growth, with year-on-year TTV and revenue up 43.1% and 43.3% respectively, driven by growth from new and existing customers through both the App, and in-store adoption continuing to gain share
- Non-discretionary spend categories such as groceries and utilities contributed significantly to growth reflecting Zip's value proposition for low-to-middle income Americans
- Losses remained steady quarter on quarter as targeted and despite seasonality. Pay-in-8 losses have peaked and are trending down for FY26 reflecting proactive management and continued seasoning. These outcomes supported a 34bps quarter-on-quarter increase in

[3] Net bad debts written off reflect losses fully matured and written-off in the P&L including recoveries and any fees associated.

cash NTM to 3.5%. Credit losses are expected to decline in 4Q26 to below 1.75% of TTV, reflecting seasonality and proactive credit management

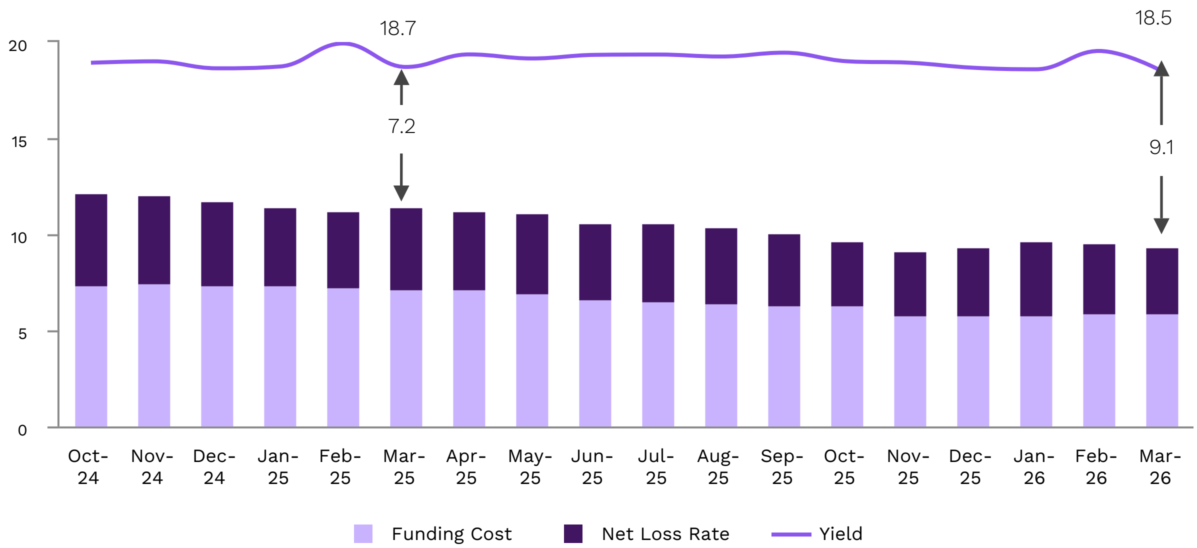
- Active customers grew 9.0% (+375k) year on year. Customer engagement continued to deepen with average spend and average transactions per customer increasing 32.3% and 21.6% year on year respectively, reflecting the trust customers place in Zip to manage their cash flows
- Customer lifetime value remains strong, with newer cohorts delivering improved payback periods as evidenced by the increased number of annual transactions
- Launched Pay-in-2 to all customers in February to further support smaller, everyday spend with an average order value of US$69. Early loss indicators are performing well
- Merchants on the platform increased to 29.0k, up 17.9% year on year, supported by the continued addition of new merchants through Stripe
- The business continues to expand its AI capabilities with 95% of employees actively engaging with enterprise-grade tools. Zip US has also partnered with IXOPAY to launch a Unified Trust Layer framework for AI-driven commerce, positioning Zip for the emerging agentic commerce opportunity

REGIONAL UPDATES – ZIP ANZ

Portfolio yield[4]	As at 31 Mar 26	As at 31 Dec 25	As at 31 Mar 25
AU consumer receivables	18.5%	18.7%	18.7%

