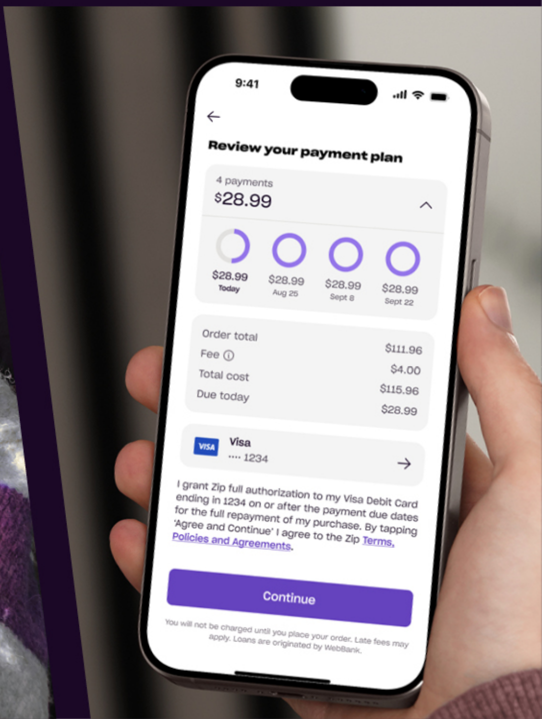
Annual Report 2026



Review your payment plan

4 payments
$28.99

$28.99	$28.99	$28.99	$28.99
Today	Aug 25	Sept 8	Sept 22

Order total	$111.96
Fee ⓘ	$4.00
Total cost	$115.96
Due today	$28.99

Visa
···· 1234

I grant Zip full authorization to my Visa Debit Card ending in 1234 on or after the payment due dates for the full repayment of my purchase. By tapping 'Agree and Continue' I agree to the Zip Terms, Policies and Agreements.

You will not be charged until you place your order. Late fees may apply. Loans are originated by WebBank.

About Zip

Zip is a digital financial services company, offering innovative and people-centred products.

Operating in two core markets – Australia and New Zealand[1] (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.

1. On 17 July 2026 Zip announced a wind down of its New Zealand operations.

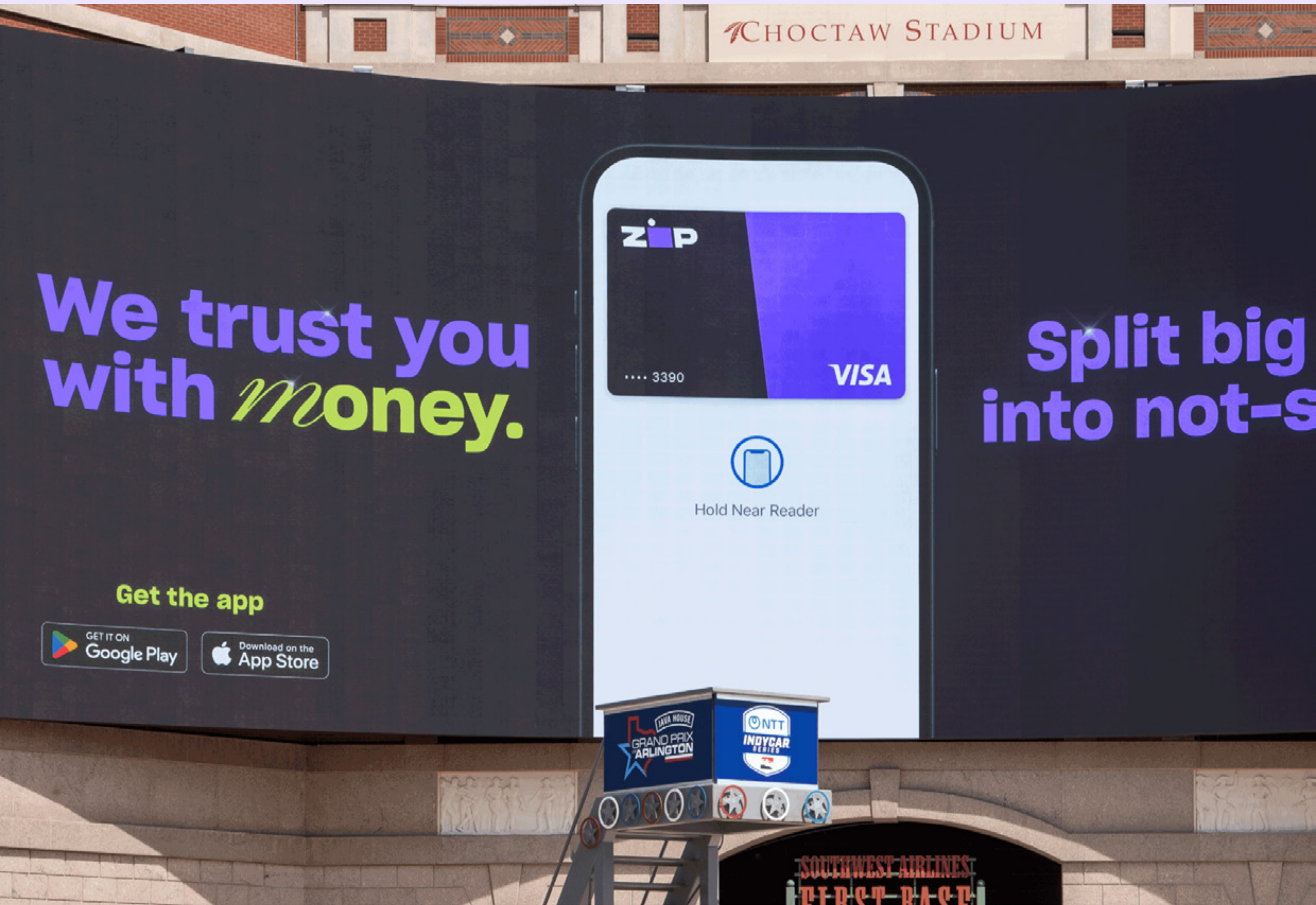
About this report

This annual report is a summary of Zip's operations, activities and financial performance and position for the year ended and as at 30 June 2026. In this report, references to 'Zip', 'the company', 'the Group', 'we', 'us' and 'our' refer to Zip Co Limited (ACN 139 546 428) and its subsidiaries, unless otherwise stated.

References in this report to a 'year' or 'this year' are to the financial year ended 30 June 2026 (previous corresponding period to 30 June 2025) unless otherwise stated. All years are financial years ending 30 June unless otherwise stated. All dollar figures are Australian dollars (AUD) unless otherwise stated.

References to 'AASB' refer to the Australian Accounting Standards Board and 'IFRS' refers to the International Financial Reporting Standards. There are references to 'IFRS' and 'non-IFRS' financial information in this report.

Non-IFRS financial measures are financial measures other than those defined or specified under any relevant accounting standard and may not be directly comparable with other companies' information. Non-IFRS financial measures are used to enhance the comparability of information between reporting periods. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, IFRS financial information and measures. Non-IFRS financial measures are not subject to audit or review.



Contents

Acknowledgement of Country

Zip acknowledges the Traditional Custodians of the lands on which our businesses operate, and recognises their ongoing contribution to land, waters and community.

We pay our respects to First Nations Elders past and present.

Group Financial Highlights

Zip continues to drive increased profitability at scale, underpinned by increased customer engagement, disciplined execution and material operating leverage.

Record Group cash earnings

The Group delivered record cash EBTDA of $268.9m in FY26, up 57.9% year-on-year with significant cash earnings growth in both the US and ANZ.

Financial

$16.7b

total transaction volume (TTV)
↑ 27.2%

20.0%

operating margin
↑ 420bps

$116.4m

statutory net profit after tax
↑ 45.7%

Platform

6.5m

active customers
↑ 3.7%

97.4k

merchants
↑ 13.8%

112.1m

transactions
↑ 20.5%

Capital management

Nil

corporate debt

$150m

on-market share
buybacks completed

$3.3b

receivables loans
to customers

Sustainability

+72

US customer NPS

+76

ANZ customer NPS

79%

employee engagement score

100%

renewable electricity
powering Zip's operations

About Zip

Our Purpose

Unlocking financial potential, together.

Our Mission

To bring exceptional experiences, innovation and partnership to every financial journey.

Our Values

Customer First

'Customer First' means building unwavering trust by creating exceptional experiences for everyone we serve – our consumers, merchants, partners and Zipsters.

Own It

'Own it' stands for being action-oriented and leading with accountability, ensuring we prioritise work that delivers significant impact for Zip and our customers.

Stronger Together

'Stronger Together' is about building a workplace where every Zipster feels they belong and can unlock their potential.

Change the Game

Zipsters who 'Change the Game' fearlessly push boundaries, continuously raising the bar for themselves and other Zipsters.

Our two-sided revenue model brings both customers and merchants onto our platform to drive growth, profitability and capital efficiency.

Acquisition

Grow active customers, merchant network and distribution channels.

x Engagement

Drive repeat usage, product engagement and customer lifetime value.

x Scale

Drive cash earnings supported by economies of scale.

= Profitability

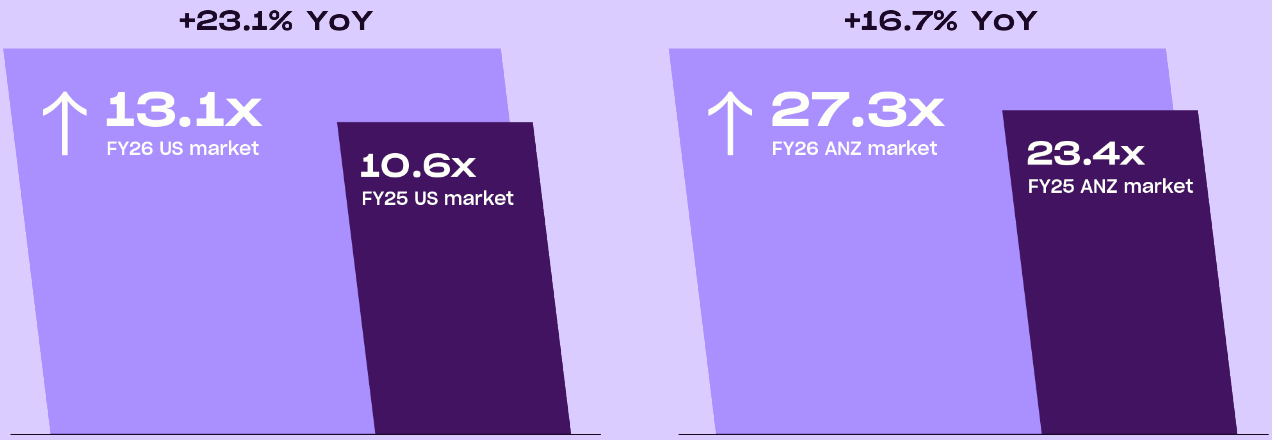
Deliver operating leverage and efficiently allocate capital across the Group.

Measures of success

Acquisition	Engagement	Scale	Profitability
Active customers **Merchants**	**Transactions and TTV per customer** **Revenue margin and cash NTM**	**TTV** **Cash EBTDA**	**Operating margin** **Maximise returns**

Driving deeper customer engagement in both markets

(transactions per active customer)



Chair and Group CEO's Report

This year, Zip celebrated its 13th birthday – a milestone that gave us the opportunity to reflect on how far the business has come.

While much has changed over the past 13 years, one thing has remained constant: our innovative mindset. It has enabled us to adapt, embrace opportunity and continue evolving alongside our customers, technology and the markets in which we operate. In an environment of increased economic uncertainty, changing customer expectations and rapid technological change, those qualities have never been more important.

During FY26, these strengths helped us deliver significant profitability and growth at scale and reinforce our competitive advantages. We delivered record cash earnings across both markets, with Group cash earnings increasing 57.9% to $268.9m and statutory net profit after tax increasing 45.7% to $116.4m. These results reflect a stronger, more resilient business, underpinned by increasing operating leverage, a diversified funding platform, disciplined risk management and continued investment in long-term growth. With these foundations in place, we are focused on our next phase of growth and delivering on the significant opportunities we have in both markets.

Growing with our customers

Across Australia and the US, customers continue to choose Zip to better manage their cash flow. Customer performance remained resilient, reflecting disciplined underwriting, responsible lending and the trust customers place in our products.

The US remains our largest growth opportunity, with Zip achieving significant total transaction volume (TTV) growth of 42.5% (in USD) in FY26. Today, we serve more than 4.6m customers in a market of more than 100m Americans underserved by traditional financial institutions. We remain focused on earning more customers' trust through disciplined credit management, exceptional customer experiences and continued innovation.

In ANZ, momentum continued delivering a step change in profitability. Both revenue and Australian receivables returned to growth backed by a highly engaged customer base totalling 1.9m, representing 10% of the adult population.

We also expanded our Zip Plus offering to provide greater flexibility to support customers with their non-discretionary and discretionary spend.

Our customer-first approach is reflected in our strong customer NPS scores of +72 in the US and +76 in Australia and New Zealand.

Leading with innovation

We continue to evolve as an AI-powered company and have accelerated our use of generative AI across our people, processes and products.

Today, 100% of Zipsters actively use enterprise AI tools in their everyday work. AI is helping our people automate routine tasks, solve more complex problems and deliver better experiences for our customers and merchants. This includes our in-app virtual agents – Zia in the US and Zigi in Australia – enabling faster, more personalised customer support. Additionally, we are building the foundations for an increasingly hybrid workforce where people and AI agents work together, supported by clear governance and appropriate human oversight.

Our focus on innovation also continued across our customer offering. We expanded our Pay-in-Z platform in the US through Pay-in-2 and launched ZMobile to existing customers in Australia – a capital-light adjacent product that creates additional value for customers and opens new growth opportunities for Zip.

Diane Smith-Gander, AO
Chair

Cynthia Scott
Group Chief Executive Officer and Managing Director

Looking ahead, we believe agentic commerce will reshape how customers discover, shop and pay. Zip is helping define this future through collaborations with partners including Google, Stripe, Visa and IXOPAY.

As commerce becomes increasingly AI-enabled, trust, transparency and customer choice will be critical.

Strengthening our platform

During FY26, the Board's areas of focus included cyber security, responsible AI adoption, operational resilience, funding, risk management and the psychosocial health and wellbeing of our Zipsters.

We executed several initiatives that expanded capacity, reduced margins and further diversified our funding platform, including establishing a new US$283.4m warehouse facility in the US. Together with strong cash generation and no corporate debt, this provides greater flexibility and resilience to support future growth. We also completed on-market share buybacks totalling $150m returning value to our shareholders.

Cynthia's relocation to the US will further align our executive leadership with our largest growth market and strengthen engagement with key strategic stakeholders.

We remain committed to fit-for-purpose regulation that protects consumers while supporting innovation and competition.

In July 2026, we commenced the orderly wind down of our New Zealand operations to focus on investment in our Australian and US businesses. We thank our New Zealand Zipsters for their contribution over many years.

We also secured ownership of the Zip trademark in Australia, providing certainty around the ongoing use of our brand.

The Board continues to assess a potential dual listing in the US and will only proceed when we believe it is in the best interests of all shareholders.

The Board remains committed to ensuring Zip is well positioned to deliver sustainable long-term shareholder value. Building on recent enhancements made, including the appointment of two US-based directors in 2024, we intend to expand the Board in line with Zip's evolving strategy and growth.

Unlocking potential

During the year, we refreshed our sustainability strategy and reinforced our commitment to inclusion and customer wellbeing.

Although Zip has a relatively low operational carbon footprint, we continue to manage our environmental impact. During FY26, all operations were powered by renewable electricity, and we have published our inaugural Sustainability Report and Climate-related Disclosures in line with the Australian Sustainability Reporting Standards as part of this Annual Report.

Our Zipsters remain central to our success. Employee engagement remained strong at 79%, and women comprise 50% of both the Board and the Group Executive Team, reflecting our commitment to an inclusive, high-performing culture.

Looking ahead

Consistent execution has built the platform for our next phase of growth and innovation. We enter FY27 from a position of strength, focused on executing our strategic priorities of drive growth and innovation, and invest for long-term scale, as we deliver on our significant opportunities in both markets.

To our Zipsters, thank you for your passion and commitment. To our fellow directors and leadership team, thank you for your guidance and stewardship. And to our shareholders, thank you for your continued confidence and support.

Business Review

We delivered record results achieving or exceeding our FY26 guidance. Group cash earnings grew 57.9% to $268.9m with strong operating margin expansion of 420bps to 20.0%.

These results, together with 12 consecutive quarters of positive Group cash earnings, reinforce the strength of our platform and our ability to deliver long-term value creation.

We executed consistently against our FY26 strategic priorities across Growth and Engagement, Product Innovation and Platforms for Scale. This drove momentum across both markets, supported by deeper customer engagement, expanded channel partnerships and investment in AI.

FY26 Achievements

Growth and engagement

Serving our customers

We serve 6.5m active customers across the Group, up 3.7% year on year. Customer engagement strengthened with transactions per active customer up 23.1% and 16.7% in the US and ANZ respectively, reflecting continued investment in our value propositions and strategic marketing initiatives. Both markets delivered record performances through peak trading periods.

Growing our merchant network

We continue to partner with merchants where our customers live, work and entertain. We have 97.4k merchants on our platform, up 13.8% year on year. Across the Group, we added several large, enterprise merchants across online marketplaces, travel, retail, health and lifestyle categories such as Temu and Optimum (US) and The Iconic and Samsung (AU).

Momentum with channel partners and embedded finance also accelerated. In the US, Zip achieved general availability for all Stripe merchants, making it seamless for any of Stripe's millions of US merchants to offer Zip at checkout, while in ANZ we deepened our presence with payment service providers facilitating merchant growth across travel and e-commerce in particular. In both markets we integrated new Google Wallet features that facilitate seamless and secure payment experiences across Chrome Autofill.

Net bad debts management

Net bad debts performed in line with management targets and strategic settings in both markets supporting strong unit economics, including US net bad debts at 1.7% of TTV within the 1.5 - 2.0% target range. In ANZ net bad debts reduced year on year while driving revenue and receivables growth.

Product innovation

We expanded our Pay-in-Z platform in the US with the rollout of Pay-in-2 in February 2026, supporting customers with high frequency, non-discretionary spend such as groceries and utilities.

In Australia, we launched ZMobile in May 2026 to existing customers, which is designed to make it easier for Australians to access great value mobile plans and delivers a new capital-light revenue stream for Zip.

Across the Group, we are focused on positioning Zip for the emerging agentic commerce opportunity and are actively collaborating with ecosystem leaders including Google, IXOPAY, Stripe and Visa to test and shape how agentic payments operate in practice.

Platforms for scale

Material operating leverage

We continued to deliver strong unit economics and significant operating leverage, with the Group's operating margin expanding 420bps to 20.0%.

Cash earnings grew 51.4% to US$154.7m in the US, and 98.6% to $69.5m in ANZ. In both markets, we continued to invest in risk management, credit underwriting and technology platforms to support additional scale.

Embedding AI

AI has been embedded throughout the organisation including across merchant onboarding, collections, compliance, engineering, customer experience and underwriting (in ANZ only) to accelerate speed to market.

Across the Group, 100% of Zipsters actively use enterprise-grade AI tools to improve workflows with agentic orchestration layers to govern agent creation.

Disciplined capital management

Consistent with our capital management framework and objective to maximise shareholder value, we completed on-market share buybacks totalling $150m.

In August 2025, we also acquired 5.9m of shares on market via our Employee Share Trust to minimise dilution from Equity Incentive Plan allocations.

US Performance

Strong growth in TTV and revenue driven by active customer growth and deepened engagement. Material operating leverage underpinned cash earnings growth of 51.4% and operating margin expansion of 113bps to 25.0%.

Key performance metrics (USD)

	FY26	**FY25**	**Change**
TTV	$8.6b	$6.0b	42.5%
Revenue	$613.1m	$424.8m	44.3%
Transactions	60.9m	45.3m	34.5%
Active customers	4.6m	4.3m	9.3%
Merchants	30.8k	24.7k	24.6%
Cash gross profit	$294.8m	$224.3m	31.5%
Cash NTM	3.4%	3.7%	(29bps)
Cash EBTDA	$154.7m	$102.2m	51.4%
Operating margin	25.0%	23.9%	113bps

AUD equivalents:

TTV	$12.7b	$9.3b	35.6%
Revenue	$903.1m	$657.9m	37.3%
Cash gross profit	$434.1m	$347.1m	25.1%
Cash EBTDA	$227.8m	$158.5m	43.7%

Included in the tables above are Non-IFRS financial information, prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non IFRS financial information, that is used to manage and report on the Group. Refer to Glossary for more detail on Non-IFRS disclosures.

When I don't want to spend like a big amount on a purchase, I just divide it into payments. You don't have to pay everything all at once. It's simple, it's easy and it's reliable. Honestly I use Zip for everything. If I had to describe Zip to a friend, I would just tell them use Zip and pay as you go. And then you get exactly what you want."

John

This customer received payment for sharing their experience

Delivering on our strategic priorities:

Growth and engagement

Serving our customers

The US business continued to execute strongly in an early-stage and growing market, delivering TTV and revenue growth of 42.5% and 44.3% (in USD) respectively despite an increasingly larger base.

Active customers increased by 9.3% (+394k) to 4.6m while preserving strong unit economics. Customer engagement accelerated further with spend and transactions per customer increasing 30.5% and 23.1% respectively. These outcomes were supported by our differentiated ability to credit-decision low-to-middle income Americans profitably, and marketing initiatives including a successful national campaign 'In You We Trust'.

We continued to generate the majority of TTV from predominantly non-discretionary categories with health, education, auto and transport our fastest growing. In-store also remained a key growth driver, up 67% to represent 27% of TTV.

Growing our merchant network

Merchant growth accelerated, up 24.6% to 30.8k, including adding large enterprise merchants such as Temu, Optimum, BondVet, JD Sports and Rally House. Since achieving general availability for all Stripe merchants in the US in August 2025 we have added over 5,200 merchants via the partnership, primarily small-to-medium sized businesses.

Embedded finance continued to gain momentum and is our fastest-growing channel. We continued to scale volumes and merchants through Google Pay, and integrated with autofill on Google Chrome in August 2025.

Net bad debts management

Net bad debts remained within our 1.5-2.0% target range at 1.7% of TTV, reflecting strong credit performance supported by our short duration portfolio, low average order value of US$141 and over 98% of transaction volumes repaid in full.

Year-on-year movements in net bad debts reflected our strategy to grow active customers and TTV alongside the continued scaling of Pay-in-8. Credit performance remained strong, with stable Pay-in-4 losses, Pay-in-8 performance continuing to improve as the product matures, and early results from Pay-in-2 showing high credit quality.

Product innovation

Pay-in-2 was well-received by customers with transactions up 86% quarter on quarter in 4Q26. Pay-in-2 offers strong value for everyday spend such as groceries and utilities with an average order value of US$62. We also scaled our My Bills feature in app to 50% of customers, further supporting customers with recurring bill payments.

We advanced our agentic roadmap with the launch of Zia, our AI-powered virtual agent for customer service with solid early results.

We joined Google's agent payment protocol, partnered with IXOPAY to create a Unified Trust Layer and announced our support of Stripe's Shared Payment Tokens to capture future agentic commerce growth opportunities.

Platforms for scale

We maintained a highly efficient, capital-light distribution model that supported strong cash flow generation.

We established a new US$283.4m two-year warehouse facility in October 2025 with two high-quality funding partners, providing enhanced capacity for future growth and a material improvement in funding costs.

We continued to invest in our AI capabilities and within our technology discipline, 86% of all code is now AI-assisted, materially accelerating development velocity while strengthening consistency and quality.

ANZ Performance

Step change in profitable growth with cash earnings almost doubling and operating margin increasing 753bps. Revenue and Australian receivables returned to growth underpinned by stronger customer engagement, new merchants and Zip Plus.

Key performance metrics (AUD)

	FY26	FY25	Change
TTV	$4.0b	$3.7b	6.2%
Revenue	$432.9m	$413.7m	4.6%
Receivables[1]	$2,307.0m	$2,108.5m	9.4%
Portfolio yield (% AU receivables)	19.0%	19.3%	(33bps)
Excess spread (% AU receivables)	8.4%	8.7%	(26bps)
Transactions	51.2m	47.7m	7.4%
Active customers	1.9m	2.0m	(8.0%)
Merchants	66.6k	60.8k	9.5%
Cash gross profit	$207.2m	$161.4m	28.4%
Cash NTM	5.2%	4.3%	90bps
Cash EBTDA	$69.5m	$35.0m	98.6%
Operating margin	15.9%	8.4%	753bps

1. Receivables related to Zip AU's Master Trust facilities and funding vehicle 2017-1 Trust.

Included in the table above are Non-IFRS financial information, prepared in accordance with ASIC Regulatory Guidance 230 – Disclosing non-IFRS financial information, that is used to manage and report on the Group. Refer to Glossary for more detail on Non-IFRS disclosures.

