

23 October 2026

1Q FY27 results update
Deeper customer engagement driving strong top line momentum.
Reconfirmed FY27 guidance for Group cash EBTDA of \$340m.

Zip Co Limited (ASX: ZIP) (“**Zip**”, or the “**Company**”) today announced its first quarter update for the three-month period ended 30 September 2026 (“**1Q27**”).

1Q27 HIGHLIGHTS

- Total transaction volume (TTV) grew to \$4.6b (up 18.0% vs 1Q26); US TTV up 34.1% (in USD)
- Total income increased to \$376.1m (up 17.0% vs 1Q26)
- Revenue margin of 8.2% (vs 8.2% in 1Q26)
- Transactions of 31.6m (up 21.8% vs 1Q26)
- Net bad debts of 1.97% of TTV (vs 1.65% of TTV in 1Q26) with US net bad debts at 1.93%
- Strong cash net transaction margin (NTM) of 3.8% (vs 4.0% in 1Q26)
- Cash EBTDA of \$65.0m (up 3.4% vs 1Q26), which includes \$10.1m of operating expenses relating to an external fraud event in the US. Excluding these costs, adjusted cash EBTDA was \$75.1m (up 19.5% vs 1Q26, or 28.7% on a constant currency basis)
- Operating margin of 17.3% (vs 19.5% in 1Q26), or 20.0% based on the adjusted cash EBTDA
- Active customers of 6.4m and merchants of 96.6k

Zip Group CEO and Managing Director, Cynthia Scott said:

“Customers are choosing to use Zip more often, driving strong top line growth, with transactions per customer up 27.0% in the US and 14.2% in Australia, positioning us well ahead of the second-quarter holiday season.

In the US, TTV and revenue grew 34.1% and 32.0% year on year respectively (in USD) from an increasingly larger base. An external fraud event, and the measures we took to mitigate it, temporarily moderated TTV and new customer growth in July and August, with performance strengthening in September as TTV grew 41% year on year (in USD). We continue to expand our US offering, with Zip® Cash set to launch to select customers over the holiday season. In Australia, we achieved solid momentum with receivables growing at a double-digit rate year on year.

We are targeting US credit losses as % of TTV in the second quarter to be lower than the first quarter reflecting proactive credit management, and reconfirm a target range of 1.5 - 2.0% for FY27. We also optimised our funding portfolio, including establishing our first Asset Backed Security issuance in the US, and progressed our \$50 million on-market share buyback.

We have reconfirmed all of our FY27 guidance metrics including Group cash EBTDA of \$340 million (up 26% year on year), and remain focused on executing on our strategic priorities to drive growth and innovation, and invest for long-term scale.”

BUSINESS PERFORMANCE

All key operating metrics are based on Zip's unaudited management financials as of 30 September 2026. AU financials exclude New Zealand in each period following the orderly wind down of the business which began in July 2026. Group totals in the table below include New Zealand. Refer to Appendix for Group totals excluding New Zealand. Constant currency (CC) conversions adopt the weighted average 1Q27 exchange rate of 1AUD = 0.706USD.

Financial performance (AUD)	1Q27	vs 4Q26	vs 1Q26
Revenue	\$373.4m	+8.0%	+17.2% (+23.4% CC)
US	\$259.7m	+11.1%	+21.9%
AU	\$111.5m	+1.7%	+8.3%
TTV	\$4,603.7m	+7.5%	+18.0% (+25.0% CC)
US	\$3,632.6m	+9.7%	+23.8%
AU	\$952.4m	+2.6%	+3.6%
Transactions	31.6m	+6.3%	+21.8%
US	18.8m	+11.1%	+38.0%
AU	12.7m	+2.2%	+6.3%
Cash NTM	3.8%	-20bps	-22bps
US	3.4%	-11bps	-31bps
AU	5.2%	-55bps	+17bps
Net bad debts % of TTV	1.97%	+28bps	+32bps
Cash EBTDA	\$65.0m	nm	+3.4% (+11.4% CC)

Financial performance (USD)	1Q27	vs 4Q26	vs 1Q26
US revenue	\$183.7m	+11.0%	+32.0%
US TTV	\$2,569.4m	+9.6%	+34.1%

Operational performance	At 30 Sep 2026	vs 4Q26	vs 1Q26
Active customers¹	6.4m	-1.7%	+0.1%
US	4.7m	+1.7%	+6.9%
AU	1.7m	-2.5%	-6.9%
Merchants²	96.6k	-0.8%	+10.4%
US	32.6k	+5.9%	+31.2%
AU	64.0k	+2.2%	+9.3%

¹ Active customers defined as customer accounts that have had transaction activity in the last 12 months. As at 30 Sep 2026 there were nil New Zealand customers.