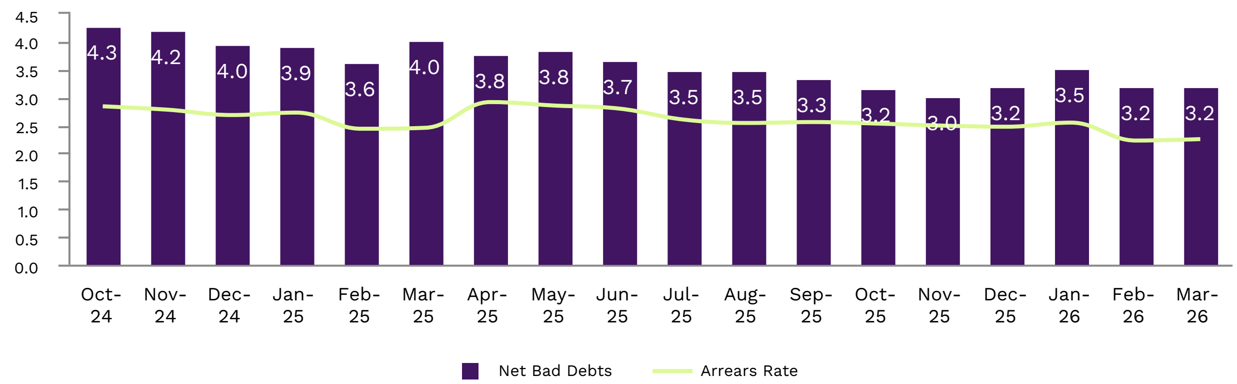
Credit performance (AU)[4]	As at 31 Mar 26	As at 31 Dec 25	As at 31 Mar 25
Arrears[5]	2.23%	2.45%	2.43%
Net bad debts[6]	3.19%	3.21%	4.02%
Receivables	$2,242.7m	$2,215.9m	$2,062.7m

Zip AU excess spread expanded driven by improved funding costs and credit outcomes
Zip AU book performance (excess spread)
(% of AU consumer receivables)



4 Calculated on receivables related to Zip AU's Master Trust facilities and funding vehicle 2017-1 Trust.
5 Gross arrears are greater than 60 days past due.
6 Net bad debts are calculated as annualised net write-offs in the months of March 2026, December 2025 and March 2025 (net write-offs for the month x 12) over opening receivables for the month.

Continued positive net bad debts performance
(% of AU consumer receivables)



Key highlights in ANZ included:

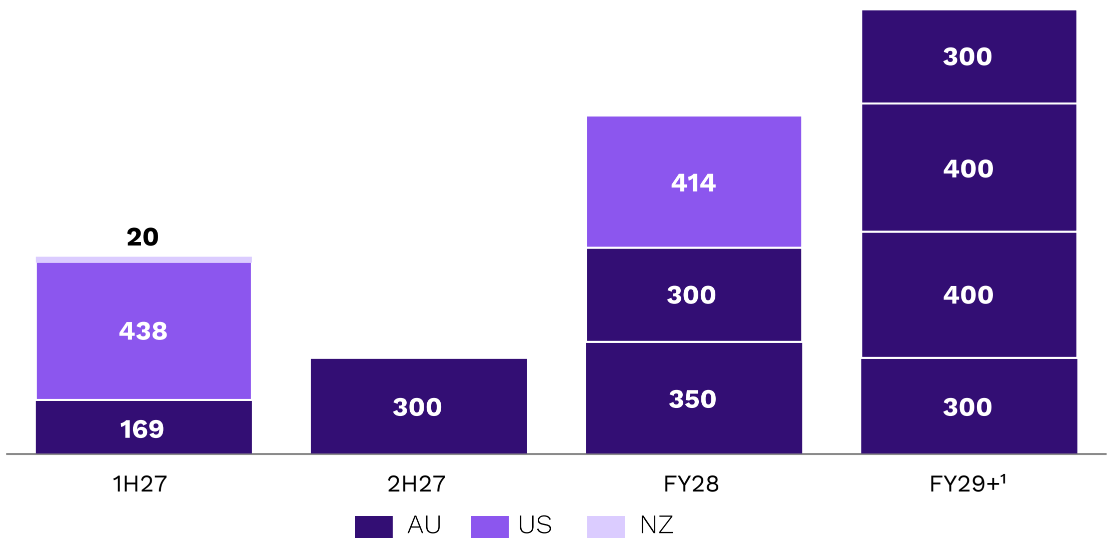
- Momentum in the ANZ business continued with TTV up 4.8% year on year, driven by continued growth in Zip Plus. The business delivered profitable growth with improved conversion of TTV growth to revenue (+5.0% year on year) and AU receivables growth (+8.7% year on year)
- Excess spread expanded 189bps to 9.1%. This reflects improved funding costs from favourable outcomes on refinancing and continued management of credit losses, down over 80bps year on year, ensuring the business is well positioned in a rising rate environment
- Customer engagement continues to strengthen with spend and transactions per customer up 18.2% and 19.4% year on year as the business focuses on attracting and retaining highly-engaged customers. Growth was driven by increased use of Zip for everyday spend, including utilities, insurance, education and health
- The maximum available credit limits for new Zip Plus customers was increased from $8,000 to $20,000 providing more flexibility and spending power for customers to manage their everyday and discretionary spend
- Announced ZMobile in April 2026, a new mobile offering designed to make it easier for Australians to access great value mobile plans and deliver a new capital-light revenue stream for Zip
- Merchants on the platform increased to 64.9k, up 10.5% year on year. The business expanded across targeted verticals, adding The Warehouse Furniture Company, Pergolux, Fetch TV in AU, and Samsung (NZ). In addition, the business integrated with Toniq (healthcare) in NZ
- The business continues to expand its AI capabilities with 95% of employees actively engaging with enterprise-grade tools

FUNDING FACILITIES

(as at 31 March 2026)

	Facility vehicle	Facility limit	Drawn at Mar 2026
AU	Various	$2,388.0m	$2,091.7m
US	Various	US$583.4m	US$377.5m
NZ	Zip NZ Trust 2021-1	NZ$20.0m	NZ$7.0m

Maturity profile ($m)



[1] $700m in 1H29, $400m in 2H30 and $300m in 2H31.

Key highlights included:

- In Australia, executed a 5-year $300m rated note issuance in February 2026 at a weighted average margin of 1.62%
- In the US, well progressed to refinance AR3LLC US$300m warehouse facility in 4Q26 to further optimise the US funding portfolio

Cash and liquidity

As at 31 March 2026, Zip had $405.1m of total cash on the balance sheet with $234.8m in available cash and liquidity, down from $239.0m at 31 December 2025.

Capital management

In March 2026, Zip commenced an on-market share buy-back of up to $50m ordinary shares for a period of up to 12 months. As at 31 March 2026, 13.8m shares had been purchased for total consideration of $21.0m.

OUTLOOK[7]

Following a strong third quarter performance and continued momentum, Zip upgrades its FY26 Group cash EBTDA guidance to be no less than $260.0m (previously expected 2H26 Group cash EBTDA to be broadly in line with 1H26 Group cash EBTDA of $124.3m). On a constant currency basis, using the FY25 weighted average foreign currency rate of 1AUD = 0.645USD, the FY26 Group cash EBTDA guidance of no less than $260.0m would equate to no less than $271.0m[8].

For FY26 Zip reconfirms guidance and expects to deliver:

- US TTV growth greater than 40% (in USD), balancing profitability and credit loss performance
- Group revenue margin of circa 8%
- Group cash net transaction margin expected to be between 3.8% - 4.2%
- Group operating margin to be greater than 18.0%
- Group cash EBTDA as a % of TTV to be greater than 1.4%

[7] Subject to market conditions.
[8] Included in the guidance of no less than $260m is the impact of executed FX hedges for 2H FY26 at an exchange rate of 1AUD = 0.69USD for US earnings.