Delivering on our strategic priorities:

Growth and engagement

Serving our customers

We delivered profitable growth with improved conversion of TTV growth to revenue (up 4.6%) and Australian receivables (up 9.4%) growth.

Customer engagement strengthened as we continued to attract and retain highly engaged, loyal customers with spend and transactions per customer increasing 15.4% and 16.7% respectively.

Growth continued across non-discretionary categories (including utilities, insurance, health, education and groceries) and discretionary categories (including solar, dining and entertainment), reflecting our value proposition across both everyday spend and life's bigger moments.

We delivered record transactions and open-loop spend through peak trading moments including Black Friday Cyber Monday and End of Financial Year.

Growing our merchant network

The business added 5,800 merchants to the platform in targeted verticals, including The Iconic, Samsung, Expedia Group, Australian Outdoor Living, Didi and White Fox Boutique, and the business executed three new integrations with Xero via Stripe, Mint Payments and PingPong Payments.

Portfolio performance

Excess spread, measured as Australian portfolio yield on receivables less interest costs and bad debts, remained strong with the year-on-year movement in line with portfolio yield reflecting product portfolio mix.

Lower funding costs reflected strong outcomes on receivables refinancing. Net bad debts also declined, while revenue and Australian receivables returned to growth, reflecting disciplined investment in credit-decisioning and data-driven capability supporting real time calibration of risk settings. We remain well positioned in a higher for longer interest rate environment.

Product innovation

Our new mobile offering ZMobile is delivering solid early results with plans to rollout to new customers in 1H27. We expanded credit limits on Zip Plus with the capability to automate credit limit increases leveraging our proprietary underwriting models. The expanded limits give customers greater flexibility to manage everyday and discretionary spend and are driving deeper engagement, with customers holding higher limits (>$8,000) transacting 2.6x more often than all other Zip Plus customers.

We enhanced our mobile app experience, including increased personalisation of our customer chatbot Zigi and launched an in-app recurring payments hub to support customers with subscription and bill payments.

We also joined Visa's Agentic Ready Program to test and shape agentic commerce experiences.

Platforms for scale

Disciplined cost management drove operating margin expansion of 753bps to 15.9%, while continuing to invest in platform resilience, scalability and AI.

We continued to develop our agentic AI orchestration layer, ZedAI, which is now connected to over 20 systems with agents operational. We have deployed AI to automate processes across credit-decisioning and merchant onboarding, while strengthening fraud protection and data governance.

We secured proprietary ownership of the Zip trademark providing certainty around the ongoing use of our brand.

What I appreciate most about Zip is the fact that it allows me to pay extra when I am in that situation or it allows me to pay early, and that puts me in control of how I manage my budget. Zip has been there for me from the beginning. I use it to keep myself safe online, for small and big purchases. I love how transparent it is with its fees and contracts. I find it reliable, no hidden fees or secrets."

Izabella

FY27 Strategic Priorities and Outlook

We have executed consistently and enter FY27 from a position of strength, with a resilient high-growth business, a scalable platform and a proven ability to deliver through changing economic conditions.

In FY27, Zip will prioritise investments to drive long-term shareholder value creation by compounding growth in its core businesses, accelerating product innovation and investment in platforms and capabilities to support long-term scale.

Our strategic priorities for FY27

Drive growth and innovation

- Compound growth from core businesses
- Unlock growth from new product segments
- Leverage AI to transform customer experiences

Invest for long-term scale

- Invest efficiently in platforms and capabilities for scale
- Drive AI acceleration in core business operations
- Continue optimising Zip's capital structure

Sustainability Strategy and Performance

Our Sustainability Approach

Zip's Sustainability Strategy, approved by the Board in FY26 is aligned to the Group's strategy and purpose of unlocking financial potential, together. It is designed to create measurable, long-term value for our customers, merchants, Zipsters, communities and shareholders.

Our Value Chain

Funding partners

- Debt funders
- Bank partners
- Equity investors

Two-sided business model

- Customers
- Merchants
- Partners

Core Zip operations

- Product
- Technology
- Customer
- Commercial
- Credit Risk
- Finance
- Legal, Risk and Compliance
- People and Culture
- Corporate Strategy

Broader ecosystem

- Regulators
- Government and policy makers
- Industry bodies and associations
- Consumer advocacy groups
- Local communities

Zip's impact

At Zip, we support customers to feel financially included, confident and in control. Our customers want access to fair credit and someone who believes in them, so that they can achieve their goals. With Zip, they feel seen and supported. They value the fair, responsible access to credit that we offer, along with the simplicity, transparency and flexibility of our products.

Millions of customers rely on Zip to manage their cash flow, plan ahead and live life on their terms – from everyday needs to unexpected moments and life's bigger events. Their trust is earned through consistent experiences that put their needs first, with products designed to promote clarity, predictability and responsible use.

Our merchants trust Zip to drive meaningful growth. They recognise our role in driving higher conversion, larger order values and deeper customer loyalty. By creating value for customers and merchants, we support sustainable growth and long-term value creation for our business and stakeholders.

Our Sustainability Strategy is centred around three pillars: Inclusion and Potential, Environment, and Risk and Governance. Together, these pillars reflect the areas where Zip can have the greatest impact and create long-term value for all of its stakeholders.

Zip's Sustainability Strategy

Inclusion and Potential

Zip aims to foster inclusion amongst our customers, Zipsters and communities, helping unlock human potential.

- **Financial Inclusion and Customer Wellbeing**
  - Access to fair and flexible credit
  - Financial confidence and potential
  - Trust and safety
- **Inclusive Workforce**
  - Foster inclusion amongst our Zipsters and unlock human potential, together
- **Community Support**
  - Aligning community investment to our purpose

Environment

Managing Zip's environmental impact, strengthening climate resilience and responding to risks and opportunities in the transition to a low-carbon economy.

- Decarbonisation
- Climate risks and opportunities

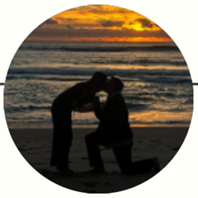
Governance and Risk

Operate responsibly and transparently, with strong governance and disciplined risk management that protects our licence to operate and supports sustainable growth.

- Risk management
- Stakeholder engagement and ESG reporting

The value we create

Stakeholder	How we create value	FY26 measures
Customers	Supporting customers to feel financially included, confident and in control through fair, flexible and transparent financial products that help them manage their cash flow, plan ahead and achieve their goals.	**6.5m** customers **+72** NPS (US) **+76** NPS (ANZ)
Merchants	Enabling merchants to grow sustainably by increasing conversion, supporting higher sales and customer loyalty, and delivering seamless payment experiences that help them better serve their customers.	**97.4k** merchants
Employees	Creating an inclusive workplace where Zipsters feel they belong, can develop future-ready skills and are empowered to do their best work, driving innovation and better outcomes for customers.	**877** employees **79%** employee engagement
Community	Contributing to more inclusive and resilient communities by expanding financial inclusion, supporting community partnerships and volunteering, and operating responsibly for the benefit of society and the environment.	**10%** of Zipsters volunteered (ANZ) Operations powered by **100%** renewable electricity **151kgs** of eWaste diverted from landfill
Shareholders	Creating long-term, shareholder value through sustainable growth, disciplined risk management, trusted customer relationships and resilient business performance.	**c. 38k** shareholders



> **Zip allowed me to purchase an engagement ring for my beloved. I needed to bite-size the cost... Zip was the perfect way to do that.”**
>
> **David**

Inclusion and Potential

Within our Sustainability Strategy, this pillar presents the greatest opportunity to drive long-term value. We seek to unlock financial potential through providing products and experiences that support positive financial outcomes, fostering an inclusive, engaged and high-performing workforce, and contributing to more inclusive and resilient communities.

Financial Inclusion and Customer Wellbeing

We support customers to feel financially included, confident and in control. Our products expand access to fair and flexible financial solutions and help customers manage their cash flow, plan ahead and achieve their goals. We provide appropriate access to credit based on individual circumstances, with products designed to encourage positive repayment behaviours, underpinned by strong risk management and customer safeguards.

In FY26, we enhanced our customer outreach and surveys across the Group to better measure the impact of our products on our customers' financial inclusion and wellbeing. While these insights are early-stage, we will strengthen our approach in FY27, allowing us to inform future product and service improvements over time.

Through responsive customer service, hardship support, effective feedback mechanisms and strong privacy, cybersecurity and data protection practices, we build trust with our customers and ensure they feel heard, supported and are confident that they can interact with Zip confidently and safely.

Responsible lending

Responsible lending underpins our business. We leverage customer and transaction data, proprietary insights and advanced analytics to responsibly underwrite a range of customers, including those without an established credit history or with irregular incomes. We regularly review our credit settings and report on key customer outcomes, including complaints, hardship trends and repayment behaviour, to the Board.

Our products are designed to promote clarity, predictability and responsible use, while providing customers with flexibility to manage their finances. Customers can align repayment dates to better align with their cash flow, pause accounts following missed payments and access spending limits appropriate to their individual circumstances and repayment behaviour.

In the US, we credit-decision every transaction and adopt a 'low and grow' approach, with spending power starting at c. US$450. In FY26, we further expanded our cash flow underwriting capability, with circa 300,000 customer bank accounts securely linked, strengthening our ability to make more informed lending decisions. In Australia, we continued to enhance our products in FY26, including through simplifying minimum monthly repayments across Zip Money and Zip Plus.

We expanded the use of artificial intelligence (AI) to improve customer support. In Australia, we introduced an AI-powered dialler, allowing us to increase contact rates with overdue customers and identify customers experiencing financial stress and set up hardship support faster. We also integrated AI into our complaints processes to deliver more personalised communications and faster resolution times.

Our responsible lending approach continues to support positive customer outcomes across both markets. We have low levels of customers in hardship with 0.5% of active customers currently accessing hardship support in Australia, and in the US, over 98% of Zip transaction volumes were repaid in full.

	FY26	FY25
% active customers accessing financial hardship assistance (AU)	0.5	0.4
% transaction volumes repaid in full (US)	>98	>98

Supporting our customers

Across the Group, Zip remains committed to improving financial wellbeing and supporting customers experiencing financial hardship due to reasons such as change of income, medical illness or natural disaster. During FY26, we refined our collections approach and simplified hardship application processes in Australia, strengthened early indication of financial stress, increased automation and enhanced reporting.

We also collaborated with the following organisations:

- Australian Finance Industry Association (AFIA), being one of the first to join its Finance Industry Code of Practice, reinforcing our commitment to responsible lending, customer protections and industry best practice.
- Way Forward to provide eligible customers access to no-cost debt management plans (AU).
- Forage to support customers affected by the US government shutdown, helping connect eligible customers with government benefits and financial assistance during a period of financial uncertainty (US).

Supporting vulnerable customers requires ongoing capability building and collaboration. During FY26, we strengthened our approach to preventing and responding to financial abuse in ANZ through:

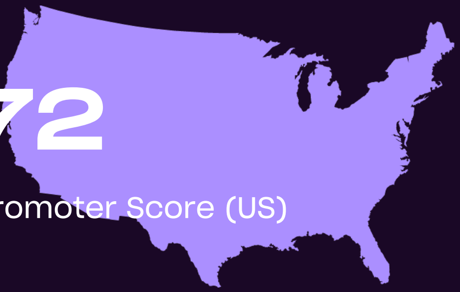
- Engaging the Centre for Women's Economic Safety to deliver financial abuse awareness training across Zip's Customer Experience, Financial Assistance and Product teams.
- Joining Flequity Ventures' Respect and Protect initiative, which required updating terms and conditions across our four Australian credit products to explicitly prohibit the misuse of our products for financial abuse.

We are committed to ensuring customers feel heard, understood and supported when raising concerns. Our complaints management processes are designed to provide fair, timely and effective resolution, while identifying opportunities to improve products, services and customer outcomes.

Across the Group, complaints are managed through our internal dispute resolution processes, with oversight from relevant regulatory and external bodies.

+76

Net Promoter Score (ANZ)



+72

Net Promoter Score (US)

Customer experience

We continuously seek customer feedback and insights to better understand our customers' evolving needs, and improve our products and services to strengthen customer trust, loyalty and advocacy, which underpins our two-sided business model. This includes leveraging insights from Net Promoter Score (NPS), Customer Satisfaction (CSAT), our Voice of the Customer program, customer immersion sessions and targeted research.

In FY26, Zip achieved an NPS of +72 in the US and +76 in ANZ, and a CSAT of 80% in Australia, reflecting strong customer advocacy and satisfaction. Customers continue to value Zip's flexible payment options, transparent products, broad merchant acceptance and intuitive digital experience.

We further enhanced the customer experience through initiatives such as:

- Rolling out Pay-in-2 and My Bills, to further support our customers with everyday purchases (US).
- Improving support for customers experiencing order issues, with temporary instalment pauses for eligible customers while issues are being resolved (US).
- Progressing development of Pay Sync, which will allow customers to align installment dates with their pay cycle, helping reduce missed payments and financial stress (US).
- Improving our transaction dispute process by expanding in-app self service capabilities introducing transaction-level guidance to help customers resolve issues more quickly (AU).

Merchant experience

We create value for merchants by helping them better serve their customers through deeper partnerships, data-driven insights and seamless payment experiences that support sustainable growth.

During FY26, we continued to invest in our merchant proposition across both ANZ and the US. Key initiatives included:

- Providing richer customer insights to help merchants better understand customer behaviour and retail trends and grow their customer base such as through our *Inside the Wallet* report in AU.
- Enhancing the in-store and online experience through improvements to merchant onboarding and checkout journeys.
- In AU, hosting dedicated merchant forums to exchange ideas and explore emerging topics, and continuing to measure merchant NPS to inform ongoing improvements to the merchant experience.

Together, these initiatives reflect Zip's commitment to being a strategic growth partner for our merchants.

Privacy, Cybersecurity and Responsible AI

A “safety first” culture underpins our approach, recognising that strong privacy, cyber security and fraud prevention practices support customer wellbeing, business performance and confidence in the wider digital ecosystem.

Our Security teams proactively identify, assess and respond to cybersecurity risks, with oversight through our Group and Regional Risk Committees and, where appropriate, the Board Audit and Risk Committee. This includes regular reporting on key risk indicators, cyber security initiatives, incident response preparedness and compliance status with relevant regulatory requirements.

As AI becomes increasingly embedded across our business, we are committed to ensuring it is deployed responsibly. We will continue to build on our foundational responsible AI practices, to help ensure emerging technologies are used safely, transparently and in ways that support positive customer outcomes. These include:

- Developing an Acceptable Usage Policy relevant for each region we operate in and a Model Management Standard to ensure AI is effectively deployed across the business in alignment with ethical and safe use.
- Establishing appropriate governance and oversight to support an increasingly human and agentic workforce, ensuring AI is deployed responsibly with appropriate human review, accountability and decision-making.
- Implementing AI tools that have been designed on an enterprise-grade basis and accessible to Zip only.
- Actively engaging in industry round tables on the standards published by the Department of Industry Science and Resources in Australia. In the US, we participate in round tables focused on the development and adoption of international AI governance standards such as ISO/IEC 42001.

Similar to many other organisations, we continue to invest in strengthening our cybersecurity and resilience. All Zipsters are required to complete cybersecurity and privacy training. Pleasingly we had zero data breaches that were reportable to regulators during the year. We assess the effectiveness of security controls, including through external audits, against recognised industry standards such as those in the below table:

Standard	Markets certified
ISO 27001	All (ANZ, US)
Payment Card Industry Data Security Standard (PCI-DSS)	All (ANZ, US)
SOC 2 Type 2	US

Prevention of Financial Crime

We are committed to preventing, detecting, and disrupting financial crime to help minimise potential negative impacts for Zip customers and communities. We maintain comprehensive Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF), Sanctions and Anti-Bribery and Corruption (ABC) programs to ensure regulatory compliance and support the integrity of the broader financial system.

During FY26, we updated our AML/CTF Program in response to Australian AML/CTF reforms. We also continued to strengthen financial crime controls across the Group and require all Zipsters to complete annual training on AML/CTF, Sanctions and ABC, with the Board maintaining oversight of these programs to ensure they remain effective and meet evolving regulatory requirements.

Fraud Protection

We strengthened our fraud prevention capabilities by enhancing fraud detection models, behavioural risk monitoring and multi-factor authentication. These improvements help us identify and respond to suspicious activity earlier, safeguarding customer accounts and personal information while giving customers greater confidence when using Zip.

Regulation

We are a longstanding advocate for fit-for-purpose regulation that protects consumers while promoting innovation and competition. We have always sought to engage constructively with regulators across our markets.

In Australia, we successfully transitioned Zip Pay to the new regulatory framework for Buy Now Pay Later (BNPL) products. With more than a decade of experience providing regulated credit, our existing processes were already closely aligned with the new requirements, enabling a smooth implementation. We continue to perform identity, affordability and credit checks on all customers as part of the application process, have held an Australian Credit Licence since inception, and all four of our Australian credit products, Zip Pay, Zip Money, Zip Plus and Zip Personal Loan, now operate under the National Consumer Credit Act.

In New Zealand, we successfully implemented the regulatory changes applying to BNPL products. As credit checks have always formed part of our application process, we were well positioned to meet the new requirements with only targeted enhancements to our existing processes required. The successful transition reinforces our long standing approach to responsible lending and our commitment to supporting customers while complying with evolving regulatory standards.

In the US, we continue to operate in alignment with the Consumer Financial Protection Bureau (CFPB) interpretive rule, despite the rule's rescission in FY25. We are monitoring state-level activity, including proposed licensing and supervisory requirements across a number of states, and continue to engage with federal and state regulators and industry groups to advocate for consistent, fit-for-purpose regulations.

Inclusive Workforce

We are committed to creating an inclusive workplace where every Zipster can thrive, develop future-ready skills and feel a sense of belonging. As a key pillar of our Sustainability Strategy, our people are central to delivering better outcomes for our customers, strengthening our business and creating long-term value for our stakeholders.

We invest in creating exceptional employee experiences, development opportunities and a culture grounded in inclusion, accountability and high performance. By empowering our people and embracing diverse perspectives, we strengthen decision-making, build organisational capability and attract and retain talented people.

	FY26	FY25
Number of Employees		
Headcount[1]	877	849
Employee Engagement		
Group Engagement Score	79%	81%
Inclusion[2]		
Board	50% women 50% men	50% women 50% men
Leadership (Executive and Directors/VP)	46% women 54% men	40% women 60% men
Total Workforce	46% women 1% non-binary 53% men	44% women 1% non-binary 55% men

1. Headcount includes all permanent and temporary employees directly employed by Zip, as at 30 June 2026.
2. Inclusion metrics calculated using permanent headcount.

Employee Engagement Performance

79%
Group Engagement Score

We create an inclusive, high-performing culture that empowers our people, drives innovation and strengthens responsible business practices.

Inclusion

At Zip, we believe that inclusion, diversity and respect unlock human potential. We're intentional about creating opportunities to listen and learn from each other, building a workplace where our team of Zipsters feel they belong. We value a team that reflects the communities in which we live and work, and are committed to fostering a safe, fair and inclusive workplace, free from bias and discrimination.

We are an ASX-listed company that supports gender equality, having Board-approved measurable objectives to have 40% women, 40% men and 20% people of any gender on the Board, in leadership roles and across the workforce. In FY26 we again achieved our measurable objectives for gender equality, reaching 46% women in leadership roles across the Group, 50% on both the Board and the Group Executive Team, and 46% across the total workforce.

We have focused on improving representation of women at leadership levels and continuing to advance women in STEM (Science, Technology, Engineering, and Mathematics) roles. In ANZ, FY26 female representation in technology roles increased from 27% to 34%, an outcome being driven by strong retention of women in technology roles. The impacts are flowing through the development pipeline, with female participants comprising over 50% of the Zipsters invited to participate in our ANZ High Potential leadership development program in 2026.

In Australia, Zip continues to report annually to the Workplace Gender Equality Agency (WGEA) with data submitted in FY26 indicating year-on-year decreases in the gender pay gap. WGEA will publicly release the data in March 2027. In FY26, as part of the WGEA's updated reporting requirements, Zip identified three Gender Equality Targets, to be assessed by WGEA in the period to 2029. These targets provide a structured framework to monitor progress, drive accountability and support our ongoing commitment to gender equality. These are specifically focused on reducing Zip's gender pay gap, increasing female promotions into management roles and reviewing and uplifting Zip's ANZ Paid Parental Leave Policy.

We continued investing in inclusion and employee engagement through dedicated employee resource groups, Cultural Circles, educational programming, events and company-wide awareness campaigns. Collectively, these efforts highlight key cultural, religious, and societal moments, strengthen employee voices, enhance belonging, and create meaningful opportunities for learning, wellbeing, and community impact across the organisation.

In FY26, we were recognised for our leadership in workplace inclusion in Australia through receiving the 2026 B&T Women Leading Tech Employer Award. We were also awarded the 2025 Deloitte Tech Fast 50 Australia Leadership & Enterprise Growth Award, for our focus on improving gender representation within the technology sector.

People Experience

We are passionate about bringing the key elements of Zip's mission – to bring exceptional experiences, innovation and partnership – into the career journey of every Zipster. In FY26, we achieved a strong engagement score of 79%, which is above industry benchmarks. With 91% of Zipsters participating in the survey, we gained meaningful insights to inform our people strategy and continue enhancing our employee experience program.

Our values underpin how we work together to unlock financial potential, together. They guide the behaviours and decisions that help create a culture of responsibility, inclusion and performance, where Zipsters are empowered to do their best work.

In ANZ, we continue to embrace a hybrid approach to working arrangements that balances flexibility with opportunities for meaningful connection, collaboration and learning in our offices.

In the US, strengthening connection and belonging across our distributed workforce remained a key priority in FY26. We expanded opportunities for Zipsters to engage through regional communities, employee-led programs, recognition initiatives, and reimagined office events. A key event was the Zip Forward Summit, a three-day gathering focused on strategic alignment, cross-functional collaboration, learning, and relationship-building.

Investing in Zipster Growth and Development

We continue to invest in building Zipster skills and capabilities, focused on innovation, AI adoption, leadership development, and commercial excellence. All permanent Zipsters are invited to participate in regular formal performance reviews, supporting ongoing feedback, career development and professional growth.

During FY26, we expanded AI capability across the workforce by equipping Zipsters with enterprise AI tools, practical learning experiences and opportunities to build confidence in using AI. This investment supports greater productivity, innovation and more effective ways of working, with 100% of employees actively engaging with enterprise-grade tools. As AI adoption matures, in FY27 we will continue to scale responsible AI practices and governance across the organisation.

Across the Group, we continued to invest in leadership capability through targeted development programs that equip managers to lead high-performing teams and support the growth of future leaders. We also enhanced our annual talent review and succession planning process, enabling faster and more consistent talent decisions and strengthening our pipeline of future leaders to support long-term business continuity and growth.

In the US, we have introduced AI-powered onboarding experiences that enable new hires to access information, learn at their own pace, and receive support tailored to their role and needs, helping accelerate speed to productivity. We also launched targeted capability-building initiatives for our commercial team to strengthen customer engagement and support business growth.

In ANZ, we strengthened the foundations of learning by investing in our new Zip Academy platform, creating a more accessible and visible home for mandatory and voluntary learning, resources and development opportunities. During FY26, we held our inaugural month-long Learning Festival, which brought Zipsters together to focus on building practical capability across AI, leadership, career growth and business readiness.

Talent Attraction

We continue to prioritise exceptional recruitment experiences for prospective and future Zipsters. By attracting people with a broad range of skills, experiences and perspectives, we strengthen our ability to innovate, solve problems and deliver better outcomes for our customers. Our approach to recruitment supports our commitment to unlocking human potential by creating opportunities for people to grow, contribute and build meaningful careers at Zip.

Across the Group, Zip continues to receive positive candidate experience scores measured by candidate NPS and satisfaction surveys, with Zip being recognised with a first place ranking for best hiring performance among companies of comparable size by Starred.

To strengthen the integrity of our recruitment processes, we are enhancing controls designed to identify and mitigate candidate fraud risks throughout the hiring lifecycle.

In the US, we developed and implemented Zip Shield, a fraud prevention and interview integrity framework designed to safeguard the hiring process against identity based risk, while preserving a strong candidate experience. Zip Shield has identified and prevented fraudulent applications from progressing through the recruitment process, while enhanced identity verification and responsible AI controls further strengthened recruitment governance. In ANZ, the implementation of enhanced candidate fraud prevention is scheduled for early FY27.

To support the development of emerging talent and strengthen our future workforce pipeline, we offer recent graduates practical industry experience through structured internship programs in Australia. This reflects Zip's commitment to building a sustainable talent pipeline, increasing access to career opportunities and developing future capability in areas critical to our long term growth.