² Cumulative merchants that have signed up to the Zip platform. As at 30 Sep 2026 there were nil New Zealand merchants.

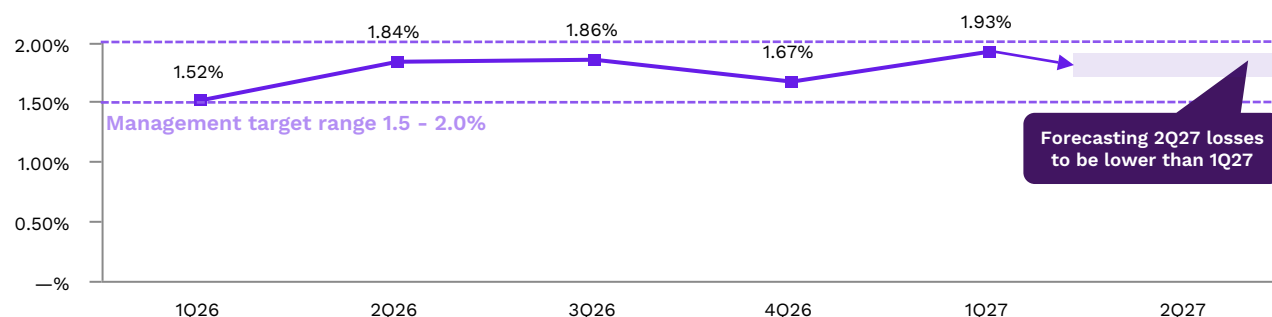
REGIONAL UPDATES - ZIP US

Continued to deliver strong top line growth off an increasingly larger base

Year on year growth (in USD)	1Q27	1Q26
Revenue	+32.0%	+51.2%
TTV	+34.1%	+47.2%

Net bad debts as % of TTV within target range³

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



Credit performance (USD)	1Q27	4Q26	1Q26
Net bad debts written off ³	\$49.5m	\$39.3m	\$29.0m

Key highlights in the US included:

- Strong TTV (+34.1%) and revenue (+32.0%) growth (in USD) off an increasingly larger base, driven by stronger customer engagement with spend and transactions per customer increasing 30.2% (to US\$1,958 per annum) and 27.0% (to 14.0x per annum) respectively
- The business identified and contained an external fraud event involving coordinated individuals establishing new accounts using legitimate credentials to execute unpaid transactions. The fraud event temporarily impacted TTV and new customer growth in July and August, and resulted in US\$7.2m (A\$10.1m) of cash operating expenses. Growth strengthened in September, with TTV increasing 41% (in USD) year on year, with positive momentum continuing into October. Zip has notified the relevant authorities of the event and lodged a claim with its insurer
- Merchants on the platform increased 31.2% to 32.6k, including the addition of Puma, CommentSold, Crutchfield and Just Energy
- Net bad debts were 1.93% of TTV with the quarter-on-quarter movement primarily driven by seasonality, as well as some impact from TTV being temporarily moderated due to the mitigation measures taken to contain the fraud incident. Zip is forecasting net bad debts as % of TTV in 2Q27 to be lower than 1Q27 and remain within the top half of the 1.5 - 2.0% target range

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

- Planned the launch of Zip® Cash, a same-day cash loan product, to select US customers during the holiday season, and signed an agreement with Paycile to offer customers the option to use Pay-in-2 for rental payments
- In October, selected Google Cloud and Quantum to establish the agentic foundation to design, build and deploy an AI-Native Product Factory powered by Gemini Enterprise, and entered into a new banking partnership with nationally chartered bank Column N.A.
- Established a two-year US\$300.0m securitisation transaction, representing the first Asset Backed Security (ABS) issuance for Zip US priced at a fixed rate yield of 5.68%, and in October increased the limit of AR5 to US\$583.4m