APPENDIX FINANCIAL TABLES

Group constant currency metrics

Financial performance (CC)	3Q26 Constant Currency	vs 3Q25
TTV	$4,327.9m	+32.7%
Revenue	$356.6m	+29.1%
Cash EBTDA	$70.9m	+54.2%

Constant currency conversions in the table above adopt the weighted average 3Q FY25 exchange rate of 1AUD = 0.626USD.

Supplementary material

3Q26 Group results summary

Strong momentum across the Group driving upgrade to FY26 guidance

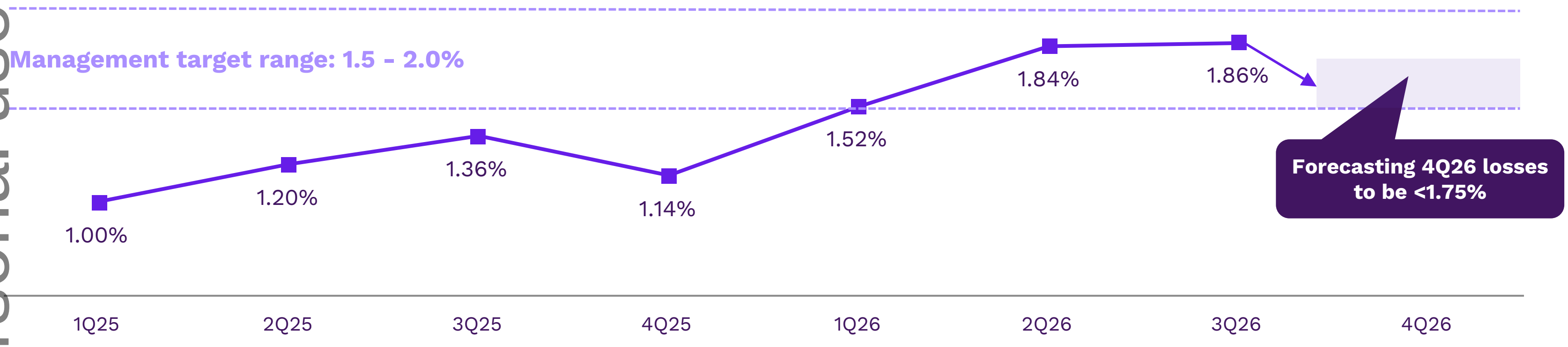
- ✓ US TTV growth accelerated; net bad debts remained steady and within target range
- ✓ Increased customer engagement and disciplined execution in both markets
- ✓ Material operating leverage underpinning increased profitability at scale

Total transaction volume (TTV)	Cash EBTDA	Operating margin
$4.0b	**$65.1m**	**19.4%**
+22.4% YoY	+41.5% YoY	+292bps YoY

Credit performance (US)

Net bad debts as % of TTV remained steady while delivering strong top line and active customer growth

Net bad debts written off including recoveries as % of TTV[1]



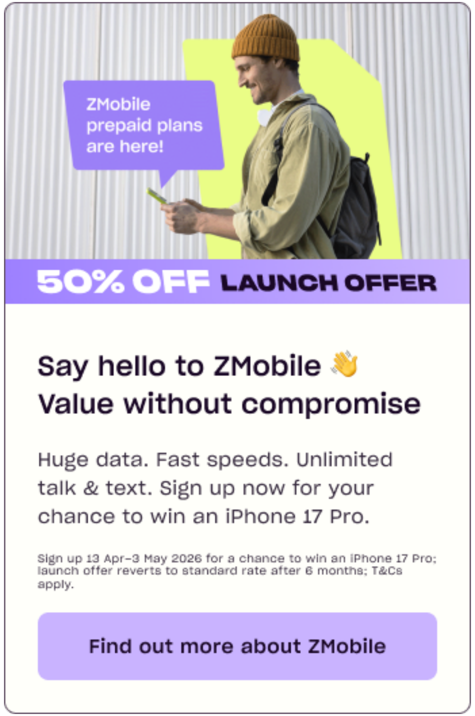
- Losses remained steady in 3Q26 as targeted and despite seasonality while executing strategy to materially grow TTV (+43.1% YoY) and active customers (+9.0% YoY)
- Pay-in-8 losses have peaked and are trending down for FY26 reflecting proactive management and continued seasoning
- Portfolio mix reflects Pay-in-8 at circa 19% of TTV; Pay-in-2 in early stages of growth following February 2026 launch