We continued to strengthen Zip’s employer brand through our ‘Write Your Story’ campaign, which highlighted key themes including AI adoption, Inclusion, and Leadership, helping to showcase the diverse perspectives, culture, and opportunities that shape the Zipster experience.

Wellbeing

Supporting the physical and mental wellbeing of our Zipsters remains a key priority. In FY26, 86% of Zipsters agreed that Zip is committed to their health and wellbeing.

In the US, we enhanced our employee value proposition through meaningful investments in flexibility, financial wellbeing and healthcare. During FY26, we introduced unlimited Paid Time Off (PTO) and increased the Company's annual 401(k) match by 20%. We also launched a new benefits platform with Sequoia, providing Zipsters with expanded medical, dental, and financial wellness benefits, enhanced disability coverage, Health Savings Account (HSA) contributions and broad wellbeing resources to better support their individual needs.

In Australia, our wellbeing survey results highlighted that almost three quarters of Zipsters were satisfied with the wellbeing benefits and initiatives offered by Zip, with particularly strong support for flexible and hybrid working, and wellbeing and birthday leave. In response to employee feedback, we continued to improve our ways of working, including introducing initiatives to better manage workload distribution and support organisational change.

Across the Group, we continued to invest in proactive wellbeing initiatives that support emotional, physical, social and financial wellbeing through workshops, resources and access to benefits.

In both markets, throughout Mental Health Awareness Month we expanded our focus to physical wellbeing, encouraging Zipsters to participate in exercise and physical activity. In Australia, 13% of Zipsters participated in the BUPA Healthy Cities Challenge, an exciting initiative that brings people together through movement, while also supporting the health of our planet.

We actively support Zipsters to focus on their wellbeing by providing a broad range of Zipster Wellbeing Benefits, summarised below:

Benefit	ANZ	US
Wellbeing Allowance	✓	✓
Quarterly Wellbeing Leave	✓	✓
Annual Birthday Leave	✓	✓
Volunteering/Community Service Leave	✓	✓ *
EAP/Mental Health Support	✓	✓
Medical Support Services	✓	✓
Discounted Health Benefits	✓ **	✓ ***
Discounted Fitness Access	✓	✓

* Available as part of unlimited PTO.

** Includes discounted private health insurance.

*** Includes fertility and family building care.

Community Support

We seek to create positive social impact by investing in initiatives that expand opportunity, foster inclusion and strengthen the resilience of the communities in which we operate. Through community partnerships, volunteering and employee-led initiatives, our Zipsters contribute their time, skills and resources to causes that align with our purpose of unlocking financial potential, together.

During FY26, 10% of Zipsters in ANZ took advantage of paid volunteer leave to give back to their local communities, as well as participated in initiatives across our markets that supported inclusion, education and community wellbeing, including:

- Supporting the **Movember Foundation**, raising and donating more than $30,000 to improve men's health, including dollar matching by Zip.
- Partnering with **PBS's *Opportunity Knocks*** to improve access to financial support. As a sponsor of the series, Zip supported a platform that empowers individuals and families through practical financial education, coaching and connections to trusted community organisations and resources.
- Supporting the **Pinnacle Foundation Scholarship Program** for young LGBTQIA+ Australians for the fourth year running.
- Collecting professional clothing and fundraising for **Dress for Success** to support women entering or returning to the workforce as part of our celebration of International Women's Day.
- Supporting **Her Tech Circle**, a network supporting women in tech at all career stages as a participant in the Career Kickstarter Event, with a Zipster presenting on jobs in technology.
- Supporting the **BUPA Healthy Cities Challenge**, through which Landcare Australia planted 571 native trees and shrubs, as part of the Cooks River Valley Association Project in Sydney.
- Sponsoring the **UNSW Computer Science and Software Engineering Society**, including supporting resume and interview skills workshops for students.

By supporting initiatives that promote inclusion, opportunity and resilience, we create value beyond our business and contribute to stronger, more inclusive communities. During FY27, we will focus on continuing to align our community investment with our ambitions around Inclusion and Potential.

Environment

The Environment pillar of our Sustainability Strategy reflects our commitment to understanding, managing and reducing our environmental impact, while identifying and responding to climate-related risks and opportunities that may affect our business and value chain over the long term.

As a digital financial services business, our direct environmental footprint is relatively modest; however, we recognise the role we can play in supporting the transition to a lower-carbon economy and creating long-term value through responsible environmental stewardship.

In FY26, we continued to strengthen our approach to environmental management and climate governance, including further developing our approach to assessing and managing climate-related risks and opportunities across the Group. This has been reported in our inaugural Sustainability Report - Climate-related Disclosures, which was prepared in accordance with new Australian mandatory climate reporting regulations. This work supports more informed decision-making as we identify opportunities to enhance operational resilience and respond to evolving stakeholder expectations.

We also made significant progress towards decarbonising our operations during FY26. Our operations generated zero Scope 1 greenhouse gas (GHG) emissions. For Scope 2, we also transitioned our Australian operations to 100% GreenPower renewable electricity during FY26 and procured equivalent Energy Attribute Certificates (EACs) to cover our remaining electricity consumption across the Group. Together, these initiatives reduced our market-based Scope 2 emissions to zero, meaning Zip achieved net zero Scope 1 and market-based Scope 2 emissions during FY26. We are committed to maintaining these operational emissions as close to zero as practicable as our business grows.

Recognising that the majority of our emissions occur within our value chain, we strengthened engagement with key suppliers during FY26 in order to gather more accurate data. We also introduced a new Environmental and Social Policy, which provides guidance for the embedment of climate considerations in our supplier interactions. In FY26 we improved the quality of Scope 3 activity data to support more robust emissions measurement ahead of our mandatory Scope 3 disclosures in FY27.

In Australia, we also continued our eWaste recycling partnership with Zolo and diverted 151kg of materials from landfill during the year. The vast majority of the devices were refurbished and returned to reuse.

Our Scope 1 and 2 emissions are set out in the table below.

GREENHOUSE GAS EMISSIONS[1]	FY26 (tco$_2$e)
Scope 1: Direct GHG emissions	0
Scope 2: Indirect GHG emissions from purchased electricity (location-based)[2]	137.58
Scope 2: Indirect GHG emissions from purchased electricity (market-based)[3]	0
Total GHG emissions – Scopes 1 and 2 (location-based)[2]	**137.58**
Total GHG emissions – Scopes 1 and 2 (market-based)[3]	**0**

We also recognise the role we can play in supporting the transition to a lower-carbon economy by enabling customers to access financing for renewable energy solutions through providers such as Solahart (AU).

In FY27, we will continue to mature our measurement of Scope 3 emissions and prioritise engagement with our most material suppliers with the aim to establish an appropriate emissions baseline and decarbonisation plan. We will continue to explore other potential climate-related initiatives such as supporting the growth of financing for second-hand marketplaces in line with circular economy trends, improving the sustainability of our operations and strengthening supplier engagement.

Further information on our climate-related governance, strategy, risks, opportunities and metrics is available in our Sustainability Report on pages 40-55 of this Annual Report, which was prepared with reference to *AASB S2 Climate-related Disclosures*.

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1. Scope 1 emissions are direct emissions from owned or controlled sources (for example, owned vehicles or factories). Scope 2 emissions are indirect emissions from the generation of purchased energy across Zip's physical office locations. Scope 3 is not reported due to transition relief applied for the first year of reporting under AASB S2.
2. This represents Zip's absolute gross emissions as required by AASB S2. The Scope 2 location-based method calculates the emission from electricity use based on the average emission intensity of the power grid. It does not factor in the electricity provider that Zip has chosen to use.
3. The Scope 2 market-based method calculates emissions based on the electricity that Zip has chosen to purchase. The FY26 market-based emissions were net of renewable energy purchased, comprising 44,651 kWh of GreenPower and 203,000 kWh covered by Energy Attribute Certificates (EACs) in the company's operating markets of United States of America, Australia and New Zealand.

Governance and Risk

The Governance and Risk pillar underpins the effective execution of our Sustainability Strategy.

Strong governance, effective risk management and transparent reporting enable us to identify and respond to sustainability-related risks and opportunities, support informed decision-making and build trust with our stakeholders.

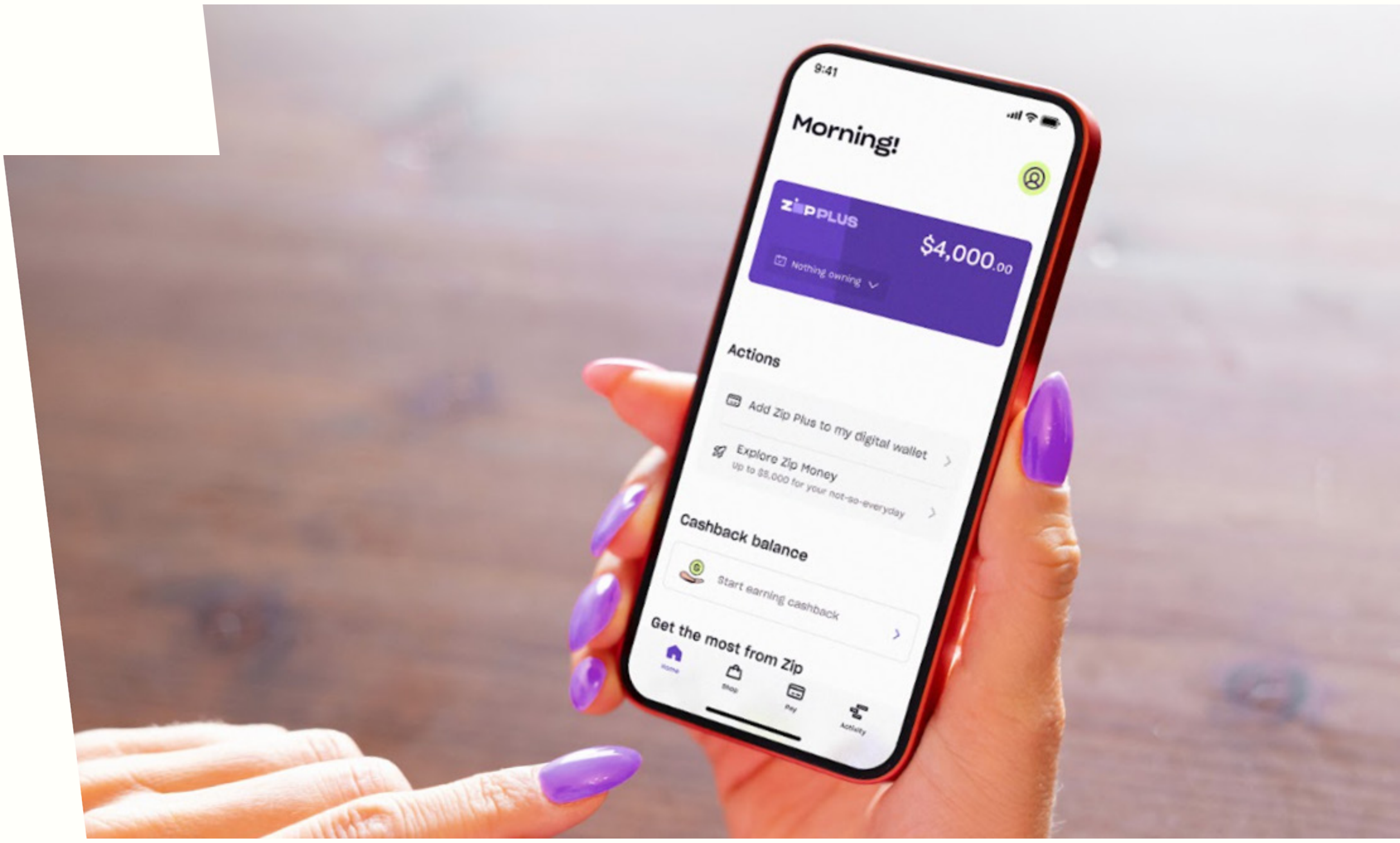
Zip's Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO) have overall executive responsibility for the development and execution of the Group's overall Sustainability Strategy. Zip's Group Executive Team has responsibility for:

- Endorsing the proposed Sustainability Strategy and associated execution plans.
- Approving and overseeing implementation of the Group's Climate Governance Framework and Group Environmental and Social Policy.
- Overseeing the identification and management of climate-related risks and opportunities, including implementation of strategic plans.

The Sustainability Strategy will support our ongoing focus on creating measurable value through improved customer outcomes, stronger merchant partnerships, an inclusive workforce, responsible business practices and long-term resilience.

During the year, we commenced implementation of our refreshed Sustainability Strategy across the Group by partnering with business units to embed the Strategy within each market and establishing regional accountability for execution alongside the US and ANZ CEOs. We also began developing a measurement and reporting framework to support implementation of the Strategy and monitor progress against our priorities

We also introduced a new Group Environment and Social Policy. The policy establishes a consistent approach to managing environmental and social matters across the Group and embeds sustainability considerations into day-to-day decision-making. This includes environmental and social procurement principles, such as guidance for office leasing and fit-outs, helping us reduce our environmental impacts, manage sustainability-related risks and support more sustainable business outcomes.



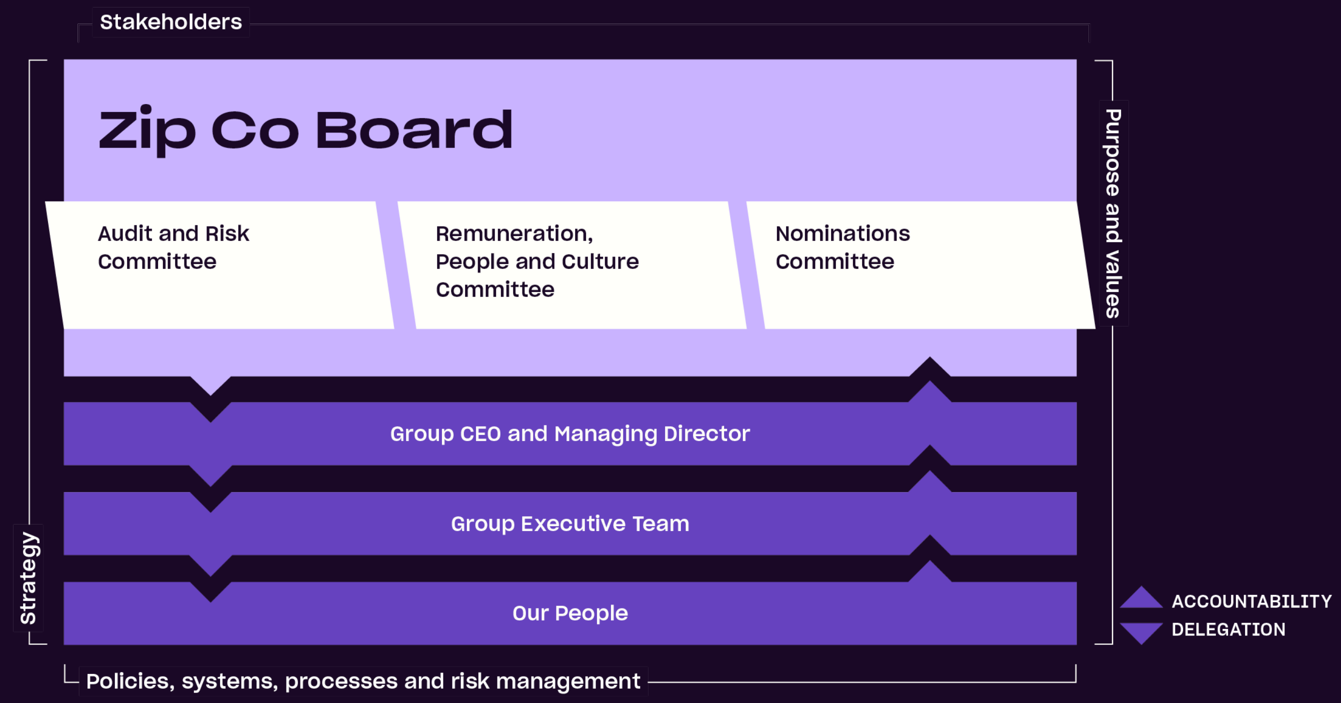
Corporate Governance

We are committed to the continuous improvement of our governance practices to ensure alignment with the needs of our business, evolving regulatory requirements and governance practices, and stakeholder expectations.

The governance and performance of the Company is overseen by the Board, which is elected by shareholders.

The Board is committed to conducting the business of Zip in an ethical manner and in accordance with high standards of corporate governance. Zip's governance framework is outlined below, and key metrics are featured on the next page. Further detail on our corporate governance framework can be found in the FY26 Corporate Governance Statement.

Our Governance Framework



Board Composition

Our goals and commitments for Board composition include a majority of independent Directors, and gender balance.

	FY26	FY25
Total Directors (#):	6	6
– Women	3	3
– Men	3	3
Women Directors on Board (%)	50%	50%
Independent Directors (#)	5	5
Location (#):		
– Australia	4	4
– United States	2	2

Board Priorities During FY26

During FY26, the Board supported Management to execute on Zip’s strategic pillars: Growth and Engagement, Product Innovation and Platforms for Scale. Specific priority areas included:

- Overseeing the ongoing development of Group strategy and execution of strategic priorities.
- Overseeing initiatives that continue to grow our customer base and enhance our customer value proposition and end-to-end experience, particularly in the US.
- Overseeing the ongoing maturity of Zip's risk management framework, including establishing robust AI governance while accelerating the responsible adoption of AI across the business and throughout the AI development lifecycle.
- Overseeing initiatives to maximise long-term shareholder value, including on-market share buybacks and consideration of a dual listing on a US stock exchange, and deepen the investment community's understanding of Zip's investment proposition and US business.
- Maintaining the Company's strong regulatory position and overseeing its preparedness for anticipated regulatory developments.

Board Skills

The Board uses a skills matrix to identify and assess the skills and experience that the Board considers are needed to address existing and emerging business and governance issues relevant to Zip, and the extent to which the Board currently has those skills and experience. The skills matrix is reviewed annually by the Board, most recently in June 2026. The full Board skills matrix is available on page 8 and 9 of Zip’s FY26 Corporate Governance Statement.

Board of Directors

Diane Smith-Gander AO

Chair, Non-Executive Director
BEc, MBA, FAICD, FGIA, FAIM, GAICD

Term: Non-Executive Director and Chair of the Board since 1 February 2021.

Committees: Chair of the Nominations Committee.

Directorships: Chair of Perenti Limited (ASX: PRN) (appointed as a non-executive director on 16 October 2023 and as Chair from 12 March 2024); and Chair of HBF Health Limited (appointed as director in May 2020 and as Chair in May 2022).

Experience: Diane has extensive Australian and international executive experience in banking and finance, technology, and strategic and management consulting. This includes as a former partner at McKinsey & Company in the United States, and as Group Executive IT and Operations, Westpac Banking Corporation.

Diane is Chancellor of the University of Western Australia. Diane has served as Chair and director for companies across a diverse range of sectors.

In recognition of her contributions to business and gender equality, Diane was made an Officer in the Order of Australia.

Diane was formerly the Chair of the Committee for Economic Development of Australia and is a past President and current member of Chief Executive Women.

Former Directorships (of listed entities in the last three years): Director of AGL Energy Limited (ASX: AGL) (September 2016 until 18 September 2022).

Cynthia Scott

Managing Director and Group Chief Executive Officer
B.Com. (Finance and Japanese Studies),
M.App Fin, GAICD

Term: Managing Director (appointed on 24 August 2023) and Group CEO.

Committees: None.

Directorships: Non-Executive Director of The Australian Ballet.

Experience: As Group CEO, Cynthia leads Zip's financial performance and strategy execution across Australia, New Zealand, and the United States.

Before joining Zip, Cynthia was the Chief Strategy and Business Development Officer at Scentre Group and held a number of senior executive roles at Telstra, including Group Executive responsible for Telstra's New Business portfolio. Prior to Telstra, Cynthia spent over 20 years in investment banking, most recently at Barclays where her roles included Regional Head of Debt Capital Markets in Hong Kong and CEO of Australia and New Zealand. Cynthia is also a Non-Executive Director of The Australian Ballet. Cynthia was previously Chair of Foxtel, Telstra Ventures, Uniti Group Limited, and Autohome, a NYSE-listed Chinese technology company, and (until February 2026) was a Director of Uniti Group Limited.

She is a member of the Adara Group Panel and Chief Executive Women, and previously served on the Advisory Board for Room to Read.

Former Directorships (of listed entities in the last three years): None.

Meredith Scott

Non-Executive Director
BEc, FCA, GAICD

Term: Non-Executive Director appointed on 1 September 2022.

Committees: Chair of the Audit & Risk Committee and Member of the Remuneration, People & Culture Committee and Nominations Committee.

Directorships: Non-Executive Director of Collins Food Limited (ASX: CKF) from 1 June 2026.

Experience: Meredith has extensive experience in risk management and governance, with deep expertise in audit and financial reporting. She has worked in the financial services market as both an executive and non-executive director.

Meredith was previously a non-executive director and Chair of the Audit and Risk Committee of Payton Capital, Wesley Community Services Limited and Pymble Ladies' College. She was the Chief Executive Officer of Opportunity International Australia (Opportunity) from 2018 to 2021 and Chairman of Opportunity's Indian subsidiary, Dia Vikas Capital.

Prior to this, she worked at Ernst & Young for 32 years, including 19 years as an audit partner, and was a member of various of the firm's governing bodies.

Meredith holds an Honorary Fellow of Senate from Sydney University following 10 years of serving on its Finance and Audit Committee.

Former Directorships (of listed entities in the last three years): None.

Kevin Moss

Non-Executive Director
BSc (Applied Statistics), MSc (Quantitative Analysis)

Term: Non-Executive Director appointed on 21 May 2024.

Committees: Member of the Audit & Risk Committee, the Remuneration, People & Culture Committee and the Nominations Committee.

Directorships: None.

Experience: Kevin is an experienced credit and risk leader with over 40 years' experience in the financial services and payments sectors.

Kevin spent 17 years in executive roles at Wells Fargo, including Chief Risk Officer for the Consumer Lending Group, Business Manager for the National Home Equity Group, Chief Credit Officer for the Home and Consumer Finance group and Head of Consumer Risk Management. His most recent executive role was as Chief Risk Officer at SoFi. Kevin also acts as an advisor and is on the boards for a number of companies that provide risk management, lending and payment solutions in the financial services industry.

Former Directorships (of listed entities in the last three years): None.

Matthew W. Schuyler

Non-Executive Director
MBA in Organizational Behaviour and Human Resources Management, BS (Accounting)

Term: Non-Executive Director appointed on 7 October 2024.

Committees: Chair of the Remuneration, People & Culture Committee and member of the Audit & Risk Committee and the Nominations Committee.

Directorships: None.

Experience: Matthew has significant and wide-ranging experience in brand-building, business transformation and human resources.

He is the Chief People Officer at Creative Artists Agency in the US having joined in November 2024. Matthew was formerly the Chief Brand Officer for Hilton Worldwide, following previous roles as Chief Administrative Officer and Chief Human Resources Officer at Hilton. Prior to this, he served as Chief Human Resources Officer and Head of Corporate Real Estate for Capital One and Senior Vice President of Human Resources for Cisco Systems Inc and before that, was a partner at PricewaterhouseCoopers.

Matthew was the Chair of the Board of Trustees of Penn State University from 2020 to November 2024, having first joined the Board in 2015.

Former Directorships (of listed entities in the last three years): None.

Andrew Stevens

Non-Executive Director
BComm, MComm, FCA

Term: Non-Executive Director appointed on 17 April 2025.

Committees: Member of the Remuneration, People & Culture Committee, Audit and Risk Committee, and the Nominations Committee.

Directorships: Non-executive Director of Stockland Group Limited (ASX: SGP) (from 1 July 2017).

Experience: Andrew is an experienced non-executive director and business leader with deep expertise in business transformation, technology, growth strategy, governance and risk. He previously served as the Managing Director of IBM Australia and New Zealand and prior to IBM, held senior leadership roles at PriceWaterhouse and PricewaterhouseCoopers.

Andrew is Chair of the Champions of Change Coalition and a former director of Ooh! Media Limited. He is passionate about innovation and previously served as the Chair of Industry Innovation and Science Australia and as the Data Standards Chair for the Consumer Data Right in Australia.

Former Directorships (of listed entities in the last three years): Ooh! Media Limited (ASX: OML) (25 September 2020 until 24 February 2025).

Risk Management

The purpose of risk management is to safeguard our long-term viability, reduce volatility in financial performance, strengthen operational resilience and facilitate informed decision-making. The Risk Management Framework (RMF) articulates a minimum set of requirements relating to ownership, management, and governance of material risks. The Board has delegated authority to the Audit and Risk Committee to monitor and review the effectiveness of the RMF and whether Zip is operating within the risk appetite set by the Board. The implemented framework supports Zip to identify, assess, monitor and manage both financial and non-financial risks.