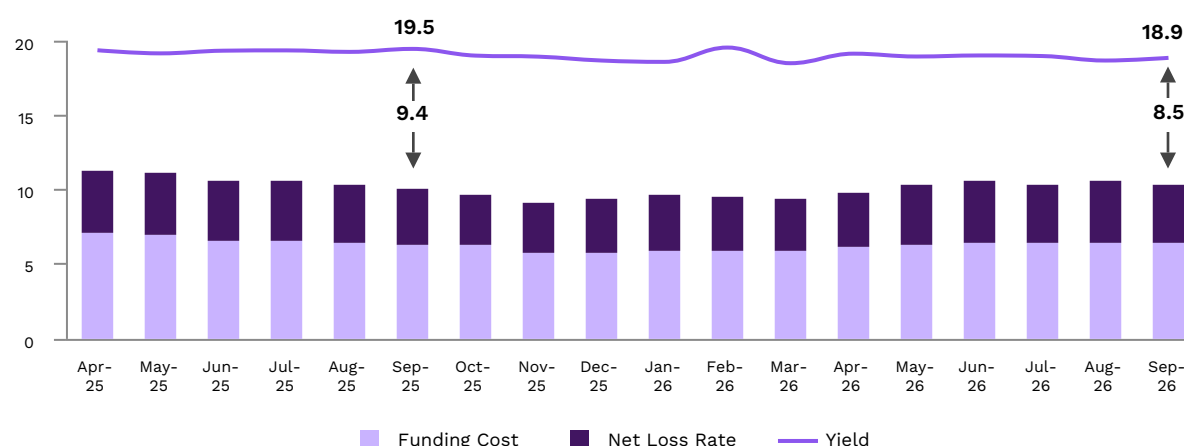
REGIONAL UPDATES - ZIP AU

Portfolio yield	As at 30 Sep 26	As at 30 Jun 26	As at 30 Sep 25
AU consumer receivables	18.9%	19.0%	19.5%

Credit performance (AU) ⁴	As at 30 Sep 26	As at 30 Jun 26	As at 30 Sep 25
Arrears ⁵	2.35%	2.67%	2.53%
Net bad debts ⁶	3.51%	3.83%	3.33%
Receivables	\$2,333.2m	\$2,307.0m	\$2,085.7m

Healthy yield and strong excess spread amidst a challenging macroeconomic environment

Zip AU book performance (excess spread)
(% of AU consumer receivables)

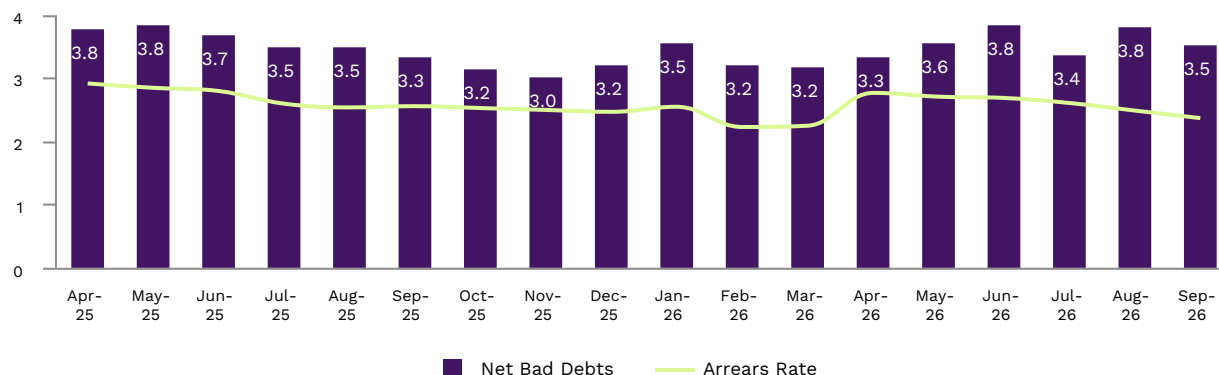


⁴ Calculated on receivables related to Zip AU's Master Trust facilities and funding vehicle 2017-1 Trust.