- Forecasting losses to decline to below 1.75% of TTV in 4Q26, reflecting:
  - Proactive management actions taken in 1H26, and seasonality
  - Seasoning of Pay-in-8 volumes and continued calibration of credit underwriting settings
  - Continuing to balance new customer growth and the core Pay-in-4 portfolio losses which have been stable
- Remaining vigilant given macroeconomic environment and maintaining credit management agility with short duration portfolio

Note: (1) Net bad debts written off reflect losses fully matured and written-off in the P&L including recoveries and any fees associated.

ZMobile overview - unlocking our most valuable assets (AU)

Enhanced customer experience through capital-light offerings



Benefits for customers

- Value-packed plans helping customers manage cost of living pressures
- Simple 4-click sign up experience
- Customers can manage their plan easily via the Zip App
- Early and discounted access for existing Zip customers
- Powered by leading, national provider TPG Telecom

Benefits for Zip

- Additional and recurring revenue stream via subscription based offering
- Highly scalable capital-light model
- Strong unit economics
- Strengthens customer engagement with additional value
- Competitive offerings to drive future customer acquisition

FY26 guidance[1]

Upgraded FY26 Group cash EBTDA guidance following strong third quarter performance

Zip upgrades its FY26 Group cash EBTDA guidance to be no less than $260.0m[2].

Zip US TTV growth to be greater than 40% (in USD), balancing profitability and credit loss performance.

Zip reconfirms each of its FY26 guidance ranges

	3Q26 result	FY26 YTD result	FY26 target range
Revenue (Total income as a % of TTV)	8.4%	8.1%	Circa 8%
Cash NTM (% of TTV)	3.9%	3.8%	3.8% - 4.2%
Operating margin (Cash EBTDA as a % of total income)	19.4%	19.0%	>18.0%
Cash EBTDA (% of TTV)	1.6%	1.5%	>1.4%

Note: (1) Subject to market conditions.

(2) On a constant currency basis, using the FY25 weighted average foreign currency rate of 1AUD = 0.645USD, the FY26 Group cash EBTDA guidance of no less than $260.0m would equate to no less than $271.0m. Included in the guidance of no less than $260m is the impact of executed FX hedges for 2H FY26 at an exchange rate of 1AUD = 0.69USD for US earnings.

This announcement was authorised for release by the Group CEO and Managing Director on behalf of the Board.

– ENDS -

Disclaimer

The figures presented in this document are based on preliminary data and have not been audited. While every effort has been made to ensure the accuracy of the information, these figures are subject to change.

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About Zip

Zip Co Limited (ACN 139 546 428) (ASX: ZIP) is a digital financial services company, offering innovative and people-centred products. Operating in two core markets - Australia and New Zealand (ANZ) and the United States (US), Zip offers access to point-of-sale credit and digital payment services, connecting millions of customers with its global network of tens of thousands of merchants.

Founded in Australia in 2013, Zip provides fair, flexible and transparent payment options, helping customers to take control of their financial future and helping merchants to grow their businesses.

For more information, visit: www.zip.co

For any shareholding and registry service enquiries, please contact Computershare. Phone: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). Shareholders who would like to receive email communications from Computershare for all future correspondence, visit http://www.computershare.com.au/easyupdate/ZIP.