During FY26 we continued to invest in uplifting our risk management practices and capabilities to reflect the nature, size and complexity of our business. Key activities included:

- Enhancing our measurement of performance against the Board approved risk appetite statements.
- Continuing to actively monitor our group and regional risk profiles to assess and report on our material risks.
- Improving risk and compliance maturity across the business, including cyber and data security, credit risk oversight, management of the evolving regulatory environment, and sustainability climate-related risks.
- Increasing the profile of risk management within our business, through ongoing training and communications, and embedment of risk metrics in performance scorecards.
- Continuing to add capability and strengthen our lines of defence model.
- Ongoing review of first line controls, including remediation and uplift in documentation and process operation.

More detail on our material risks, is outlined in the Director's Report on pages 64-65.

Ethical Business Practices and Conduct

Zip maintains a robust governance framework that supports high standards of conduct across all operations. Central to this framework is the Code of Conduct, which outlines the expected ethical behaviours for all directors, executives, and employees, underpinning Zip's commitment to integrity, fairness, and compliance with all applicable laws and regulations. Complementing this, the Anti-Bribery and Corruption Policy enforces a zero-tolerance stance on bribery and corruption, providing clear guidelines and controls to mitigate associated risks in all business dealings and geographic territories.

To further encourage transparency and accountability, Zip has a Whistleblower Policy, which provides a secure and confidential mechanism for reporting suspected wrongdoing, protecting individuals who raise concerns and ensuring appropriate investigation and rectification of misconduct. In FY26 the number of whistleblower reports determined to be Reportable Matters under the Whistleblower Policy was three.

Our key corporate policies, Board and Board committee charters, and Workplace Gender Equality Agency (WGEA) statement can be found on Zip's website, and reflect Zip's commitment to fostering a culture of ethical conduct and responsible corporate citizenship.

Climate-related Disclosures

30 June 2026

1. Introduction

1.1 Statement of compliance

This Sustainability Report (the Report) represents the climate-related disclosures for Zip Co Limited and its subsidiaries (Zip or the Group) for the financial year ended 30 June 2026 (FY26). The Report details the Group's approach to climate-related governance, strategy, risk management, and metrics and targets.

The Report has been prepared in accordance with the *Corporations Act 2001* (Cth) and *AASB S2 Climate-related disclosures* (AASB S2), issued by the Australian Accounting Standards Board (AASB) and should be read in conjunction with the Group's Consolidated Financial Report for the same reporting period. All amounts are presented in Australian dollars unless otherwise stated.

The Report covers the same reporting period and reporting entities as the Group's Consolidated Financial Report. In preparing the Report, the Group has assessed its strategy, operations and value chain.

This is the first year in which the Group has reported under AASB S2. Accordingly, first-year transition reliefs have been applied, and Scope 3 Greenhouse Gas (GHG) emissions and comparative information have not been disclosed.

1.2 Environmental impact overview

The Group remains committed to transparently managing and measuring the Group's environmental impact and climate-related risks and opportunities (CRROs) for the benefit of all stakeholders.

During FY26, Zip continued to embed sustainability and climate resilience throughout the organisation, with a core focus on strengthening governance and risk management frameworks to explicitly incorporate the assessment and management of CRROs.

As a digital-first financial services company, the Group's GHG emissions are primarily limited to Scope 2 operational electricity use and Scope 3 value chain activities.

The Group has no Scope 1 emissions from sources it owns or controls, and Scope 2 location-based emissions are relatively low due to the Group's digital-first business operations. Scope 2 market-based emissions are minimised through Zip's endeavour to procure renewable electricity for its offices.

1.3 Key judgements and areas of uncertainty

In preparing the Report, management judgement was exercised in a number of areas, including the identification and assessment of CRROs and the determination of material information for disclosure. In addition, inherent uncertainty arises with the use of estimates and assumptions where information cannot be directly measured, including in relation to forward-looking information and where data availability or quality is limited.

Key judgements and sources of measurement uncertainty are outlined below.

Key judgements in strategy, identification of climate-related risks and scenario selection

The climate-related scenario analysis detailed in Section 3 required judgement in selecting scenarios that reflect a range of warming impacts and climate transition pathways. These were chosen to capture the potential physical and transition risks that could reasonably be expected to affect the Group's strategy, business model, and financial prospects. These risks and their potential impacts were evaluated using the Group’s Risk Management Framework across financial, customer and merchant, regulatory, operational and reputational dimensions.

There is inherent uncertainty regarding the extent, timing and impact of climate change on the Group’s operations and value chain. These include:

- The evolving nature of climate-related regulation, including emissions targets and disclosure requirements.
- Changes in customer preferences and behaviours in response to climate-related factors.
- The frequency, severity and geographic distribution of acute climate events.
- The quality and availability of underlying data from external sources.

Accordingly, Management judgement has been applied in identifying CRROs, as outlined in Section 3.

Uncertainty in anticipated financial effects

There is considerable uncertainty regarding how climate-related changes and developments will unfold globally. Consequently, in connection with Section 3.4, estimating the anticipated financial effects of CRROs on Zip's operations and prospects currently involves a high level of measurement uncertainty. Where direct measurement is not possible, the Group relies on industry benchmarks and external proxy data. These estimates are heavily influenced by underlying assumptions and are based on all reasonable and supportable information available without undue cost or effort.

Forward-looking statements

Forward-looking statements in this Report, including the identification and assessment of CRROs, scenario analysis, transition planning and potential impacts on strategy, operations and financial performance, are subject to uncertainty and are not representations or predictions of the Group’s future performance. The statements are based on Management’s current expectations and assumptions based on all reasonable and supportable information available to the Group at the reporting date. Such statements inherently carry uncertainty and are in part subject to factors outside of the Group’s control.

Materiality assessment

CRROs are considered material where they are qualitatively and quantitatively assessed as having the potential to significantly impact the Group’s operations, financial performance, and strategic objectives.

The assessment of material CRROs was undertaken with key internal stakeholders across all regions, reflecting the Group’s operating structure and varying exposure to climate-related risks over the short, medium and long term.

2. Governance

2.1 Governance overview

The following outlines Zip’s governance framework for overseeing CRROs and how these are integrated within the Group’s broader corporate governance and risk management structures.

Climate-related Disclosures continued

Zip Co Board

Overall oversight of climate-related risks and opportunities (CRROs).

Audit and Risk Committee

Supports the Board by monitoring the implementation and effectiveness of the risk management framework, including CRROs.

Group Executive Team

Most senior executive committee responsible for oversight of material enterprise-wide risk matters including CRROs.

Sustainability Working Group

Cross-functional input into the identification and assessment of CRROs in accordance with the risk management framework

Group Sustainability Team

Facilitates oversight of CRROs across Management, the Board and ARC.

2.2 Board oversight of climate-related risks and opportunities

Board of Directors

The Zip Board of Directors has overall accountability for oversight of CRROs and associated initiatives, as outlined in their responsibilities under the Board Charter. This includes:

- Reviewing and monitoring material CRROs as part of the Group's Risk Management Framework (RMF) and overseeing how they are managed.
- Approving the Group's climate strategy (including any climate-related targets and associated transition plans), and monitoring progress against approved plans and targets.
- Approving Zip's Sustainability Report.

Where relevant, the Board considers trade-offs associated with CRROs in the context of broader business objectives, including financial performance, regulatory requirements and risk appetite.

At least annually, the Board receives updates from Management on CRROs, including updates on the Group's Sustainability Strategy, key risk exposures, and progress against any climate-related initiatives. Climate-related matters are incorporated into Board and Audit and Risk Committee (ARC) reporting, where relevant, including as part of regular risk management discussions.

Audit and Risk Committee

The ARC supports the Board in its oversight of CRROs, in accordance with its Charter. This includes:

- Monitoring and reviewing the system and effectiveness of the risk management framework, which guides the identification, assessment, and management of climate-related risks.
- Reviewing climate-related disclosures, including the annual Sustainability Report and recommending them to the Board for approval.

At least quarterly, the ARC receives updates from Management on sustainability risks, including climate-related risks, and the effectiveness of Management's controls and reporting processes. At least annually, the ARC receives updates on climate-related opportunities. In FY26, the ARC received briefings on the methodologies, assumptions, limitations and outputs of the CRROs assessment, including scenario analysis.

To more clearly articulate their specific accountabilities related to climate-related matters, Zip's Board and ARC Charters were updated in FY26.

2.3 Board expertise and skills

The Board uses a skills matrix to assess the skills and experience that the Board considers are needed to address existing and emerging business and governance issues relevant to Zip, and the extent to which the Board currently has those skills and experience. The full Board skills matrix is available on pages 8 and 9 of Zip's FY26 Corporate Governance Statement.

Under the skills matrix, the skills and expertise considered necessary for the Board to discharge its duties and responsibilities as they relate to oversight of CRROs include 'Sustainability and environment', being, experience in identifying and monitoring social and environmental risks and opportunities, and 'Risk management and compliance oversight', including experience in identifying, assessing and managing strategic, operational, financial, non-financial and emerging risks and monitoring the effectiveness of risk management frameworks and practices.

In FY26, the Board enhanced its capability to provide oversight over CRROs through educational briefings, including the Group Sustainability team, and a workshop covering climate-related reporting requirements, emerging regulatory expectations and market practices.

2.4 Management's roles and responsibilities

Zip's Group Chief Executive Officer (CEO) and Group Chief Financial Officer (CFO) have overall executive responsibility for the development and execution of the Group's overall Sustainability Strategy, including the Group's response to climate change.

Zip's Group Executive Team has responsibility for:

- Overseeing the identification and management of material CRROs.
- Endorsing the proposed Sustainability Strategy and associated execution plans.
- Approving and overseeing implementation of the Group's Climate Governance Framework and Group Environmental and Social Policy.

The Group Sustainability team, which reports to the Group CFO, has responsibility for:

- Facilitating the identification and assessment of CRROs across the Group, through convening a Sustainability Working Group,
- Developing Zip's Sustainability Strategy.
- Reporting to the Board and ARC on CRROs, performance and strategy to facilitate ongoing oversight.
- Overseeing the financial implications of CRROs.
- Ensuring the integrity and compliance of mandatory climate-related financial disclosures.

Climate-related Disclosures continued

The Sustainability Working Group has responsibility for identifying and assessing CRROs across Zip's business and value chain. This Sustainability Working Group comprises cross-functional executives from relevant business functions, including Risk, Finance and Operations.

CRROs are identified, assessed, and managed as part of Zip's RMF and are integrated into the broader risk governance processes. This includes the identification and assessment of CRROs, with material risks and opportunities reported to, and subject to ongoing monitoring by Management, the ARC and the Board.

Management has responsibilities for applying internal controls over any material climate-related risks that may arise, as well as over the associated data, assumptions and processes used to assess and monitor those risks. These controls are aligned with the Group's existing financial and risk control frameworks to support consistency, reliability, and auditability of climate-related risk management and reporting.

In FY26, Zip established a dedicated Climate Governance Framework which outlines its approach to the governance and oversight of CRROs, including how these considerations are integrated within the Group's Sustainability Strategy, corporate governance and risk management practices. Zip also established a Group Environment and Social Policy to guide its approach to managing environmental and social risks and opportunities and to support the delivery of Zip's Sustainability Strategy.

As at FY26, Zip's remuneration framework for executives does not include climate-related performance metrics and is not linked specifically to CRROs.

The Board will continue to assess whether and how climate-related considerations should be incorporated into executive remuneration over time, considering the maturity of the Group's climate strategy and targets.

3. Strategy

3.1 Climate-related risks and opportunities assessment

In FY26, Zip undertook a comprehensive assessment of CRROs to better understand their current and potential impacts on its business model, operations, and financial performance. These included:

1. Physical risks, arising from climate change that can be extreme weather event-driven (acute) or resulting from longer-term shifts in climatic patterns (chronic).
2. Transition risks, associated with the transition to a lower-carbon economy, including regulatory, legal, technological, market, and reputational risks.
3. Climate-related opportunities, representing potential positive impacts arising from climate change.

The CRROs were assessed across the following time horizons:

- Short term (<1 year) – aligned with the annual budget cycle approved by the Board.
- Medium term (1-5 years) – aligned with Zip's medium-term strategic planning cycle.
- Long term (5+ years) – capturing longer-term climate impacts, including climate transition milestones.

3.2 Climate scenario analysis

To assess the resilience of Zip's strategy and business model against future climate-related uncertainties, scenario analysis was conducted using two distinct temperature pathways.

Scenario 1: 1.5°C Pathway

This scenario reflects an accelerated transition to a lower-carbon economy, aligned with the Intergovernmental Panel on Climate Change (IPCC) SSP1-1.9 pathway and the International Energy Agency (IEA) Net Zero Emissions (NZE) by 2050 scenario.

SSP1–1.9 assumes sustainable, internationally coordinated economic growth supported by strong investment in clean technology, human capital, and resource efficiency. Governments prioritise climate action alongside broader social and economic objectives, implementing policies that reduce emissions, improve equality, and strengthen long-term resilience, although these require significant upfront investment and structural economic adjustment. As a result, the economy transitions toward lower-carbon and less resource-intensive growth, with potential gains in social welfare and stability offset by transition costs, industry disruption, and the need for sustained global policy coordination.

This scenario serves as the baseline for assessing transition risks, as regulatory and market pressures increase significantly. While transition risk exposure is elevated, physical risks to Zip's operations and the value chain remain manageable.

Scenario 2: 4°C Pathway

This scenario represents a high-warming pathway aligned with the IPCC SSP5-8.5 scenario. The analysis also considers assumptions informed by the IEA Stated Policies Scenario (STEPS), particularly in relation to energy markets, policy settings and economic conditions.

SSP5–8.5 assumes rapid, globally integrated economic growth driven by technological advancement, productivity gains, and abundant energy availability, with a strong reliance on market-led development and fossil fuels. Governments prioritise economic expansion, industrial competitiveness, and rising living standards, while placing relatively less emphasis on emissions reduction, environmental protection, or coordinated climate policy. As a result, the economy benefits from high levels of consumption, investment, and near-term growth, but faces increasing exposure to climate-related physical risks, environmental degradation, resource pressures, and potentially higher long-term adaptation and recovery costs.

This scenario serves as the baseline for Zip's physical risk assessment, enabling stress testing of operations and the credit portfolio under increased acute and chronic physical climate risks.

Scenario analysis methodology and outcomes

	Scenario 1: +1.5°C	Scenario 2: +4°C
IPCC	SSP1-1.9	SSP5-8.5
IEA	NZE 2050	STEPS

The analysis considers potential impacts on revenue, costs, access to capital and operational continuity across the short, medium and long term, and covers the Group's principal operations in the United States, Australia and New Zealand, including corporate offices and operational activities that contribute to the Group's greenhouse gas emissions.

The analysis focused on areas assessed as most likely to be exposed to climate-related risks and opportunities, including office procurement and energy consumption, operational resilience, regulatory developments, and broader transition risks relevant to the financial services sector, and physical risks that may impact the Group's operations, workforce, customers, suppliers, or occupied premises.

The results inform strategic planning and risk management processes and support the assessment of business resilience under both transition and physical risk pathways. This guides Zip's broader approach to managing climate-related risks through its RMF and enhances transparency in how climate considerations are incorporated into business strategy and decision-making.

Based on this assessment, Zip has not identified any CRROs that are expected to have a material impact on the Group's operations, financial performance and strategic objectives. Zip considers its strategy and business model to be resilient under both the +1.5C and +4C scenarios. This is because identified physical and transition risks were assessed as low or not material, operations are digitally led, office-based emissions are limited, and existing business continuity and risk management processes support adaptation if conditions change. Zip will continue to mature its approach to performing annual resilience assessments over time, to reflect updated insights into climate-related uncertainty and its implications for the Group's strategy and business model.

Climate-related Disclosures continued

3.3 Climate-related risks and opportunities assessment results

Based on the assessment of CRROs, Zip has not identified any material exposure to climate-related physical or transition risks that could reasonably be expected to affect the Group's prospects. Consequently, both the anticipated financial impact on performance and the financial value of assets exposed to these climate-related risks was deemed immaterial. As such, the management of these immaterial risks has not been specifically incorporated into the Group's strategy, resilience planning, resource allocation and decision-making.

A summary of the key CRROs considered and their assessment outcomes are shown below.

Climate-related physical risks

In FY26 Zip has not identified any material exposure of owned assets or core business activities to acute or chronic climate-related physical risks.

Some indirect exposure exists through customers, employees, technology infrastructure and third-party providers, but these were assessed as immaterial, reflecting the geographic diversification of our operations and customer base and the effectiveness of existing business continuity arrangements.

			Rating	
Risk description	**Business and value chain impact**	**Time horizon**	**Under a +1.5℃ scenario**	**Under a +4℃ scenario**
Extreme weather – hurricanes, wildfires, floods	Customers' ability to meet repayment obligations may be adversely affected if they experience financial hardship arising from extreme weather events such as hurricanes, wildfires and floods. These events can lead to customer loss of income, property damage, or displacement, which may increase customer repayment arrears, credit losses and provisioning requirements across the Group's customer receivable portfolio.	Medium and long term	Low	Low
Extreme weather – storms	Severe storm events may disrupt offshore operations, including third-party service providers and support functions, by impacting physical premises, transport networks and local infrastructure. This could result in reduced service availability, delays in customer support, and interruptions to critical business processes within the Group's operating model.	Medium and long term	Low	Low
Extreme weather – heat waves	Extreme heat events may disrupt employees working remotely by increasing the likelihood of power outages, reduced internet connectivity, or unsafe working conditions. This may affect Zip's workforce productivity and continuity, particularly where remote work is a key component of the Group's operating model.	Medium and long term	Low	Low
Extreme weather – general	Increased frequency and severity of extreme weather events may contribute to instability in electricity grids and broader infrastructure systems, potentially disrupting cloud-based platforms and technology services relied upon by the Group. This could impact system availability, transaction processing, and customer access to services, with flow-on effects for revenue generation and customer experience.	Medium and long term	Low	Low

Climate-related transition risks

Of the transition risks identified, all were assessed as having a ‘Low’ impact under the RMF, with the exception of regulatory risk. Further details of the risk assessment methodology is outlined in Section 4.1. Regulatory risk was rated as ‘Medium’ under both scenarios, reflecting its higher likelihood to occur. To mitigate this risk, Management has implemented a compliance program supported by dedicated resources to ensure the Group can effectively respond to evolving sustainability reporting requirements, including AASB S2.

The Group has assessed its exposure to climate-related transition risks, including regulatory, technological, market and reputational changes associated with the transition to a lower-carbon economy. Based on this assessment, no assets or business activities are considered materially vulnerable to climate-related transition risks. Accordingly, the amount and percentage of assets or business activities exposed has been assessed as not material.

			Rating	
Risk description	**Business and value chain impact**	**Time horizon**	**Under a +1.5℃ scenario**	**Under a +4℃ scenario**
Regulatory risk	New and emerging mandatory climate reporting regulations applicable to the markets in which Zip operates may result in compliance costs and/or potential regulatory action for inadequate disclosure	Short term	Medium	Medium
Reputational risk	Failure to demonstrate credible climate action may result in reputational damage with sustainability-conscious customers and ESG-focused investors	Short term	Low	Low

Climate-related opportunities

The Group has considered potential climate-related opportunities, including those arising from changes in technology, markets or customer preferences. At this time, no climate-related opportunities have been assessed as material to the Group’s business activities based on preliminary qualitative reviews. Accordingly, the amount and percentage of assets, business activities or customer demand aligned with such opportunities has not yet been quantified to validate their materiality.

Details on how Zip manages its environmental impact can be found in the Sustainability Strategy and Performance section of the Annual Report, on page 30 and 31.

3.4 Financial effects

Based on the risk assessment and scenario analysis performed, Zip has not identified any current or anticipated material financial effects arising from CRROs. Consequently, Zip does not expect any financial statement line items to be materially affected over the short, medium or long term.

While one climate-related risk (regulatory risk) was assessed as Medium under the RMF, it was not considered material for the purposes of AASB S2 disclosure. This reflects the assessment that it is not expected to have a material impact on the Group’s financial position, financial performance or cash flows over the relevant time horizons. Accordingly, no material financial effects have been identified.

While the Group did not allocate material capital expenditure specifically towards climate-related risks or opportunities during FY26, the Group incurred operating expenditure associated with climate-related governance, reporting, compliance, renewable electricity procurement, carbon offset, supplier engagement, and enhancement of climate-related data and reporting processes as part of its broader sustainability and risk management activities.

Zip will continue to monitor climate-related developments, as changes in market conditions, climate trajectories, regulation or stakeholder expectations may result in financial impacts over time.

Climate-related Disclosures continued

4. Risk Management

4.1 Identification and assessment of climate-related risks

Zip's Risk Management Framework (RMF) supports the identification, assessment, management, and monitoring of material financial and non-financial risks that may impact its operations, financial performance, and strategic objectives. The RMF is overseen by the ARC and the Board, with the Group Executive Team responsible for ensuring adherence, including escalation of breaches or emerging risks as appropriate. Further information is provided in the Risk Management section on pages 16 and 17 of Zip's Corporate Governance Statement 2026 and Risk Management Policy which can be found on Zip's website.

Climate-related risks, as outlined in Section 3.2, were identified and assessed in accordance with the RMF through the following key activities:

- Conducting cross-functional and cross-regional risk reviews to identify potential climate-related physical and transition risks across all geographic locations and operational sites, providing a comprehensive understanding of risks across Zip's value chain.
- Use of climate modelling data from external sources, including the IPCC and local meteorological agencies, supplemented by industry reports to inform risk identification.
- Assessment of likelihood and impact using Zip's Group Risk Matrix.
- Consideration of climate-related risks alongside other strategic, operational, regulatory and reputational risks.

4.2 Integration into overall risk management

Sustainability risk, including climate-related risks, is reflected in the Group Risk Appetite Statement (RAS) which defines the level of risk the Group is willing to accept in pursuit of its objectives. The RAS informs strategic and operational decision-making and underpins day-to-day risk management activities. The Group has a low appetite for sustainability risk and does not undertake activities that may result in material environmental harm or compromise its public commitments.

Climate-related physical and transition risks are incorporated within the Group Risk Taxonomy, enabling consistent identification, classification and reporting across the organisation.

Any material climate-related risks are recorded in the Group risk register, and prioritised and managed in line with established governance processes. Risk ownership is assigned at the Group Executive Team level, with accountable owners responsible for implementing appropriate controls and mitigation actions to ensure residual risk remains within appetite. Ongoing monitoring and management of climate-related risks are embedded within the RMF and supporting governance structures.

5. Metrics and Targets

Zip has considered each cross-industry metric category as required by AASB S2. Given no material CRROs were identified, Zip has not identified any assets or business activities that are materially exposed to climate-related transition risks, physical risks or opportunities. No material climate-related capital expenditure, financing or investment was deployed in FY26.

5.1 Greenhouse gas (GHG) emissions

Zip measures and discloses GHG emissions in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. The Group has adopted an operational control approach to define its organisational boundary. Under this approach, Zip reports the emissions from operations over which it has the authority to introduce and implement operational policies. As a digital-first financial services business, this approach provides the most appropriate reflection of the emissions Zip can directly manage and influence through its policies, operational practices and management decisions, and reflects the way environmental performance is governed across the business.

Scope 1 - direct emissions

In FY26, Zip did not generate any emissions from sources within its ownership or operational control that directly emit greenhouse gases. Assessments were carried out to identify any fuel combustion in owned or controlled equipment or vehicles, or fugitive emissions from the Group's leased assets, including office premises. Scope 1 emissions are reported as zero.

Scope 2 – indirect emissions from purchased energy

Zip generates Scope 2 emissions through electricity usage in its physical office locations. See Zip's calculation approach in the table below.

Activity data	Electricity consumption measured in kilowatts (kWh) for each physical office location, obtained from electricity invoices or meter readings, provided by the relevant electricity suppliers.
Emissions factors	Calculations using the location-based approach multiplies the kWh of electricity by the emissions factors for the geographic region of Zip's physical office locations: ■ Sydney and Melbourne, Australia - Australian National Greenhouse Account (NGA) ■ Auckland, New Zealand - Ministry for the Environment, New Zealand Government ■ New York, United States - Environmental Protection Agency (EPA), United States Government For market-based calculations, supplier-specific emissions intensity factors are applied for Zip's operating locations, derived directly from information provided by energy providers.
Estimations	For Zip's New York office electricity consumption, an estimated daily rate was applied to a period of 55 days, for which activity data was unavailable at reporting date, due to a billing period lag. The estimates were calculated based on an average daily rate based on available data over the previous 12 months.

FY26 GHG emissions

Zip's FY26 GHG emissions as outlined below are shown in metric tonnes of CO_2 equivalent.