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 September 2026, June 2026 and September 2025 (net write-offs for the month x 12) over opening receivables for the month.

Resilient net bad debts performance while growing receivables at a double-digit rate (% of AU consumer receivables)



Key highlights in AU included:

- Continued to deliver solid momentum and profitable growth with revenue and receivables up 8.3% and 11.8% year on year respectively
- Strong excess spread of 8.5% as net bad debts remained resilient, while portfolio yield remained healthy at 18.9%
- Strengthened customer engagement, with spend per customer up 13.0% year on year to \$2,265 per annum and transactions per customer up 14.2% year on year to 29.7x per annum
- Launched new brand platform 'It Pays to Zip' and established a digital credit limit increase capability for Zip Pay
- Enhanced the business' customer-facing AI assistant Zigi with automated repayment date changes with the upgraded Zigi interface expected to be rolled out to all customers in 2Q27
- Merchants on the platform increased 9.3% to 64.0k, including the addition of Vietnam Airlines, Phil Hoffmann Travel and Carbar
- Wind down of the New Zealand business is expected to complete by the end of CY2026

CAPITAL MANAGEMENT, CASH AND LIQUIDITY

Consistent with its capital management framework, Zip executed two initiatives during the quarter. Zip acquired 9.7m of shares for \$23.7m on market via its Employee Share Trust to minimise dilution from Equity Incentive Plan allocations in September 2026. Zip also commenced an on-market share buy-back of up to \$50m ordinary shares for a period of up to 12 months. As at 30 September 2026, 7.6m shares had been purchased for total consideration of \$15.7m.

As at 30 September 2026, Zip had \$452.0m of total cash on the balance sheet with \$224.4m in available cash and liquidity.

OUTLOOK⁷

Reflecting momentum across the Group and disciplined execution, Zip reconfirms its FY27 guidance and expects to deliver:

- US TTV growth greater than 30% (in USD) from an increasingly larger base, balancing profitability and loss performance
- Group revenue margin of circa 8%
- Group cash net transaction margin of between 3.8% - 4.0% with a US net bad debt target range of 1.5 - 2.0% of TTV
- Group operating margin to expand to between 20% - 22%
- Group cash EBTDA of \$340m, representing material growth of 26% year on year

⁷ Subject to market conditions.

APPENDIX FINANCIAL TABLES

Group performance excluding New Zealand

Financial performance	1Q27	vs 4Q26	vs 1Q26
TTV	\$4,585.0m	+8.2%	+19.0%
Revenue	\$371.2m	+8.1%	+17.4%
Transactions	31.4m	+7.4%	+23.2%
Cash NTM	3.8%	-23bps	-25bps
Cash EBTDA	\$64.7m	-18.2%	+3.6%
Operating margin	17.3%	-556bps	-228bps

Operational performance	At 30 Sep 2026	vs 4Q26	vs 1Q26
Active customers	6.4m	+0.6%	+2.9%
Merchants	96.6k	+3.4%	+15.8%

Group funding facilities⁸

	Facility limit	Drawn at Sep 2026
AU	\$2,422.5m	\$2,186.6m
US	US\$858.6m	US\$468.2m

UPCOMING INVESTOR ENGAGEMENT DATES

- Evans & Partners SMID Caps Conference, Melbourne - Wednesday, 28 October 2026
- UBS Australasia Conference, Sydney - Tuesday, 10 November 2026
- Zip Annual General Meeting - Thursday, 19 November 2026
- UBS Global Technology and AI Conference, Scottsdale - Monday, 30 November 2026

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

- ENDS -

⁸ Comprises various facility vehicles in each region. Refer to FY26 Annual Report for further detail on individual facilities.

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.

For more information, please contact:

Investors

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

Media

Chloe Rees
Senior Director, Communications & Corporate Affairs
chloe.rees@zip.co

For general investor enquiries, email investors@zip.co

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 Australia and the United States, 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>.