Greenhouse gas emissions[1]	**FY26 (tCO_2e)**
Scope 1: Direct GHG emissions	—
Scope 2: Indirect GHG emissions from purchased electricity (location-based)	137.58
Scope 2: Indirect GHG emissions from purchased electricity (market-based)	—
Total GHG emissions – Scopes 1 and 2 (location-based)[2]	137.58
Total GHG emissions – Scopes 1 and 2 (market-based)[3]	—

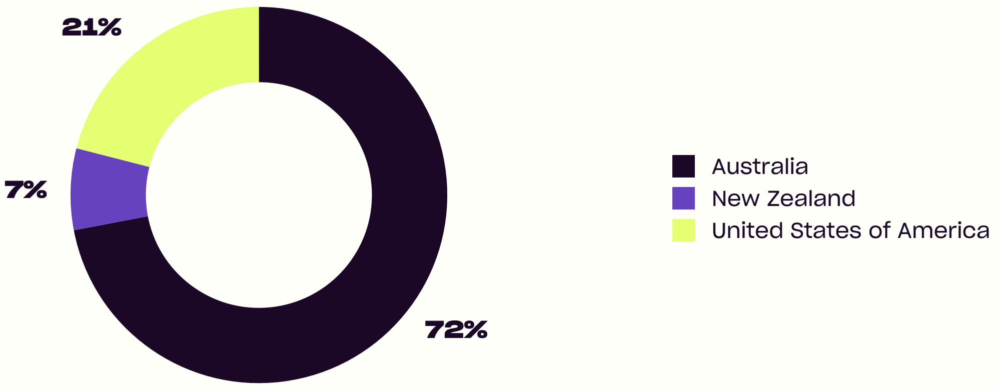
1. Scope 1 emissions are direct emissions from owned or controlled sources (for example, owned vehicles or factories). Scope 2 emissions are indirect emissions from the generation of purchased energy across Zip's physical office locations. Scope 3 is not reported due to transition relief applied for the first year of reporting under AASB S2.
2. This represents Zip's absolute gross emissions as required by AASB S2. The Scope 2 location-based method calculates the emission from electricity use based on the average emission intensity of the power grid. It does not factor in the electricity provider that Zip has chosen to use.
3. The Scope 2 market-based method calculates emissions based on the electricity that Zip has chosen to purchase. The FY26 market-based emissions were net of renewable energy purchased, comprising 44,651 kWh of GreenPower and 203,000 kWh covered by Energy Attribute Certificates (EACs) in the company's operating markets of United States, Australia and New Zealand.

Electricity consumption

Electricity consumption (across Zip's physical office locations)	**FY26**
Total electricity consumption (kWh)	245,838

Climate-related Disclosures continued

FY26 electricity consumption breakdown by country[1]



[1] Electricity consumption across Zip’s physical office locations.

To support the management of Scope 2 GHG emissions associated with purchased electricity consumption, during FY26 the Group transitioned its Australian electricity contracts to 100% GreenPower and purchased Energy Attribute Certificates (EACs) to cover any remaining non-renewable electricity consumption across our physical office locations in Australia, New Zealand and the United States of America. These instruments support the sourcing of renewable electricity and contribute to the reduction of the Group’s market-based Scope 2 emissions in accordance with the Greenhouse Gas Protocol Corporate Standard.

5.2 Climate-related targets

For FY26 the Group has not yet established any formal climate-related targets.

5.3 Internal carbon pricing

For FY26, the Group has not applied an internal carbon price to its business operations or strategic decision-making processes, including for investment decisions, or climate-related scenario analysis.

6. Future developments

Zip will continue to enhance its climate-related disclosures as data quality, calculation methodologies, and regulatory guidance evolve, particularly with the implementation of mandatory reporting of Scope 3 emissions in FY27. Planned activities also include ongoing refinement of Zip's climate-related resilience assessment, scenario analysis, metrics, and targets in future reporting periods.

7. Events after the reporting period

Except as disclosed elsewhere in this report, between 30 June 2026 and 20 August 2026, being the date on which this Report was authorised for issue, no information was received about conditions that existed at 30 June 2026 that required the related climate-related financial disclosures to be updated; and no transactions, other events or conditions occurred for which non-disclosure could reasonably be expected to influence decisions made by primary users of the Report.

Directors' Declaration

For the year ended 30 June 2026

In the opinion of the Directors, Zip Co Limited has taken reasonable steps to ensure the substantive provisions of the Sustainability Report – Climate-related disclosures of Zip Co Limited and its subsidiaries (the Group) for the year ended 30 June 2026 as presented on pages 40 to 50, are in accordance with the *Corporations Act 2001 (Cth)*, including:

(a) Complying with Australian Sustainability Reporting Standard *AASB S2 Climate-related Disclosures*; and

(b) Making the climate statement disclosures required by section 296D of the *Corporations Act 2001 (Cth)*

This declaration is made in accordance with a resolution of the Directors pursuant to section 296A(7) of the *Corporations Act 2001* as modified by section 1707C(2).

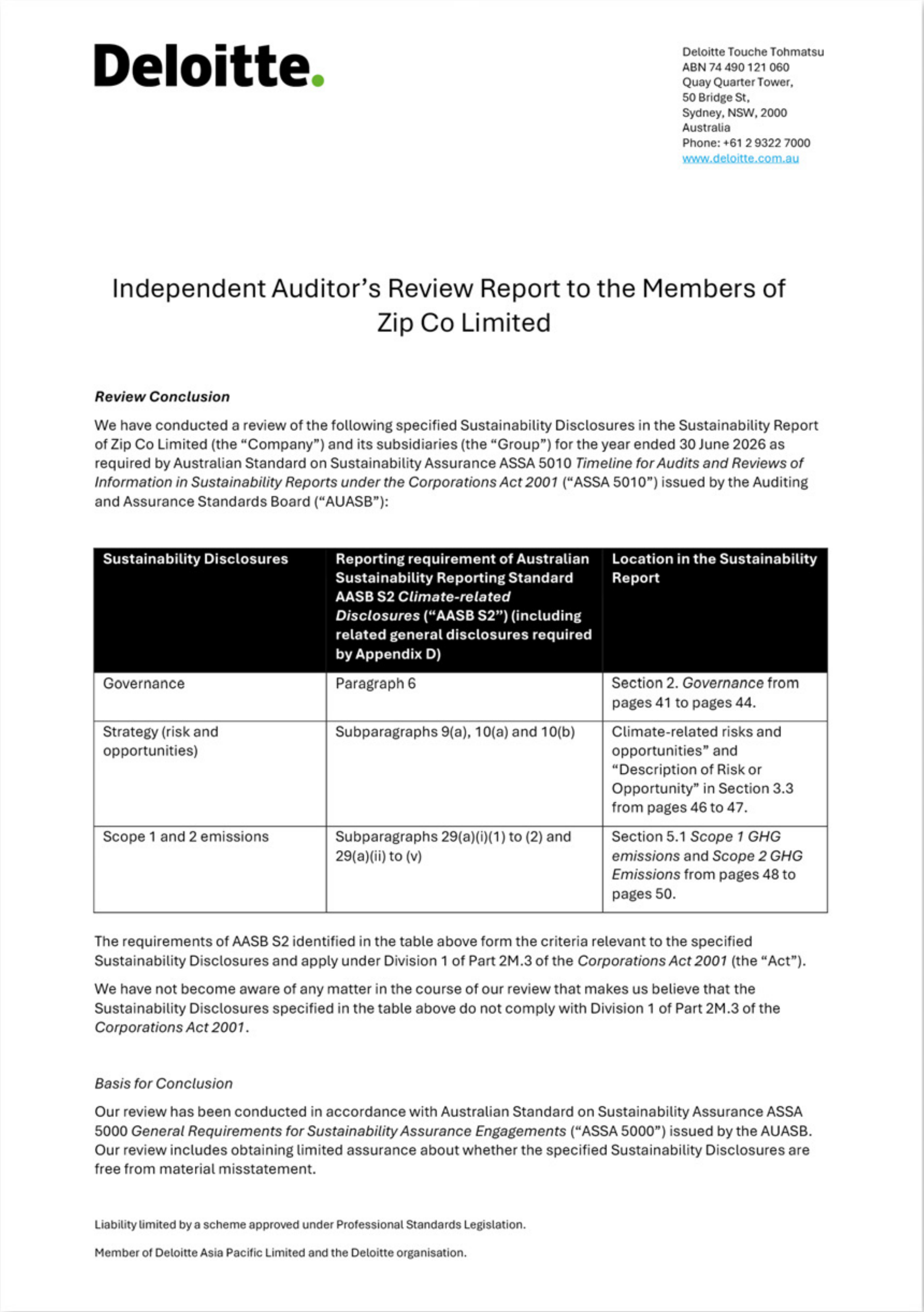
On behalf of the Directors

Cynthia Scott

Group Chief Executive Officer and Managing Director

20 August 2026

Independent Auditor’s Report



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Independent Auditor’s Review Report to the Members of Zip Co Limited

Review Conclusion

We have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Zip Co Limited (the “Company”) and its subsidiaries (the “Group”) for the year ended 30 June 2026 as required by Australian Standard on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* (“ASSA 5010”) issued by the Auditing and Assurance Standards Board (“AUASB”):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (“AASB S2”) (including related general disclosures required by Appendix D)	Location in the Sustainability Report
Governance	Paragraph 6	Section 2. *Governance* from pages 41 to pages 44.
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Climate-related risks and opportunities” and “Description of Risk or Opportunity” in Section 3.3 from pages 46 to 47.
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section 5.1 *Scope 1 GHG emissions* and *Scope 2 GHG Emissions* from pages 48 to pages 50.

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the “Act”).

We have not become aware of any matter in the course of our review that makes us believe that the Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001*.

Basis for Conclusion

Our review has been conducted in accordance with Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (“ASSA 5000”) issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the '*Summary of the Work Performed'* section of our report below.

Our responsibilities under ASSA 5000 are further described in the '*Auditor's Responsibilities'* section of this report.

We are independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (November 2018 incorporating all amendments to June 2024 (the "Code"), together with the ethical requirements in the Act, that are relevant to our review of the specified Sustainability Disclosures of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code.

We confirm that the independence declaration required by the Act, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Our firm applies Australian Standard on Quality Management ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and our auditor's report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the financial report and Remuneration Report upon which we have performed an audit and issued a separate auditor's report.

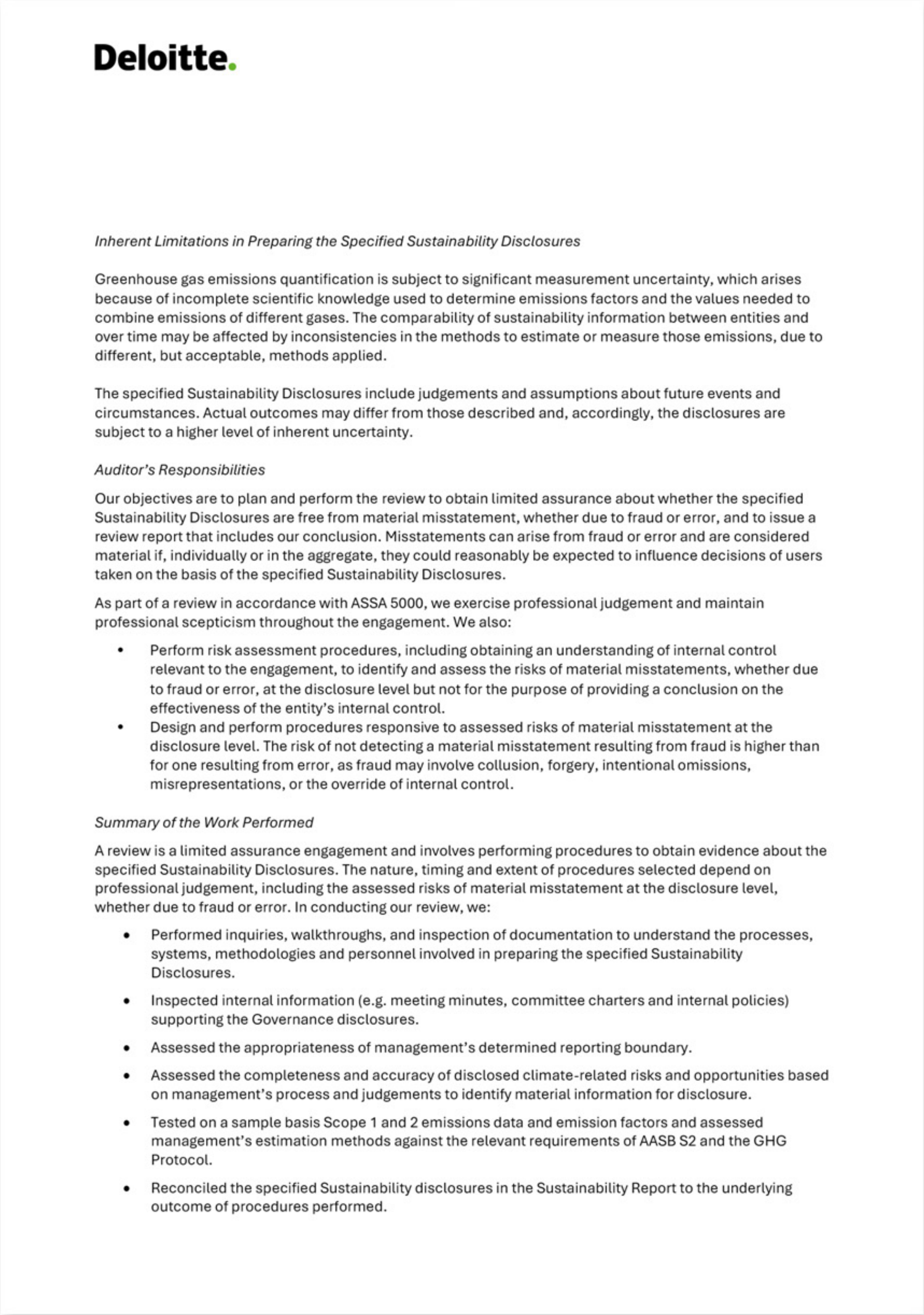
In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the Specified Sustainability Disclosures

The Directors of the Company are responsible for:

a) The preparation of the specified Sustainability Disclosures in accordance with the Act; and
b) Designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report continued



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Inherent Limitations in Preparing the Specified Sustainability Disclosures

Greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. The comparability of sustainability information between entities and over time may be affected by inconsistencies in the methods to estimate or measure those emissions, due to different, but acceptable, methods applied.

The specified Sustainability Disclosures include judgements and assumptions about future events and circumstances. Actual outcomes may differ from those described and, accordingly, the disclosures are subject to a higher level of inherent uncertainty.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgement and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Performed inquiries, walkthroughs, and inspection of documentation to understand the processes, systems, methodologies and personnel involved in preparing the specified Sustainability Disclosures.
- Inspected internal information (e.g. meeting minutes, committee charters and internal policies) supporting the Governance disclosures.
- Assessed the appropriateness of management's determined reporting boundary.
- Assessed the completeness and accuracy of disclosed climate-related risks and opportunities based on management's process and judgements to identify material information for disclosure.
- Tested on a sample basis Scope 1 and 2 emissions data and emission factors and assessed management's estimation methods against the relevant requirements of AASB S2 and the GHG Protocol.
- Reconciled the specified Sustainability disclosures in the Sustainability Report to the underlying outcome of procedures performed.

Independent Auditor's Report continued

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- Evaluated the disclosure and overall presentation of the specified Sustainability Disclosures against the relevant requirements of AASB S2.

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Jason Thorne
Partner
Chartered Accountants
Sydney, 20 August 2026

Directors' Report

30 June 2026

The Directors of Zip Co Limited present their report, together with the financial statements of Zip Co Limited ("the Company") and its controlled entities ("consolidated entity", the "Group" or "Zip") for the year ended 30 June 2026 ("the period"). This report complements the financial report. To comply with the provisions of the *Corporations Act 2001*, the Directors' report is as follows:

Directors

The following persons were Directors of the Company during the financial period and up to the date of this report unless otherwise stated:

- Diane Smith-Gander AO
- Cynthia Scott
- Meredith Scott
- Kevin Moss
- Matthew W. Schuyler
- Andrew Stevens

Details of the directors, including their qualifications, experience and special responsibilities, are set out in the Corporate Governance section on pages 36 to 38. That information is incorporated into and forms part of this Directors' Report.

Directors' Shareholdings

Directors' shareholdings Securities in the company in which Directors had a relevant interest (as defined in section 300 (11) of the *Corporations Act 2001*) as at the date of this report are:

	Ordinary Shares	Performance Rights	Restricted Rights
Diane Smith-Gander AO	252,365	–	198,336
Cynthia Scott	1,677,305	3,946,128	142,018
Meredith Scott	60,671	–	105,032
Kevin Moss	49,575	–	–
Matthew W. Schuyler	–	–	24,194
Andrew Stevens	153,667	–	–

Principal Activities

Zip is a digital financial services company offering innovative and people-centered products in the payments industry. The Group offers access to point-of-sale credit and digital payment services, connecting customers with its network of merchants.

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

The Group is headquartered in Sydney, Australia with operations currently providing services in Australia, New Zealand[1] (together "ANZ") and the United States of America ("USA").

The Group's principal activities remained consistent with the prior year. There were no significant changes in the nature of the Group's principal activities during the year.

Zip's ordinary shares have been listed on the Australian Securities Exchange (ASX code: ZIP) since 2015.

1. Subsequent to the reporting date, on 17 July 2026, the decision to formally exit the New Zealand market was announced to the ASX.

Operational and Financial Review

Review of Operations

Zip provides unsecured loans either directly or through a banking partner to consumers, both online and in-store, through the provision of line-of-credit, instalment products and personal loans. Revenue is generated from merchants (merchant fees), consumers (predominantly service fees, monthly fees, establishment fees and interest), transaction processing fees, affiliate fees and interchange fees.

Zip has continued to deliver sustainable growth and has focused on execution of its three strategic priorities in the year ended 30 June 2026:

Growth and engagement

- Strengthened customer engagement with transactions per customer of:
  - 13.1x in the US, up 23.1%
  - 27.3x in ANZ, up 16.7%
- Delivered US TTV growth of 42.5% (in USD) with net bad debts at 1.7% of TTV
- Achieved general availability for all Stripe merchants (US) and integrated with three new payment service providers (AU)
- Added enterprise merchants including Temu (US) and The Iconic (AU)

Product innovation

- Expanded Pay-in-Z platform via the rollout of Pay-in-2 (US)
- Scaled My Bills to 50% of customers and continued to develop AI-powered, guided cash flow management solutions (US)
- Launch of capital-light ZMobile to existing customers (AU)
- Enhanced mobile app experience including launch of new recurring payments hub (AU)
- Collaborated with Google, IXOPAY, Stripe and Visa to capture future agentic commerce growth

Platforms for scale

- Strategic funding initiatives in both markets delivering cost savings
- Completed $150m of on-market equity share buybacks
- Embedded AI across how Zip builds, operates and serves its customers
- Continued platform investment across risk management, credit underwriting and technology to support growth
- Zip continues to monitor market conditions and considers a potential dual listing on a US stock exchange

Directors' Report continued

Financial Performance

FOR THE YEAR ENDED 30 JUNE	2026 $'M	2025 $'M	CHANGE %
Total income	1,347.4	1,081.1	24.6 %
Cash cost of sales	(705.1)	(572.1)	23.2 %
Cash gross profit[1]	**642.3**	**509.0**	**26.2 %**
Bad debts expense movement	(47.0)	(46.3)	1.7 %
Amortisation - Funding	(6.4)	(5.5)	16.6 %
Gross profit[1]	**588.9**	**457.2**	**28.8 %**
Salaries and employee benefits expenses	(204.8)	(190.9)	7.3 %
Marketing expenses	(55.9)	(48.1)	16.0 %
Information technology expenses	(51.3)	(49.8)	3.0 %
Depreciation and amortisation expenses	(47.6)	(65.4)	(27.2)%
Share-based payments	(19.8)	(13.3)	48.7 %
Corporate financing costs	(1.0)	(30.6)	(96.8)%
Other operating expenses[2]	(63.1)	(31.0)	103.6 %
Impairment of goodwill	(1.3)	–	NM
Unrealised loss - financial liability	–	(2.4)	(100.0)%
Other gains/(loss) at fair value through profit and loss	1.2	(0.4)	376.5 %
Profit before income tax	**145.3**	**25.3**	**474.3 %**
Depreciation and amortisation	47.6	65.4	(27.2)%
EBTDA[1]	**192.9**	**90.7**	**112.7 %**
Non-cash items, corporate and one-off items			
Share-based payments	19.8	13.3	48.7 %
Amortisation - corporate funding[3]	–	28.1	(100.0)%
Unrealised loss - financial liability	–	2.4	(100.0)%
Unrealised currency losses/(gains)	1.8	(15.5)	111.5 %
Non-cash items	1.0	(0.5)	309.0 %
Movement in bad debt provision	47.0	46.3	1.7 %
Amortisation - funding	6.4	5.5	16.6 %
Group Cash EBTDA[1]	**268.9**	**170.3**	**57.9 %**
Operating Margin (%)[1]	**20.0%**	**15.8%**	

1. Measures categorised as Non-IFRS financial information, prepared in accordance with ASIC Regulatory Guidance 230 – *Disclosing non-IFRS financial information*, that is used to manage and report on the Group. Refer to Glossary for more detail on Non-IFRS disclosures.
2. Other operating expenses increased primarily due to an unrealised foreign exchange loss of $1.8 million in the current year, compared with an unrealised foreign exchange gain of $(15.5) million in the prior year as well as an increase of professional fees of $13.6 million compared to prior period.
3. FY25 includes a non-recurring item amounting to $28.1 million of amortisation of corporate funding costs due to the repayment of the corporate funding facility in July 2024.

Cash EBTDA

FOR THE YEAR ENDED 30 JUNE	2026 $'M	2025 $'M	CHANGE %
ANZ	69.5	35.0	98.6 %
USA[1]	227.8	158.5	43.7 %
Corporate and other	(28.4)	(23.2)	(22.6)%
Total Cash EBTDA	**268.9**	**170.3**	**57.9 %**

1. Cash EBDTA in USA is US$154.7 million as at 30 June 2026 and US$102.2 million as at 30 June 2025 representing a percentage change of 51.4%.

The Group's focus on operational leverage and operating margin expansion resulted in Group Cash EBTDA of $268.9 million, growing 57.9% over the prior period and driving a material increase in operating margin from 15.8% in FY25 to 20.0% in FY26.

In FY26, total income increased by 24.6% from the prior year. This was due to a 27.2% increase in total transaction volumes, driven by strong active customer growth and deeper engagement in the US, and improved conversion of TTV growth to revenue and Australian receivables growth in ANZ.

The increase in total transaction volumes and revenue, together with disciplined debt arrears performance and improved receivables funding margins, drove a 26.2% increase in cash gross profit compared to the prior period.

Corporate financing costs decreased from the prior period reflecting the accelerated amortisation of borrowing costs on the corporate funding facility ($28.1 million) and one part month's interest in FY25 as the facility was repaid in July 2024 following a successful equity raise.

Operational Performance

Zip's performance is driven by a number of key operating metrics including transaction volumes, and the number of active customers, transactions and merchants. These measures are categorised as Non-IFRS financial information, prepared in accordance with ASIC Regulatory Guidance 230 – *Disclosing non-IFRS financial information*, and are used to manage and report on the Group. Refer to Glossary for more detail on Non-IFRS disclosures.

Total Transaction Volumes (TTV)

FOR THE YEAR ENDED 30 JUNE	2026 $'M	2025 $'M	CHANGE %
ANZ	3,982.4	3,749.7	6.2 %
USA	12,672.3	9,345.3	35.6 %
Total Transaction Volumes	**16,654.7**	**13,095.0**	**27.2 %**

Total transaction volumes generated by consumers grew to $16.7 billion, an increase of 27.2%.

The USA experienced strong TTV growth of 35.6% (USD 42.5%), driven by strong active customer growth and deeper engagement reflecting strategic marketing initiatives and new merchants. Average spend per customer in the USA increased 30.5% year on year.

The ANZ business TTV increased by 6.2% underpinned by stronger customer engagement, led by Zip Plus. Average spend per customer in ANZ increased 15.4% year on year.

Directors' Report continued

Active Customers

FOR THE YEAR ENDED 30 JUNE	2026 M	2025 M	CHANGE %
ANZ	1.9	2.0	(8.0)%
USA	4.6	4.3	9.3 %
Total Active Customers	**6.5**	**6.3**	**3.7 %**

Overall, the number of active customers increased during the current reporting period, reflecting continued momentum and strategic initiatives to stimulate growth in the USA. While customer numbers in ANZ decreased, the business has been focused on attracting and retaining highly engaged and loyal customers, led by Zip Plus. Customer engagement also strengthened in both markets.

Transactions

FOR THE YEAR ENDED 30 JUNE	2026 M	2025 M	CHANGE %
ANZ	51.2	47.7	7.4 %
USA	60.9	45.3	34.5 %
Total Transactions	**112.1**	**93.0**	**20.5 %**

Total transactions growth reflected annual transaction frequency increasing 23.1% (to 13.1x) and 16.7% (to 27.3x) in the USA and ANZ respectively, as well as active customer growth in the USA.

Total Merchants

FOR THE YEAR ENDED 30 JUNE	2026 K	2025 K	CHANGE %
ANZ	66.6	60.8	9.5 %
USA	30.8	24.7	24.6 %
Total Merchants	**97.4**	**85.5**	**13.8 %**

Total merchants increased across Zip’s operations as merchants continue to see the benefits of joining Zip’s platform and accessing Zip’s customer base directly. Accelerated merchant growth in the USA reflects the strong impact of our strategic partnerships including Stripe. The ANZ business also continued to deliver strong merchant growth adding large enterprises in targeted verticals.

Balance Sheet and Capital Management

Cash

	30 JUNE 2026 $'M	30 June 2025 $'M	CHANGE %
Cash, cash equivalents and restricted cash	427.5	391.6	9.2 %
Less: unavailable cash			
– Restricted cash	(224.8)	(242.7)	7.4 %
– Operational floats	(28.3)	(29.6)	4.4 %
Add: excess invested securitisation warehouses and special purpose vehicles	72.1	18.5	290.4 %
Available Cash and Liquidity	**246.5**	**137.8**	**78.9 %**

Cash, cash equivalents and restricted cash grew $35.9 million over the prior corresponding period as a result of:

- $177.3 million of positive financing cash flows from net proceeds from borrowings; offset by payments for the share buy-back program and an on market purchase to settle employee equity awards; offset by
- $(85.9) million of cash flows used in operations due to a net increase in customer receivables driven by increased transactions during the period offset by positive cash earnings and increases in pre-funding of transaction volumes by partners; and
- $(42.9) million of cash flows used in investing activities is mainly driven by capital expenditure and the acquisition of trademarks.

Receivables

	30 June 2026 $'M	30 June 2025 $'M	CHANGE %
Gross customer receivables	3,296.1	2,881.6	14.4 %
Unearned future income	(47.8)	(35.4)	(34.8)%
Provision for expected credit losses	(232.0)	(189.1)	(22.7)%
Customer Receivables	**3,016.4**	**2,657.1**	**13.5 %**
Split as:			
ANZ	2,163.0	1,982.2	9.1 %
USA	853.4	674.9	26.4 %
Customer Receivables	**3,016.4**	**2,657.1**	**13.5 %**

The Group's receivables portfolio increased 13.5% to $3,016.4 million at 30 June 2026, reflecting the strong total transaction volume growth in the USA and ANZ.

The provision for expected credit losses has increased from 6.6% to 7.0% of gross customer receivables, driven by growth in new customer numbers and increased allowance for potential future economic conditions, due to comparatively higher growth in the USA business segment.

Directors' Report continued

Receivables Funding Facilities

FACILITY	LENDER	FACILITY LIMIT $M	DRAWN AT 30 JUNE 2026 $M	MATURITY
Zip Master Trust				
– Rated Note Series				
– 2024-2	Public ABS	332.5	332.5	Sep-27
– 2025-1	Public ABS	285.0	285.0	Jul-28
– 2025-2	Public ABS	380.0	380.0	Nov-28
– 2026-1	Public ABS	285.0	285.0	Feb-31
– Variable Funding Note	Private Facility	285.0	198.6	Mar-28
– Variable Funding Note 4	Private Facility	285.0	251.5	Mar-27
– Variable Funding Note 5	Private Facility	380.0	250.3	Mar-30
zipMoney 2017-1 Trust	Private Facility	190.0	156.5	May-28
Zip NZ Trust 2021-1[1]	Private Facility	16.4	4.1	Jul-26
AR3LLC[2]	Private Facility	435.4	235.8	Dec-26
AR5LLC[2]	Private Facility	411.3	362.8	Oct-27
Total		**3,285.6**	**2,742.1**	

1. Facility limit of NZ$20.0 million translated to AUD at exchange rate of 1.2188.
2. Facility limit of US$300.0 million AR3LLC and US$283.4 million AR5LLC translated to AUD at exchange rate of 0.6890.

The Group had total facilities of $2,422.5 million available to fund its Australian consumer receivables at 30 June 2026, of which $2,139.3 million was drawn ($283.2 million undrawn and available).

Zip has a facility totalling US$583.4 million to fund its US consumer receivables which was drawn to US$412.5 million at 30 June 2026.

Zip New Zealand facility has a limit of NZ$20.0 million available to fund receivables in New Zealand, drawn to NZ$5.0 million at 30 June 2026.

During the year ended 30 June 2026, Zip executed the following:

- In July 2025, completed a new $300 million bond issuance (2025-1) at a weighted average margin of 1.79%.
- Established a new $400.0 million rated note issuance (2025-2) at a weighted-average margin of 1.37%.
- Established a new five year $300.0 million rated note issuance (2026-1) at a weighted-average margin of 1.62%.
- In October 2025, established a second US warehouse facility AR5 of US$283.4 million. The two year facility provides enhanced capacity and diversity to Zip's funding program and delivers improvement in funding costs.
- The 2024-1 was fully redeemed in October 2025 using existing capacity within the VFN1, VFN4 and VFN5 facilities.
- Renegotiated terms of VFN1 in March 2026, extending maturity from March 2026 to March 2028.
- Refinanced 2017-1 Trust in May 2026, extending maturity to May 2028 and increased facility size to $200 million.
- The Reserve Bank of Australia (RBA) has accepted the Series 2025-1 and 2025-2 AAA notes for repo eligibility, with completion expected in FY27.

Subsequent to the year ended 30 June 2026:

- Zip has reached an agreement with the existing bank funding partner to extend the NZ 2021-1 Trust facility, as part of the orderly wind down of its New Zealand operations.
- Zip is well progressed to establish additional funding capacity in 1Q27 with a rated ABS deal, delivering a material improvement in funding costs and diversifying Zip's funding sources.

On-Market Share Buy-Back Program

On 8 April 2025, Zip announced its intention to undertake an on-market share buy-back of up to $50.0 million of ordinary shares. This was extended up to $100.0 million of ordinary shares on 20 October 2025. On 18 December 2025, Zip announced its final buy-back notification. In total, 34.9 million ordinary shares were acquired for $100.0 million excluding transaction costs. This represents 2.7% of the total shareholding on the date of the announcement. All shares acquired as part of the share buy-back program were cancelled.

On 20 February 2026, Zip announced its intention to undertake another on-market share buy-back of up to $50.0 million of its ordinary shares. The buy-back commenced on 6 March 2026. Zip announced its final buy-back notification on 29 June 2026. In total, 24.8 million ordinary shares were acquired for $50.0 million excluding transaction costs. This represents 1.9% of the total shareholding on the date of the announcement.

These buy-back programs are consistent with Zip’s capital management framework, which aims to maximise shareholder returns while maintaining balance sheet strength and flexibility to pursue strategic growth opportunities.

New Zealand

On 17 July 2026 Zip announced that, following a strategic review of its business portfolio, it had decided to commence an orderly wind down of its New Zealand operations. The decision reflects Zip's strategic focus on investing in its Australian and US business, which continue to demonstrate strong momentum and profitable growth.

ZMoblie

Zip Australia launched its new mobile offering, ZMobile, to existing customers in May 2026. The launch introduces a new capital-light revenue stream and expands Zip's offering beyond financial products. ZMobile is delivering solid early results with plans to scale to new customers in 1H27.

Change in the State of Affairs

Other than detailed in this report, no significant changes in the state of affairs of the consolidated entity occurred during the financial year.

Future Developments

In future financial periods, Zip will continue to focus on growth in core markets, to deliver sustainable growth, profitability and improved shareholder value.

Environmental Regulation

The Group is not subject to any significant environmental regulation under a law of the Commonwealth, State or Territory of Australia, or in any of the other jurisdictions that the Group currently has, or is soon to have, a presence in. Refer to Sustainability Report pages 40 to 55.

Directors' Report continued

Material Risks

Risk management is central to our operating model and underpins all our activities. Zip operates a robust Risk Management Framework (RMF) focusing on the identification, assessment, management and monitoring of material risks, which is overseen by the Audit and Risk Committee and the Zip Board. Material business risks are those risks deemed to have a significant impact on Zip's operations, financial performance, and business objectives. The Company is exposed to strategic, financial, operational, IT security and privacy, legal and compliance, and credit risks. The risk management strategy, to mitigate these risks, is outlined in the following table:

RISK	RISK MANAGEMENT STRATEGY
Strategic risk The risk that we are unable to identify and execute the right strategic initiatives and projects on target and on time that deliver measurable and agreed outcomes to support our goals.	Our strategic risks are identified and assessed as part of our annual business planning process which is endorsed by the Board. We identify the actions required to realise our plan, assessing both upside and downside risks. Key financial and business results are reviewed monthly by the Board and the Group Executive team. Our focus areas of strategic risk include strategic alignment, business simplification, competition, product innovation and delivery, reputation and brand and social and environmental sustainability. Our assessment of these risks influence the prioritisation of investments and resources in the Board-approved budget. We undertake analysis on threats or opportunities to effectively assess key strategic risks. This includes monitoring key financial and non-financial metrics which are reported to senior management and the Board.
Financial The risk that we are unable to access sufficient funding at a reasonable cost. The risk of not being able to meet financial commitments as and when they are due and in compliance with regulatory standards on solvency, liquidity, and financial management.	We have Board-approved Treasury risk management policies that incorporate liquidity, funding, market and FX risk management plans. These policies and internal settings ensure adequate liquidity is maintained to support the business, and that regulatory requirements are adhered to. This includes ensuring we have sufficient access to capital and debt facilities at a reasonable cost. Liquidity and funding risks are managed by our Treasury function. This is through monitoring cash flows, restricted cash positions and projected future cash flows, supported by business forecasts that take into account anticipated seasonality as well as stress testing and market conditions. We monitor cashflow forecasts monthly in order to track and address any reporting anomalies that may be identified.

RISK	RISK MANAGEMENT STRATEGY
Operational The risk of loss due to inadequate or failed internal processes, people, and systems or from external events, which results in us being unable to provide continued delivery of our services to customers and merchants.	We proactively refine our processes and controls for managing operational risk to respond to our external and internal business operating environment. Examples of operational risk focus areas include third party risk management, operational resilience and business continuity, people, health, safety and wellbeing. We actively identify, assess, manage, rectify and remediate any identified operational incidents.
IT Security and Privacy The risk of loss resulting from disruption to operations and data loss or failed privacy and data use controls.	Cyber security briefings are provided to management and Board level risk committees as appropriate. We have implemented a multi-layered security strategy employing automated and standardised security measures to protect our systems. We maintain a specific Information and Communication Technology (ICT) management framework including proactive security measures, training and awareness, and independent assurance and compliance monitoring. As part of our annual financial statement audit, our auditors undertake testing of key ICT and security risk controls that relate to the production of information for the financial statements. Annually both regions undergo ISO 27001 (Information Security Management System) audits and as of FY26, hold current certifications.
Legal and Compliance The risk of inadequate adherence to regulatory and compliance obligations and financial loss from legal disputes.	We have a compliance management framework and procedures for identifying and managing compliance obligations, incidents and issues that may arise related to compliance matters. We monitor employee annual compliance training, reportable regulatory breaches, legal disputes, and whistleblower reports.
Credit Risk The risk of financial loss where a customer or counterparty fails to meet their financial obligations to Zip.	We have regional credit risk management committees in place to oversee the effective management of credit. We take precautions to ensure that customers approved to receive credit can meet their repayment obligations. We offer relatively short duration credit, review and manage credit limits for higher risk customers and limit the concentration of non-performing loans and large single exposures in the consumer credit portfolio. We monitor delinquency rates by time buckets, net bad debts, and principal loss rates monthly.

Directors' Report continued

Company Secretaries

Kate Hume, Company Secretary (appointed 04 September 2025). Kate has over 20 years of experience in legal, risk and governance gained in leadership roles in Australian financial institutions and holds a Master of Laws (Corporations and Securities) from University of Melbourne and Bachelor of Arts/Laws from University of Queensland.

Lucy Barnett, Company Secretary. Lucy has over 20 years' experience working in a range of governance, legal and risk roles, having started her career in private practice in top tier law firms in Sydney and New York. She holds a Bachelor of Laws (Honours) and Bachelor of Arts from the University of Sydney and is a Graduate of the Australian Institute of Company Directors. On 14 August 2026, Ms Barnett resigned as Company Secretary.

April Goulter was appointed as Company Secretary on 14 August 2026.

Sarah Brown resigned as Company Secretary on 04 September 2025.

Meeting of Directors

The Company's Board of Directors (Board) met 11 times during the financial year ended 30 June 2026. The following table includes:

- Names of Directors that held office at any time during, or since the end of, the financial year; and
- The number of Board and Board committee meetings that each Director, as a member of the Board or relevant Board committee, was eligible to attend, and the number of meetings attended by that Director.

The table includes the attendance of those Directors who attend Board committee meetings of which they are not a member.

	BOARD DIRECTORS				AUDIT AND RISK COMMITTEE		REMUNERATION PEOPLE & CULTURE COMMITTEE		NOMINATIONS COMMITTEE	
	Meetings		**Ad hoc Meetings[1]**							
	Held[2]	**Attended**	**Held[3]**	**Attended**	**Held[2]**	**Attended[4]**	**Held[2]**	**Attended[4]**	**Held[2]**	**Attended[4]**
Diane Smith-Gander AO	10	10	1	1	NM	2	NM	2	2	2
Cynthia Scott	10	10	1	1	NM	5	NM	4	NM	2
Meredith Scott	10	10	1	1	5	5	4	4	2	2
Kevin Moss	10	10	1	1	5	5	4	3	2	2
Matthew W. Schuyler	10	10	–	–	5	4	4	4	2	2
Andrew Stevens	10	10	1	1	4[5]	4	4	4	2	2

1. Out of cycle Board meetings typically called for a special purpose that. The ad hoc meeting reflected in the table involved a sub-committee of the Board acting under delegation.
2. The number of meetings held during the time the Director was a member of the Board or relevant committee.
3. The number of ad hoc Board meetings held during the time the Director was a member of the Board and invited to attend.
4. Number of meetings attended. Board Committee meetings are open to all directors to attend as observers. Where a director attended a meeting of a committee of which they were not a member, it is indicated with NM.
5. Appointed as a member of the Audit and Risk Committee on 19 September 2025.

Remuneration Report

Letter from the Chair of the Remuneration, People and Culture Committee

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the audited Remuneration Report for FY26. The report details our remuneration framework and the alignment between executive remuneration and shareholder outcomes.

FY26 Performance

For FY26 the Company delivered very strong results underpinned by disciplined execution against our three strategic priorities: growth and engagement; product innovation; and platforms for scale. From a financial perspective, cash EBTDA of $268.9 million was up 57.9% on the prior year, with the business achieving significant growth at scale. Both the US and ANZ delivered material earnings growth, with the US growing TTV and revenue at more than 40% for the second consecutive year, and ANZ returning to revenue and AU receivables growth.

Our business continues to grow and we processed 112.1 million transactions valued at $16.7 billion in the year with customer engagement strengthening across both markets. This reflects our commitment to delivering exceptional experiences for customers to help them manage their cash flows and household budgets. We are a responsible lender and delivered strong credit performance, maintained low hardship rates and achieved robust customer performance metrics.

We recorded a Total Shareholder Return (TSR) of 5.5% in FY26. This compares to our 3 year TSR of 690.2% which represents significant outperformance against the S&P ASX 200 index. We completed $150 million of on-market share buybacks, which is in line with our capital management framework which underpins our ambition to maximise long-term value and shareholder returns.

Remuneration Changes Implemented in FY26

The Board made changes to KMP remuneration which support talent retention and continue to align pay with performance:

- Effective 1 October 2025, the Board approved an increase in pay for Cynthia Scott, Group CEO and Managing Director. This decision was part of a two-step process to address low market positioning. The adjustment was informed by an independent review that identified that remuneration was significantly below market benchmarks, posing a talent retention risk. The Board also approved pay increases for the US CEO and Group CFO. Further detail is set out at section 2.6 Key Issues Considered by the Board in FY26.
- The Board introduced changes to the Short Term Variable Reward (STVR) plan, setting outperformance targets for each metric under the plan. Under the FY26 STVR plan Executive KMP may earn up to 130% of their target STVR if all outperformance targets are achieved. The Board also introduced a quality of earnings review to assess the alignment between STVR scorecard outcomes and underlying business performance.
- Based upon a review of market benchmarks, the Board increased the Long Term Variable Reward (LTVR) opportunity for Executive KMP as follows:
  - US CEO from 50% to 150% of base salary; and
  - Group CFO and ANZ CEO from 50% to 100% of base salary.

  These changes recognised Zip's increased scale and Zip’s low equity position against market benchmarks – with the LTVR opportunity positioned close to or below the 25th percentile. The Group CEO and Managing Director’s LTVR opportunity remained at 150% of base salary.
- The Board implemented a modest increase in Board fees and an increase in Board Committee fees to align them closer to market benchmarks.
- The Board approved a Long Term Equity (LTE) award for the Group CFO as a retention mechanism and in recognition of the Group CFO's contribution across both the US and ANZ businesses.

Remuneration Report continued

Collectively, these changes progressed Zip's executive remuneration offering to a more competitive position against market benchmarks as the business has continued to grow. Importantly, the Board has continued to weight executive remuneration towards long term performance and seeks to align remuneration to shareholder outcomes.

The Board asked Cynthia Scott, Group CEO and Managing Director to undertake a secondment to the US in FY27 to continue the execution of Zip's Group-wide strategy. This move recognises the importance of the US business which now accounts for approximately 77% of divisional earnings. In addition, we intend to expand the Board in FY27 in line with Zip's strategy and scale.

Variable Remuneration Outcomes for FY26

The Board is focused on aligning remuneration outcomes with performance. Continuing strong performance is reflected in the FY26 scorecard results and STVR award outcomes for Executive KMP and LTVR vesting outcomes. The key reward outcomes for FY26 are:

- STVR awards for Executive KMP range from 75.46% to 79.23% of the Maximum opportunity, 50% of which will be delivered as Zip shares or share rights that are deferred for one year;
- STVR awards were also made to other Zip staff members based on Company performance and individual contributions; and
- The FY23 LTVR award issued to Cynthia Scott fully vested with Zip TSR exceeding the performance hurdle, and the FY24 LTVR is very likely to meet the TSR performance hurdle when it is measured in September 2026.

Looking Ahead to FY27

The Board's Remuneration, People and Culture Committee has spent a significant amount of time reviewing pay approaches and market benchmarks in Australia and the US. The Board recognises the significant differences in the approach to executive pay in each market and will continue to evolve its approach with the goal of providing market competitive pay within a consistent remuneration framework that drives the Company's strategic goals, supports attraction and retention and rewards performance.

Equity awards will continue to be an important part of Zip's pay mix, particularly in the US where equity awards comprise a significant part of executive pay packages. The Committee will also continue to focus on aligning pay with shareholder outcomes and decision making that aligns with Zip's values, standards of behaviour and risk appetite.

We invite you to read the Remuneration Report and welcome your feedback.

Matthew W. Schuyler
Chair of the Remuneration, People and Culture Committee

Contents

This remuneration report is divided into the following sections.

This Remuneration Report forms part of the Directors' Report for the year ended 30 June 2026 and outlines the remuneration arrangements for Zip Co Limited's Directors and other Key Management Personnel (KMP).

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Directors.

This Report has been prepared in accordance with section 300A of the *Corporations Act 2001* (Cth) and has been audited in accordance with section 308(3C) of the *Corporations Act 2001* (Cth).

1. Key Management Personnel

The following Executives and Non-Executive Directors were considered KMP for the year ended 30 June 2026.

Table 1 – List of KMP for FY26

NAME	ROLE	TERM AS KMP
Independent Non–Executive Directors		
Diane Smith–Gander AO	Chair, Non–Executive Director	Full year
Meredith Scott	Non–Executive Director	Full year
Kevin Moss	Non–Executive Director	Full year
Matthew W. Schuyler	Non–Executive Director	Full year
Andrew Stevens	Non–Executive Director	Full year
Executives		
Cynthia Scott	Group CEO and Managing Director	Full year
Gordon Bell	Group CFO	Full year
Joseph Heck	US CEO	Full year
Soraya Alali	ANZ CEO	Full year

2. Our Remuneration Framework

2.1 Remuneration Strategy and Principles

With a focus on growth and profitability, Zip's remuneration strategy is designed to attract, motivate and retain talent to drive a high-performance culture that delivers on our business strategy and drives sustainable long-term returns for Shareholders. It is designed to ensure that there is strong alignment between remuneration and performance. This strategy is underpinned by the following principles:

Strategic Alignment

Provide clear alignment of remuneration with strategic objectives and shareholder value

Market Competitive

Provide market competitive remuneration to attract and retain quality global talent

Performance Based

Support merit-based remuneration achievement across a diverse and inclusive workforce

Simple and Transparent

Implement remuneration policies that are simple, transparent and well understood

Enhances Culture

Support appropriate risk culture and employee conduct aligned to our standards

Sustainable Value

Reward sustainable outperformance

2.2 Board Policy for Setting Remuneration

The Company recognises that to deliver on business strategy it must attract top talent in a competitive market. The Board considers the following factors in setting Executive remuneration packages:

- Remuneration paid by Australian and US comparators who compete for talent with Zip;
- Australian comparators: ASX listed entities from the Finance and Information Technology sectors with a market capitalisation of approximately half to double that of Zip;
- US comparators: relevant US-based entities from the Fintech and Software sectors with a similar level of revenue;
- The Executive's contribution to the delivery of key strategic goals; and
- The Executive's contribution to long-term revenue and cash EBTDA outcomes.

The Remuneration People and Culture Committee (RPCC) recommends Executive remuneration to the Board considering the above factors, along with market conditions and sentiment, the Company's growth trajectory, strategic objectives, capabilities and experience of individuals, talent scarcity, changes in role complexities and geographic location. In addition, the RPCC has been mindful of the significant variation in Zip's market capitalisation when it has assessed remuneration.

When assessing remuneration, the RPCC seeks to position KMP remuneration competitively with reference to the median and 75th percentile of market comparators, with 'at-risk' STVR and 'at-risk' LTVR supporting decision making and performance aligned to Shareholders' long-term interests. The RPCC's primary reference point is the relevant local market benchmark for each Executive role. Specific adjustments made in FY26 are detailed in section 2.6 Key Issues Considered by the Board in FY26.

The Board's approach is to build a strong alignment between pay outcomes and performance and is intended to drive performance and value creation for Shareholders.

2.3 Remuneration Framework

The Board seeks to create a simple and transparent design for remuneration. During FY26, the remuneration framework for Executive KMP was made up of four components: Fixed Pay, ‘at-risk’ STVR, Fixed LTE and ‘at-risk’ LTVR. The Tables below summarise each of these components for FY26 for the Executive KMP:

Table 2 – Fixed Remuneration – Fixed Pay – Key Terms

Participants	All Executives.
Purpose	Attract and retain capable Executives, considering the size and complexity of the role, individual responsibilities, experience and skills in the context of the external market.
Delivery	Fixed Pay comprises cash base salary, salary sacrifice items (where applicable), statutory superannuation contributions and other benefits.
FY26 Approach	Fixed Pay is benchmarked against comparable companies with references to the market median and the 75th percentile and reviewed annually, considering role changes, internal equity and market conditions. For the US CEO, Fixed Pay is positioned with reference to the 75th percentile to partially offset the low position on equity. Any increase to KMP Fixed Pay requires RPCC endorsement and Board approval. For further detail refer to section 5.1 Fixed Remuneration Outcomes.

Table 3 – Variable Remuneration - STVR – Key Terms

<table>
<tr><td>Participants</td><td>All Executives.</td></tr>
<tr><td>Purpose</td><td>Rewards performance against a scorecard of financial and non-financial objectives consistent with Zip's strategy over the short-term.</td></tr>
<tr><td>Opportunity</td><td>The target STVR is 120% of base salary for the Group CEO and Managing Director and 100% of base salary for other Executive KMP. Maximum awards of up to 130% of target may be paid if all outperformance targets are achieved. If cash EBTDA is below the threshold target, the Board may determine that no STVR is payable regardless of scorecard outcomes.</td></tr>
<tr><td>FY26 Approach</td><td>STVR is measured against a scorecard. The Company scorecard contained the following performance measures with weightings to drive profitability:
<table>
<tr><th>Category</th><th>Measure</th><th>Weight</th></tr>
<tr><td>Financial</td><td>Cash EBTDA</td><td>40%</td></tr>
<tr><td></td><td>Cash NTM</td><td>20%</td></tr>
<tr><td></td><td>Revenue</td><td>10%</td></tr>
<tr><td>Customer</td><td>Active Customers</td><td>10%</td></tr>
<tr><td>Enterprise Risk</td><td>Risk Metrics and Milestones</td><td>10%</td></tr>
<tr><td>People</td><td>Employee Engagement</td><td>10%</td></tr>
<tr><td>Payout Scale</td><td colspan="2">Below Threshold = 0% | Between Threshold & Target = 50% - 100% | Above Target = 100% - 130% | Outperformance + = 130%</td></tr>
</table>
Financial and Customer targets were set with reference to approved budgets and prior year outcomes. The people target was set with reference to external benchmarks and prior year outcomes.
The performance measures and hurdles were reviewed and approved by the Board.
For further detail see section 5.3 STVR Outcomes.</td></tr>
</table>

Remuneration Report continued

Delivery	For the Executive KMP it is the Board's intention to deliver 50% of the STVR in cash and 50% in shares, or rights to ordinary Zip shares, that are deferred via a 12–month disposal restriction.
Allocation Method	The number of deferred shares or rights will be determined based on the STVR award value and the 30-day Volume Weighted Average Price (VWAP) of Zip shares traded in the period prior to the release of Zip's annual financial results immediately preceding the grant date.
Board Discretion	The Board retains absolute discretion in respect of STVR awards and final outcomes. As part of its overarching discretion, the Board may adjust final STVR awards having regard to affordability considerations and the Group's financial performance over the period which is informed by a quality of earnings review. In addition to this overarching discretion, final STVR outcomes will be subject to a Board discretion modifier for "doing the right thing" whereby the Board may make downward adjustments (including to zero) for regulatory issues, conduct issues, brand and reputational issues, and non–financial and financial risk issues.
Malus and Clawback	Malus and clawback provisions apply to any STVR award subject to a disposal restriction. Refer to section 3.2 Risk Management for more detail.
Cessation of Employment	If a participant leaves during the performance period, then they will forfeit their entitlement to an award unless the Board determines otherwise. If a participant leaves during the deferral period, then they will retain their shares or rights (subject to malus and clawback provisions).
Change of Control	Where a transaction or event is proposed that, in the opinion of the Board, may result in a change of control, the Board retains the discretion (to be exercised consistently with the ASX Listing Rules) to determine that a particular treatment will apply to any award subject to a disposal restriction.

Table 4 – Fixed Remuneration – LTE – Key Terms

Participants	Executives with high demand skills, especially in the US.
Purpose	Provides Zip with a means to attract and retain high quality talent by supplementing Fixed Pay with equity, particularly in the US where the use of LTE is common. The LTE plan rewards retention and is based upon service rather than performance (which is covered in the STVR and LTVR).
FY26 Approach	During FY26 awards to Executive KMP were limited to an award for the Group CFO. Refer to section 5.2 LTE Awards for more detail.
Delivery	Awards are made under the Zip Equity Incentive Plan and are made in the form of rights with a nil exercise price, which upon vesting confer the entitlement to one ordinary share in Zip (or the cash equivalent value at the discretion of the Board). Rights issued to Executive KMP vest in equal tranches over four years (i.e. 25% per year). There are no disposal restrictions on the shares Executives receive upon vesting of the rights other than trading in adherence to the Zip Securities Trading Policy and compliance with the Minimum Shareholding Policy. Rights vest subject to continued employment over the vesting period.
Allocation Method	Rights are granted on a face value basis by dividing the participant's LTE dollar value opportunity in AUD by the 30–day Volume Weighted Average Price (VWAP) of Zip shares traded in the period leading up to and including the date of release of the Zip results released preceding the grant date. For new starters the Board may determine a different allocation method to address individual circumstances.
Malus and Clawback	Malus and clawback provisions apply. Refer to section 3.2 Risk Management for more detail.

Cessation of Employment	Subject to Board discretion, the treatment of unvested rights on cessation of employment during the performance period is as follows: In "bad leaver" circumstances (e.g. termination for cause): all of the unvested rights will lapse (unless the Board determines otherwise); In "good leaver" circumstances (e.g. redundancy or retirement from the workforce): unvested Rights will be retained on a pro-rata basis, and remain on foot and vest at their original vesting date. Any remaining unvested Rights will lapse. Death or Total Permanent Disablement: all unvested Rights vest and automatically exercised. Resignation or dismissal or any circumstances other than as set out above: all unvested Rights lapse.
Change of Control	Where a transaction or event is proposed that, in the opinion of the Board, may result in a change of control, the Board retains the discretion (to be exercised consistently with the ASX Listing Rules) to determine that a particular treatment will apply to all unvested rights.

Table 5 - Variable Remuneration – LTVR – Key Terms

Participants	All Executive KMP and selected Executives.
Purpose	The LTVR plan aligns Executive accountability and remuneration outcomes with the delivery of sustained group performance and shareholder interests over the long–term. The plan is designed to vary remuneration outcomes in line with the extent of longer–term (three year) performance achievement focused on shareholder returns.
Opportunity	For FY26, the Group CEO and Managing Director and US CEO received an LTVR award with a maximum (face value) of 150% of base salary. Other Executive KMP received LTVR awards with a maximum (face value) of 100% of base salary.
FY26 Approach	The LTVR performance hurdle is Zip's TSR during the performance period ranked (on a percentile basis) relative to the TSR during the TSR performance period of each company in the S&P ASX200 Financials (exREITs) index and technology companies within the ASX200 (Comparator Group), as at 22 August 2025. Zip's TSR must be positive, and vesting will be calculated based on the vesting schedule below. The performance period for assessing TSR performance is three years and is aligned with the release of results to ensure that the share price, upon which the TSR is determined, reflects an informed market.

ZIP'S RELATIVE TSR RANKING COMPARED TO THE COMPARATOR GROUP	% VESTING
At the 75th percentile or higher	100%
Between the median and 75th percentile	Pro–rata vesting between 50% and 100%
At the median	50%
Below the median	0%

	In addition, Zip's TSR must be positive over the performance period unless the Board determines otherwise. For the US CEO, vesting of two-thirds of the LTVR award is subject to the above relative TSR performance hurdle, while vesting of the remaining one-third is subject to a gateway of achieving positive absolute TSR over the performance period.
Delivery	Awards are made under the Zip Equity Incentive Plan and are made in the form of performance rights with a nil exercise price, vesting after approximately three years, subject to achieving performance hurdles.

Remuneration Report continued

Allocation Method	Rights are granted on a face value basis by dividing the participants LTVR dollar value opportunity in AUD by the 30-day Volume Weighted Average Price (VWAP) of Zip shares traded in the period prior to the release of Zip's annual financial results immediately preceding the grant date.
Vesting Conditions	A participant must remain employed for the rights to vest (subject to good leaver treatment outlined below). Vesting is based on the level of achievement against the performance hurdle. There is no retesting.
Malus and Clawback	Malus and clawback provisions apply. Refer to section 3.2 Risk Management for more detail.
Cessation of Employment	Subject to Board discretion, the treatment of unvested LTVR rights on cessation of employment during the performance period is as follows: In "bad leaver" circumstances (e.g. termination for cause), all of the unvested LTVR rights will lapse (unless the Board determines otherwise); In "good leaver" circumstances, unless otherwise determined by the Board, unvested LTVR Rights will be retained on a pro-rata basis, and remain on foot and continue to be subject to the relevant TSR performance condition in due course (with the service condition deemed satisfied). Any remaining unvested LTVR Rights will lapse; Death or total permanent disablement, some or all unvested LTVR rights may be retained, vesting conditions may be waived or adjusted, and vesting may be accelerated.
Change of Control	Where a transaction or event is proposed that, in the opinion of the Board, may result in a change of control, the Board retains the discretion (to be exercised consistently with the ASX Listing Rules) to determine that a particular treatment will apply to the LTVR Plan.

2.4 Remuneration Delivery Profile

Remuneration at Zip is delivered in cash and equity vesting over a number of years. The Table below outlines when the different components of remuneration are awarded and the time period over which they are paid or vest:

Table 6 – Executive KMP Remuneration Delivery Profile

TYPE	COMPONENT	INSTRUMENT	YEAR 1	YEAR 2	YEAR 3	YEAR 4
Total Fixed Remuneration	Fixed Pay	Base salary and Superannuation	Paid			
	LTE	Rights subject to continued employment	▲ Grant 25% vest ●	25% vest ●	25% vest ●	25% vest ●
Variable At-Risk	STVR	Ordinary shares or rights, and cash subject to performance against scorecard	Cash paid and Shares granted ▲	Shares vest ●		
	LTVR	Performance rights subject to achievement of TSR performance hurdle	▲ Grant		Vest ●	

▲ Grant

● End of deferral/performance period

2.5 Remuneration Mix

The Executive KMP Remuneration mix is weighted towards performance based pay, and a significant amount of pay is delivered as equity to reinforce shareholder alignment.

The Figure below features the FY26 remuneration mix for the Executive KMP relative to the 'Maximum' level of performance.

Figure 1 – FY26 Maximum Remuneration Opportunity

Group CEO & Managing Director

	Performance based		
Fixed Pay 25%[1]	STVR[2]		LTVR Performance Rights 37%
	Cash 19%	Deferred 19%	

US CEO

	Performance based		
Fixed Pay 26%[1]	STVR[2]		LTVR Performance Rights 40%[3]
	Cash 17%	Deferred 17%	

Other Executive KMP[4]

	Performance based		
Fixed Pay 31%[1]	STVR[2]		LTVR Performance Rights 30%
	Cash 19.5%	Deferred 19.5%	

1. Fixed Pay excludes 401k contributions in the US.
2. Maximum STVR is 130% of target STVR if all outperformance targets are achieved.
3. For the US CEO, vesting of two-thirds of the LTVR is subject to the relative TSR hurdle, and the remaining one-third is subject to a gateway of achieving a positive absolute TSR over the performance period.
4. Excludes an LTE award allocated to the Group CFO in June 2026. Refer to section 5.2 LTE Awards for more detail.

2.6 Key Issues Considered by the Board in FY26

The Board undertakes regular reviews of the remuneration framework, ensuring alignment to business strategy while remaining alert to changes in the market. Market benchmarking is used to assess whether the remuneration framework remains fair, competitive, and effective in attracting, retaining, and motivating key talent.

The Board completed a review of market benchmarks in both the US and Australia and considered approaches to pay for FY26 to ensure a market competitive remuneration offering for Executives in both markets. As a result of this review, the Board made changes to the remuneration framework, alongside some substantial adjustments to the fixed remuneration and incentive opportunities for Executive KMP.

Remuneration Report continued

Executive Remuneration Adjustments and Market Positioning

Following a comprehensive market benchmarking review which incorporated both a review of ASX listed comparators and US benchmarks for US based roles, the Board approved changes to base salary and incentive opportunities as follows:

Group CEO & Managing Director

	Performance based - % of Base Salary	
Base Salary	**STVR Target**	**LTVR Opportunity- Face Value % of Base Salary**
+21.7%	100% → 120%	No Change (remains 150%)

Group CFO

	Performance based - % of Base Salary	
Base Salary	**STVR Target**	**LTVR Opportunity- Face Value % of Base Salary**
+7.4%	No Change (remains 100%)	50% → 100%

US CEO

	Performance based - % of Base Salary	
Base Salary	**STVR Target**	**LTVR Opportunity- Face Value % of Base Salary**
+20%	No Change (remains 100%)	50% → 150%

ANZ CEO

	Performance based - % of Base Salary	
Base Salary	**STVR Target**	**LTVR Opportunity- Face Value % of Base Salary**
No Change	No Change (remains 100%)	50% → 100%

These changes were made to provide a more competitive pay offering for key executive roles and recognised the low equity opportunities compared to the external market, with Zip LTVR opportunities either close to or below the 25th percentile of the market data.

For further detail, on the Board's approach to market benchmarking see section 2.2 Board Policy for Setting Remuneration.

The increases to Executive KMP remuneration opportunities aligned pay with market peers and support the retention of high-performing talent critical to our future success as the business continues to grow. Importantly, the Board continues to weight remuneration increases towards variable "at-risk" pay delivered as equity to reinforce shareholder alignment.

Enhancements to Variable Remuneration Framework

In addition to the remuneration adjustments outlined above, the Board also changed other aspects of the remuneration framework during FY26:

- Amending Zip’s STVR plan to include outperformance targets for each scorecard metric. In FY25 outperformance was rewarded through a multiplier of up to 130% which was based on cash EBTDA only. This did not apply to the Group CEO and Managing Director. In FY26 STI awards of up to 130% of target may be paid to Executive KMP, including the Group CEO and Managing Director, if all outperformance targets are achieved. The Board believes this is a more balanced approach to incentivising and rewarding outperformance. The Board also implemented a quality of earnings review to assess the alignment between STVR scorecard outcomes and the underlying performance of the business.
- Amending Zip’s LTVR plan. Following consultation with shareholders and a long term incentive benchmarking report prepared by PwC, the Board determined that it would maintain relative TSR as the performance hurdle for the FY26 LTVR Plan and that it would adopt a more relevant comparator group to assess TSR performance. The comparator group used to assess TSR performance is composed of the companies in the S&P ASX 200 Financials (ex REITS) index and technology companies within the ASX200. Previously TSR was measured against the ASX300 Accumulation Index.
- The FY26 LTVR conditions for the US CEO only were amended so that ⅓ of the award will vest based on achievement of a positive absolute TSR gateway, providing greater certainty of vesting. This amendment was made to address the low equity position of the US CEO and to recognise that restricted stock is commonly used as a long term incentive in the US market. The Board intends to further review the LTVR structure for all Executive KMP in FY27.

NED Remuneration

The Board completed a market review of NED remuneration and adjusted fees payable for FY26 in line with the market review, ensuring NED fees remain competitive.

CEO and Managing Director – Secondment to the United States

The CEO and Managing Director will relocate on secondment to the United Sates in August 2026 to drive the Group's strategy and to support growth and engagement with US stakeholders. The Company will provide support with travel, housing, cost of living, tax equalisation and compliance, and healthcare. Further detail will be provided in the FY27 Remuneration Report.

3. Governance and Risk Management

3.1 Governance Framework

Zip’s Remuneration Governance Framework is led and approved by the Board which considers input from shareholders, proxy advisors and remuneration advisors. It is designed to attract and retain high-performance talent to deliver sustainable shareholder returns, meet regulatory requirements, and encourage behaviours that align with Zip's code of conduct, values, risk appetite and risk management framework. The RPCC assists the Board in its responsibilities by reviewing and making recommendations to the Board in relation to remuneration and people policies and frameworks.

The RPCC oversees the Company’s remuneration framework and assists the Board to implement a remuneration strategy and policy that is fair, responsible, effective and competitive. The role of the RPCC includes review, challenge, assess, and as appropriate, endorse the recommendations made by management for Board approval.

The Figure below outlines the Zip Remuneration Governance Framework:

Remuneration Report continued

Figure 2 – Remuneration Governance Framework

BOARD

- Approves the overall remuneration framework and ensures it is competitive, fair and aligned to the long-term interests of the Company and shareholders.
- Oversees the operation of remuneration and performance policies, and systems.
- Reviews CEO performance and approves CEO Remuneration.
- Oversees Senior Executive and other KMP Remuneration.
- Approves Non-Executive Director fees, subject to the fee pool approved by Shareholders.

COMMITTEE

The Remuneration, People and Culture Committee has delegated responsibility from the Board to make recommendations on;

- The remuneration policies and framework;
- Non-Executive Director, CEO and Senior Executive remuneration;
- The extent of Senior Executive's achievement against performance hurdles;
- Executive variable reward plans; and
- Assessment of Company performance and determination of variable reward outcomes for Executives and staff.

MANAGEMENT

- Provides information relevant to remuneration decisions and makes recommendations to the Committee.
- Executes the Board approved remuneration framework throughout the organisation.

ENGAGE SHAREHOLDERS AND PROXY ADVISORS

REMUNERATION ADVISORS

The Committee may appoint and engage independent advisors directly in relation to remuneration matters. Advice is used to assist the Board with decisions made through the Board and Committee process.

The RPCC Charter sets out the Committee's role, responsibilities, composition and membership requirements. The RPCC is independent of Management when making recommendations affecting employee remuneration. Where appropriate, the Group CEO and Managing Director, Group CFO and Chief People Officer attend RPCC meetings as invitees, however, they do not participate in formal decision making or in discussions relating to their own remuneration.

3.2 Risk Management

Risk Management	A sound risk management culture is important to Zip and performance is assessed by the Board with reference to Company risk management policies. The Board retains the ultimate discretion to adjust remuneration outcomes and/or unvested variable rewards (including to zero) to address poor behaviours or risk taking that is outside of the Board approved risk appetite. The Company’s STVR and LTVR Plans have been designed to protect the Company from the risk of unintended or unjustified pay outcomes by allowing risk factors to be considered over long periods and by way of a variety of measures that are considered key to the Company’s success. For example: ■ basing the STVR on financial, customer, people performance and risk management measures, including threshold performance hurdles, before any STVR on a measure is able to be paid; ■ implementing an STVR gate linked to cash EBTDA, so that STVR awards are directly linked to Zip’s capacity to pay; ■ implementing a quality of earnings review to the assess the alignment between STVR scorecard outcomes and the underlying performance of the business; ■ applying a Board discretion modifier to STVR outcomes for “doing the right thing” whereby the Board may make downward adjustments (including to zero) for regulatory issues, conduct issues, brand and reputational issues, and non–financial and financial risk issues; ■ deferring a component (50%) of STVR for Executive KMP which is subject to malus, which aligns reward with shareholder value; and ■ distributing remuneration components across both long and short-term performance-based components to encourage prudent risk-taking in line with the overall objectives of the Company.
Minimum Shareholding Policy	The Minimum Shareholding Policy is designed to strengthen alignment with shareholders by encouraging a focus on prudent risk taking and the creation of long–term shareholder value. A Minimum Shareholding Policy has been in place for Non–Executive Directors since October 2021 and for Executive KMP since April 2024. Key requirements are as follows: Directors and Executive KMP are required to achieve a minimum holding of Zip shares within five years: ■ for Non–Executive Directors, from the later of October 2021 or their date of commencement; and ■ for Executive Directors and other Executive KMP, from the later of five years from April 2024 or their appointment as an Executive Director or Executive KMP. The minimum shareholding requirements are: ■ for Non–Executive Directors, a shareholding with a monetary value (at acquisition) equal to their annual Board fee; ■ for the Group CEO and Managing Director and other Executive Directors, a shareholding with a monetary value (at acquisition) of 100% of base salary; and ■ for other Executive KMP, a shareholding with a monetary value (at acquisition) of 50% of base salary.

Remuneration Report continued

Malus and Clawback	In addition to considering risk in the design of variable pay plans, the following malus and clawback provisions apply to the LTE, deferred STVR and LTVR plans. Amongst other things, the Board may elect to forfeit any unvested awards (i.e. malus) or recoup any vested and paid awards (i.e. clawback) in the following circumstances: ■ a participant has engaged in serious misconduct (including but not limited to fraud, dishonesty, gross negligence or a breach of employment conditions); ■ a material misstatement in, or omission from the Group's financial statements or a misstatement of an applicable vesting condition; ■ a participant has acted or failed to act in a way that has contributed to material reputational damage to the Group; or ■ in the opinion of the Board, acting in good faith, all or part of the initial award is no longer justified having regard to the circumstances or information which has subsequently come to light.

4. Alignment Between Performance and Remuneration

4.1 Performance on Key Measures

The Board remains focused on linking variable remuneration outcomes for Executive KMP with Company performance and Shareholders' experience, whilst balancing the need to attract and retain key talent to deliver on the Company's strategic goals.

During FY26 the Company delivered very strong results reflecting the continuing momentum of the business in both the US and ANZ. These outcomes are reflected in Executive KMP STVR awards.

4.2 Performance Indicators Over Last Five Years

The Board remains committed to continuing to build shareholder value over the long-term and has continued to take actions to position the Company to continue to deliver profitable growth. The table below outlines the key performance measures over the last five years:

Table 7 – Performance Indicators Over Last 5 Years*

YEAR ENDING 30 JUNE	FY26	FY25	FY24	FY23	FY22
Total Transaction Volume ($ billions)	16.7	13.1	10.1	8.9	8.3
Active Customer Accounts (millions)	6.5	6.3	6.0	6.2	6.4
Gross Receivables ($ billions)	3.3	2.9	2.6	2.8	2.7
Revenue ($ millions from continuing operations excluding Other Income)	1,336.1	1,071.6	868.0	677.2	596.9
Cash Net Transaction Margin (%)	3.9 %	3.9 %	3.8 %	2.8 %	2.5 %
Cash EBTDA ($ millions)	268.9	170.3	69.0	(48.2)	(151.4)
Share Price High ($)	4.93	3.56	1.60	1.72	8.78
Share Price Low ($)	1.38	1.09	0.26	0.40	0.44
Share Price Close ($)	3.24	3.07	1.46	0.41	0.44
Market Capitalisation ($ billions)	4.0	4.0	1.6	0.3	0.3
Dividends paid in year	–	–	–	–	–

* Comparative information has been restated, where appropriate, to remove operations deemed discontinued by 30 June 2024.

4.3 FY26 Achieved Total Remuneration

The following table outlines the ‘Achieved’ Total Remuneration (what became payable or vested for the FY26 measurement period for fixed and variable remuneration). The figures in this table differ from the Statutory Remuneration Table, which has been prepared in accordance with the accounting standards and therefore includes accounting values for unvested equity under the LTE and LTVR Plans. This table is designed to show what Executives actually received for performance in FY26.

Table 8 – FY26 Achieved Total Remuneration

	FIXED PAY[1]		STVR AWARDED FOLLOWING COMPLETION OF FY26[2]		VALUE OF FIXED LTE VESTED DURING FY26[3]		VALUE OF LTVR VESTED IN FY26[3]		SECURITY PRICE GROWTH/ DECLINE[4]		TOTAL REMUNERATION
Executive KMP	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	**Amount**	**% of Total**	
Cynthia Scott Group CEO and Managing Director	1,103,537	26 %	1,377,600	32 %	138,880	3 %	1,168,165	27 %	520,919	12 %	4,309,101
Gordon Bell Group CFO	740,075	50 %	738,000	50 %	–	– %	–	– %	–	– %	1,478,075
Joseph Heck US CEO	845,588	34 %	908,824	37 %	223,082	9 %	–	– %	488,499	20 %	2,465,993
Soraya Alali ANZ CEO	632,305	47 %	588,600	44 %	80,001	6 %	–	– %	37,209	3 %	1,338,115

1. Fixed Pay is salary and superannuation paid during FY26 as outlined in Table 19, Statutory Remuneration Table. It excludes 401K contributions paid to Joseph Heck.
2. This is the value of the total STVR award calculated following the end of FY26.
3. This is the face value at the grant date of the LTE and LTVR rights that vested during FY26.
4. Reflects the share price growth or decline between the grant date and vesting date for LTE and LTVR rights vested in FY26. Value at the vesting date is based on the closing share price on the vesting date.

Remuneration Report continued

5. Executive KMP Remuneration

5.1 Fixed Remuneration Outcomes

The Table below outlines Fixed Remuneration (Salary and Superannuation) at the end of FY26.

Table 9 — Fixed Pay for FY26

EXECUTIVE KMP	FIXED PAY AT THE END OF FY26	FIXED PAY AT THE END OF FY25	CHANGE
Cynthia Scott Group CEO and Managing Director	1,150,000	950,000	21 %
Gordon Bell Group CFO	750,000	700,000	7 %
Joseph Heck[1] US CEO (USD)	600,000 (USD)	500,000 (USD)	20 %
Soraya Alali[2] ANZ CEO	630,000	629,932	— %

1. Joseph Heck Fixed Remuneration at the end of FY25 was AUD 769,231, translated from USD using the 12 month average foreign exchange rate (0.65). Fixed remuneration at the end of FY26 is AUD 882,353, translated from USD at 12 month average foreign exchange rate (0.68). The movement in the AUD denominated fixed remuneration reflects foreign exchange rate movements, resulting in an increase of 15%. Fixed Pay excludes employer 401K contribution in the US which is included in Other Benefits in Table 19 Statutory Remuneration Table.

2 Soraya Alali was appointed as ANZ CEO on 12 May 2025. Fixed pay increased by AUD 68 effective 1 July, 2025 due to an increase in the employer superannuation guarantee contribution.

5.2 LTE Awards

An LTE grant was made to the Group CFO during FY26 as a targeted retention award and in recognition of the Group CFO's contribution across both the US and ANZ businesses. Details of LTE awards made in prior years are set out in Table 20.

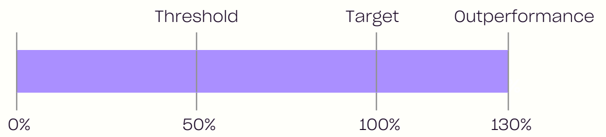
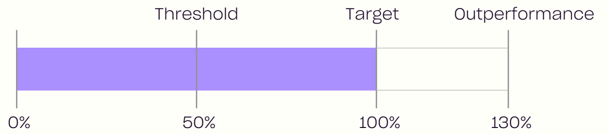
Table 10 – LTE Granted During FY26

EXECUTIVE KMP	LTE OPPORTUNITY $	NUMBER OF RIGHTS GRANTED	VESTING DATES
Gordon Bell Group CFO	360,000	213,283	8 June 2027 8 June 2028 8 June 2029 8 June 2030

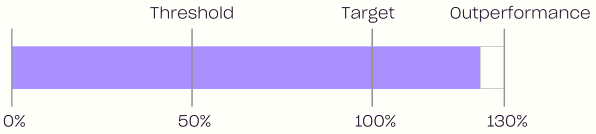
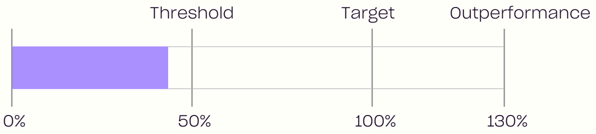
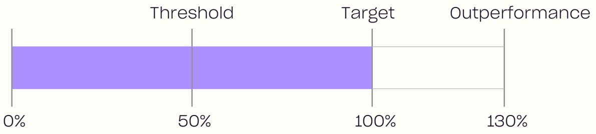
5.3 STVR Outcomes

For FY26, outperformance targets were established for each measure in the STVR Plan scorecard. The maximum possible payout is 130% if the outperformance target is achieved. Results above target but below outperformance will have an outcome between 100-130%. Any result between threshold and target is rewarded on a scale between 50-100%. Any result below the threshold will not qualify for any award on that performance measure. The table below shows the outcome against the FY26 Company scorecard measures:

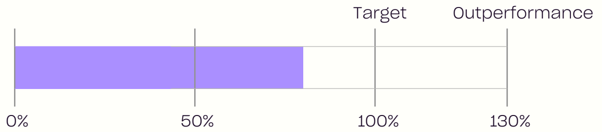
Table 11 – Company Scorecard Outcomes for FY26

STRATEGIC ALIGNMENT	MEASURE	WEIGHTING %	REASON CHOSEN	TARGET SETTING	OUTCOME	VESTING %	AWARD %
Financial	Cash Earnings Before Taxes Depreciation & Amortisation (cash EBTDA)	40%	Cash EBTDA was selected as a measure of profitability.	Set with reference to FY26 budget and FY25 Actual: 170.3 million.	FY26 Actual: 268.9 million Performance above stretch was achieved driven by strong volumes in the US and Operating Margin expansion in both core markets.	130%	52%
							
	Cash Net Transaction Margin (NTM)	20%	Cash NTM was selected in line with strategy to improve the unit economics of the business.	Set with reference to FY26 budget and FY25 Actual: 3.9%	FY26 Actual: 3.9% Cash NTM was at Target due to favourable bad debts performance in ANZ balanced with a higher contribution from the US, which has a lower NTM.	100%	20%
							

Remuneration Report continued

STRATEGIC ALIGNMENT	MEASURE	WEIGHTING %	REASON CHOSEN	TARGET SETTING	OUTCOME	VESTING %	AWARD %
Financial	Revenue	10%	Revenue was selected to measure Zip's ability to convert customer activity into sustainable financial growth.	Set with reference to FY26 budget and FY25 Actual: 1,081.1 million.	FY26 Actual: 1,347.4 million. Revenue was between Target and Outperformance driven by US TTV growth.	125.0%	12.5%
							
Customer	Active Customers	10%	Active Customers was chosen as it is encompassing of all customer engagement and is a measure we report externally.	Set with reference to FY26 budget.	FY26 Actual: 6.5 million. Growth of 3.7% was below Threshold.	0.0%	0.0%
							
Enterprise Risk	Risk Milestones	10%	To ensure alignment of Zip financial Targets with appropriate risk management.	A blend of quantitative targets linked to the resolution of incidents and technology change, and a qualitative assessment of progress of the Enterprise Risk Management uplift program.	Audit and Risk Committee assessed the outcome at Target.	100.0%	10.0%
							

STRATEGIC ALIGNMENT	MEASURE	WEIGHTING %	REASON CHOSEN	TARGET SETTING	OUTCOME	VESTING %	AWARD %
People	Employee Engagement	10%	Employee Engagement reflects employee satisfaction and willingness to apply discretionary effort to drive performance.	Set with reference to external benchmarks and FY25 Actual: 80%. Target was set above industry benchmarks.	FY26 Actual: 79%.	80%	8%



Scorecard Outcome for FY26	**102.5%**

The Board has taken into account the impact of foreign exchange movements when assessing Award outcomes and undertaken a quality of earnings review.

The settlement of the Firstmac dispute, as it relates to the acquisition of the Zip trademark did not affect the metrics contained in the STVR scorecard and did not affect the outcomes.

STVR outcomes are aligned with the strong results achieved and positive outcomes for shareholders.

The Board's intention is to deliver STVR awards to Executive KMP as 50% cash and 50% as shares or rights that are deferred for one year. STVR awards are outlined in the table below:

Table 12 – STVR Outcomes in FY26

EXECUTIVE KMP	TARGET STVR $ OPPORTUNITY	MAXIMUM STVR $ OPPORTUNITY[1]	STVR OUTCOME % OF MAXIMUM[2]	VALUE STVR AWARDED $	MAXIMUM STVR FOREGONE $
Cynthia Scott Group CEO and Managing Director	$1,344,000	$1,747,200	78.85 %	$1,377,600	$369,600
Gordon Bell Group CFO	$720,000	$936,000	78.85 %	$738,000	$198,000
Joseph Heck US CEO	$882,353	$1,147,059	79.23 %	$908,824	$238,235
Soraya Alali ANZ CEO	$600,000	$780,000	75.46 %	$588,600	$191,400
Total				**$3,613,024**	

1. Maximum STVR Opportunity is 130% of the Target STVR Opportunity, payable if outperformance targets are achieved.
2. STVR outcomes for Cynthia Scott and Gordon Bell are assessed against Company scorecard outcomes. STVR outcomes for Joseph Heck and Soraya Alali are assessed against Company scorecard outcomes and the relevant region scorecard outcomes.

5.4 LTVR Awards

Awards were issued to Executive KMP under the LTVR Plan during FY26. The LTVR grant for the Group CEO and Managing Director and the US CEO has a maximum face value award opportunity of 150% of base salary, for other Executive KMP, the maximum award opportunity is 100% of base salary. In line with ASX Listing Rule 10.14, the grant for the Group CEO and Managing Director was approved by Shareholders at the AGM held on 6 November 2025. The Total Shareholder Return performance hurdle will be assessed in September 2028.

Table 13 – LTVR Granted in FY26

EXECUTIVE KMP	LTVR OPPORTUNITY $	MAXIMUM LTVR OPPORTUNITY AS A % OF BASE SALARY	NUMBER OF RIGHTS GRANTED	VESTING DATES
Cynthia Scott Group CEO and Managing Director	1,680,000	150%	531,932	15 Sept 2028
Gordon Bell Group CFO	720,000	100%	227,971	15 Sept 2028
Joseph Heck[1, 2] US CEO	1,402,525	150%	444,076	15 Sept 2028
Soraya Alali ANZ CEO	600,000	100%	189,976	15 Sept 2028

1. Joseph Heck's LTVR opportunity of USD 900,0000 was converted to AUD using an exchange rate of 0.6417.
2. For Joseph Heck, vesting of two-thirds of the LTVR award is subject to the relative TSR performance hurdle, while vesting of the remaining one-third is subject to a gateway of achieving positive absolute TSR over the performance period.

Table 14 – LTVR Vesting Outcomes in FY26 (Awards Granted in FY23)

The LTVR granted in FY23 fully vested as Zip TSR exceeded the performance hurdle. The starting point for the program was a share price of $1.1175 being the 30-day VWAP before the release of the Appendix 4E for the year to 30 June 2022. During FY26, this LTVR award was eligible to be assessed. Based on the performance assessment against the TSR hurdle, 100% of the LTVR vested. The table below sets out the number of rights that have vested and outcome of the performance assessment:

EXECUTIVE KMP	RIGHTS ELIGIBLE TO VEST	TSR PERFORMANCE HURDLE	ACTUAL TSR PERFORMANCE OUTCOME	VESTING OUTCOME	RIGHTS VESTED	RIGHTS FORFEITED
Cynthia Scott Group CEO and Managing Director	994,183	≥ ASX300 CAGR + 10% p.a. = 100% vesting Between ASX300 CAGR +5% and + 10% p.a. = 50 – 100% (straight-line) vesting = ASX300 CAGR + 5% p.a. = 50% vesting < ASX300 CAGR + 5% p.a. = 0% vesting	Zip TSR CAGR = 49.69% ASX300 CAGR = 12.47%	100%	994,183	–

The performance assessment for the FY24 LTVR award is due in September 2026. Zip's TSR performance is expected to meet the hurdle and it is likely that all outstanding LTVR rights from the FY24 LTVR award will vest.

5.5 Executive Service Agreements

Remuneration and other terms of employment for Executive KMP are formalised in service agreements which are ongoing, with no fixed term. Termination provisions are outlined in the table below:

Table 15 – Executive KMP Service Agreements

Periods of notice required to terminate Executive KMP	Either party may terminate the employment agreement on six months' notice.
Termination payments	The Company may make a payment in lieu of notice at the discretion of the Board where termination occurs other than for cause.

For Non-Executive Directors there are no service agreements, however letters of appointment do apply; tenure and retirement/resignation as a director is governed by the *Corporations Act 2001* and the Company's constitution. Non-Executive Directors are not entitled to any termination payments.

6. Non-Executive Director Remuneration

6.1 NED Remuneration Policy

The remuneration policy for NEDs seeks to deliver market competitive fees to attract and retain talented, qualified directors, preserve independence, and align director and shareholder interests. The Board policy is to remunerate NEDs at market rates for comparable companies for time, commitment and responsibilities. The Board determines payments to the NEDs and reviews their remuneration annually, based on market practice, duties and accountability. Fees are paid for service on the Board and for membership and/or chairing of the Audit and Risk, and Remuneration, People and Culture Committee. No additional fees are paid for membership of the Nominations Committee and the Board chair receives no additional fees for serving on Committees.

NEDs receive a letter of appointment that summarises the Board policies and terms, including compensation relevant to the office of Director. Letters of appointment do not include notice period provisions, nor do they provide for any termination benefits. A NED may not hold office for more than three years or beyond the third annual general meeting after the Director was last elected (whichever is the longer period) without re-election. Any NED who retires in accordance with these requirements is eligible for re-election.

Board Composition

There was no change in the Board composition in FY26.

The Board regularly reviews the collective skills, knowledge, experience and diversity required to support its ongoing performance and governance duties, with a view to identifying skills, capacity and market knowledge to support Zip's continued growth and long-term success.

6.2 NED Fees

To maintain independence and impartiality, NEDs do not receive performance-related remuneration such as share options or rights with a performance condition.

Following a review against relevant market comparators, the Board increased the NED fees in FY26 to reflect market benchmarks.

The Table below sets out the FY25 and FY26 Board and Committee fee structure (all fees are inclusive of superannuation):

Remuneration Report continued

Table 16 – NED Fees

ROLE	FY26 NED FEES[1,4] (EFFECTIVE 1ST JULY 2025) CHAIRPERSON FEE[2]	FY26 NED FEES[1,4] (EFFECTIVE 1ST JULY 2025) DIRECTOR/ MEMBER FEE	FY25 NED FEES[1,3] (EFFECTIVE 1ST JULY 2024) CHAIRPERSON FEE[2]	FY25 NED FEES[1,3] (EFFECTIVE 1ST JULY 2024) DIRECTOR/ MEMBER FEE
Main Board	360,000	180,000	340,000	170,000
Audit and Risk Committee	35,000	17,500	25,000	12,500
Remuneration, People and Culture Committee	25,000	15,000	20,000	10,000
Nominations Committee[5]	–	–	–	–

1. Fees are inclusive of superannuation (if applicable).
2. The Board Chairperson does not receive fees for serving on Committees.
3. A portion of FY25 NED Fees for both Diane Smith-Gander and Meredith Scott was delivered as restricted rights under the NED Equity Plan approved by Shareholders at the 2024 AGM.
4. A portion of FY26 NED Fees for both Meredith Scott and Matthew Schuyler was delivered as restricted rights under the NED Equity Plan.
5. NEDs do not receive fees for serving on the Nominations Committee.

NEDs are also entitled to be reimbursed for all reasonable business related expenses as may be reasonably incurred in the discharge of their duties.

Aggregate Fee Pool

Non-Executive Director fees are determined within an aggregate fee pool limit. The current fee pool is $1,800,000 (inclusive of superannuation) and was approved by shareholders at the AGM held on 6 November 2025. The fee pool is designed to provide flexibility to the Board to accommodate changes in its size and composition.

6.3 NED Equity Plan

The Company has a NED Equity Plan to assist in the motivation, retention and reward of NEDs and to provide an opportunity for the NEDs to acquire shareholdings in the Company through the delivery of a portion of fees as equity. In line with ASX Listing Rule 10.14, the Company obtained shareholder approval at the 2023 AGM before implementing the NED Equity Plan.

During FY25 the NED Equity Plan was amended to operate on a voluntary basis, providing NEDs with the flexibility to nominate the amount of their main board fee to be allocated as restricted rights under the NED Equity Plan and the amount paid in cash. This was approved by shareholders at the 2024 AGM, and the issue of restricted rights to eligible NEDs under the NED Equity Plan was approved for the next three years.

In designing the NED Equity Plan, the Directors were conscious that NED remuneration should not conflict with their obligations to bring independent judgement to their roles. Consistent with Principle 8 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the grants of securities will better align the interests of the NEDs with the interests of shareholders.

In accordance with these governance recommendations, the securities issued under the NED Equity Plan are not subject to performance-based vesting conditions or vesting conditions of any kind.

Key terms of the NED Equity Plan are outlined below:

Table 17 – FY26 NED Equity Plan – Key Terms

Purpose	The purpose of the Zip NED Equity Plan is to facilitate long–term holding of equity interests and assist NEDs in reaching the minimum shareholding requirement.
Opportunity	Prior to commencement of the financial year, NEDs are invited to nominate the amount of their Main Board Fee that they wish to receive in the form of restricted rights.
Delivery	Each NED was invited to apply for restricted rights under the Plan, with a nil exercise price. Restricted rights have been selected so as not to compromise NED's independence.
Allocation Method	The number of restricted rights is calculated as follows: ■ Number of restricted rights = dollar value participation ÷ right value; and ■ Where the right value is the 10-day volume–weighted average price (VWAP) following the release of FY25 financial results.
Term	Each right has a term ending 15 years after the grant date, and if not exercised before the end of the term the restricted rights will lapse.
Vesting and Exercise Conditions	To ensure NED independence is not compromised, and to recognise that the instruments are an alternative to cash remuneration, the rights are not subject to any vesting conditions. Rights may not be exercised within 90 days of the Grant Date.
Dealing and Disposal Restrictions	Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law. Shares acquired from the exercise of vested rights may be subject to disposal restrictions due to: ■ the Company's Securities Trading Policy; ■ the insider trading provisions of the Corporations Act; ■ 12-month on-sale restrictions under the Corporations Act; and ■ specified disposal restrictions included in the invitation. Zip will ensure that such restrictions are enforced via CHESS holding locks or alternatively by any trustee of an Employee Share Trust that may be engaged in connection with the Plan.
Corporate Actions	In the event of a change of control or delisting, exercise restrictions will cease on the date determined by the Board.

6.4 NED Shareholding Policy

NEDs are subject to the Minimum Shareholding Policy. Refer to section 3.2 Risk Management for more detail.

Remuneration Report continued

7. FY27 Remuneration Changes

Senior Executives

In FY27, KMP Executive remuneration will continue to focus on the delivery of profitable growth and be weighted towards performance based pay.

The Board's objectives are to ensure pay remains competitive as Zip continues to grow and to incentivise the Executive team to deliver long-term shareholder value. To support these objectives the Board has completed a market review covering both the US and Australian markets, and discussed a range of proposed changes with shareholders and Proxy Advisers. Changes for FY27 are expected to include adjustments to LTVR awards to address our low equity and total remuneration position against US market benchmarks.

Further detail about these changes will be provided in the FY27 Remuneration Report.

Independent Non-Executive Directors

Based upon a review of market data, the Board has implemented a modest increase in Board fees and an increase in Board Committee fees to align closer to market benchmarks.

The increase in NED remuneration for FY27 will apply from 1 July 2026. Adjusted fees are set out in the table below:

Table 18 – FY27 NED Fees (Effective 1 July 2026)[1, 2]

ROLE	CHAIR FEE[3]	DIRECTOR/MEMBER FEE
Main Board	370,000	185,000
Audit and Risk Committee	38,000	19,000
Remuneration, People and Culture Committee	38,000	19,000
Nominations Committee[4]	–	–

1. Fees are inclusive of superannuation, if applicable.
2. A portion of NED Fees may be delivered as restricted rights under the NED Equity Plan.
3. The Board Chairperson does not receive fees for serving on Committees.
4. NEDs do not receive fees for serving on the Nominations Committee.

8. Statutory Disclosures

8.1 Remuneration Tables

Details of the remuneration of KMP of the consolidated entity are set out in the following table which has been prepared in accordance with the accounting standards.

Table 19 – Statutory Remuneration Table

		TOTAL FIXED REMUNERATION					OTHER BENEFITS	AT RISK REMUNERATION		
FY26 and FY25 ($)		**Salary and Fees[1]**	**NED Equity**	**Superannuation**	**Annual and Long Service Leave[2]**	**Long Term Equity[3]**	**Other[4]**	**Short Term Variable Reward**	**Long Term Variable Reward[5]**	**Total**
Non-Executive Directors:										
Diane Smith-Gander AO	FY26	330,000	–	30,000	–	–	–	–	–	360,000
	FY25	251,121	60,000	28,879	–	–	–	–	–	340,000
Meredith Scott	FY26	169,643	40,000	20,357	–	–	–	–	–	230,000
	FY25	156,951	30,000	18,049	–	–	–	–	–	205,000
Kevin Moss	FY26	212,500	–	–	–	–	–	–	–	212,500
	FY25	192,497	–	–	–	–	–	–	–	192,497
Matthew W. Schuyler	FY26	122,500	100,000	–	–	–	–	–	–	222,500
(part year FY25)	FY25	148,690	–	–	–	–	–	–	–	148,690
Andrew Stevens	FY26	186,299	–	22,356	–	–	–	–	–	208,655
(part year FY25)	FY25	33,021	–	3,797	–	–	–	–	–	36,818
Executive Directors:										
Cynthia Scott	FY26	1,073,537	–	30,000	78,705	55,024	37,692	1,377,600	1,338,191	3,990,749
	FY25	866,918	–	29,932	79,705	80,328	25,876	897,066	815,669	2,795,494
Executive Managers:										
Gordon Bell	FY26	710,075	–	30,000	33,292	18,386	31,195	738,000	348,959	1,909,907
	FY25	624,417	–	29,932	31,400	–	25,577	778,619	121,220	1,611,165
Joseph Heck[6]	FY26	845,588	–	–	–	357,653	9,168	908,824	514,667	2,635,900
(part year FY25)	FY25	740,201	–	–	–	512,143	15,877	880,274	89,133	2,237,628
Soraya Alali	FY26	602,305	–	30,000	23,588	250,000	230,573	588,600	172,016	1,897,082
(part year FY25)	FY25	83,077	–	7,483	6,450	17,740	3,353	69,074	–	187,177
Total FY26		**4,252,447**	**140,000**	**162,713**	**135,585**	**681,063**	**308,628**	**3,613,024**	**2,373,833**	**11,667,293**
Total FY25		3,096,893	90,000	118,072	117,555	610,211	70,683	2,625,033	1,026,022	7,754,469

1. Salary sacrifice contributions towards the cost of office car parking are included in Executive KMP salaries for FY25 and FY26.
2. Annual Leave and Long Service Leave represents the movement in the associated provisions during the year.
3. Long-Term Equity is expensed over the vesting period. The value disclosed is the portion recognised as an expense in FY26.
4. For Cynthia Scott, Gordon Bell and Soraya Alali Other Benefits include a Company contribution to the cost of car parking and a $299 well-being allowance. For Cynthia Scott, Other Benefits also includes an FBT expense, and tax assistance related to her relocation to the US. For Soraya Alali Other Benefits also includes a cash sign on bonus which was paid in October 2025 to address foregone remuneration. For Joseph Heck, Other Benefits includes employer 401k contributions and various health insurances.
5. The value of LTVR performance rights is calculated at the date of grant using a Monte Carlo simulation pricing model and is expensed over the vesting period. The value disclosed is the portion recognised as an expense in FY26.
6. Remuneration for Joseph Heck is reported in AUD based on the 12 month average foreign exchange rates. For FY26: USD 0.68 (rounded to 2 decimal places); and FY25 USD 0.65 (rounded to 2 decimal places).

Remuneration Report continued

8.2 KMP Equity Interests and Changes

(a) Issue of Shares

Other than set out in this report, there were no shares issued to Directors and other KMP as part of compensation during the financial year ended 30 June 2026.

(b) Performance Rights Holding

The number of performance rights in the Company held during the financial year by each Director and other members of KMP of the consolidated entity, including their personally related parties, affecting remuneration of Directors and other KMP in the current or future financial years is set out below:

Table 20 – Fixed Long-Term Equity Rights

EXECUTIVE KMP	BALANCE AT THE START OF THE YEAR	GRANTED	CONVERTED TO ORDINARY SHARES	LAPSED	BALANCE AT THE END OF THE YEAR
Cynthia Scott	228,371	–	(119,245)	–	109,126
Gordon Bell	–	213,283		–	213,283
Joseph Heck	626,942	–	(156,736)	–	470,206
Soraya Alali	186,047	–	(46,512)	–	139,535
Total	**1,041,360**	**213,283**	**(322,493)**	**–**	**932,150**

ISSUE DATE	VESTING DATE	VESTING CONDITION	EXPIRY DATE	$ FAIR VALUE AT GRANT DATE	NUMBER OF RIGHTS ISSUED
6 Dec 2021	Tranche 4 vests 6 Dec 2025[1]	Service	6 Dec 2027	4.18	10,118
8 Mar 2023	Tranche 3 vests 8 Mar 2026[1] Tranche 4 vests 8 Mar 2027	Service	8 Mar 2029	0.52	218,253
6 Sept 2024	Tranche 1 vests 6 Sep 2025[1] Tranche 2 vests 6 Sep 2026 Tranche 3 vests 6 Sep 2027 Tranche 4 vests 6 Sep 2028	Service	6 Sept 2030	2.12	626,942
6 June 2025	Tranche 1 vests 6 Jun 2026[1] Tranche 2 vests 6 Jun 2027 Tranche 3 vests 6 Jun 2028 Tranche 4 vests 6 Jun 2029	Service	6 June 2031	2.95	186,047
8 June 2026	Tranche 1 vests 8 Jun 2027 Tranche 2 vests 8 Jun 2028 Tranche 3 vests 8 Jun 2029 Tranche 4 vests 8 Jun 2030	Service	8 June 2032	2.90	213,283
Total					1,254,643

1. Rights vested and converted to ordinary shares during FY26.

Table 21 – Long-Term Variable Reward Rights

EXECUTIVE KMP	BALANCE AT THE START OF THE YEAR	GRANTED	VESTED	EXERCISED	LAPSED	BALANCE AT THE END OF THE YEAR
Cynthia Scott	4,299,253	531,932	994,183	(994,183)	–	3,837,002
Gordon Bell	769,682	227,971	–	–	–	997,653
Joseph Heck	196,527	444,076	–	–	–	640,603
Soraya Alali	–	189,976	–	–	–	189,976
Total	**5,265,462**	**1,393,955**	**994,183**	**(994,183)**	**–**	**5,665,234**

LTVR NAME	ISSUE DATE	VESTING DATE	PERFORMANCE PERIOD	PERFORMANCE HURDLE	EXPIRY DATE	$ FAIR VALUE AT GRANT DATE	NUMBER OF RIGHTS ISSUED
FY23 LTVR[1]	13 Mar 2023	13 Mar 2026	FY23–FY25	Relative TSR vs ASX 300 Index	13 Mar 2029	0.27	994,183
FY24 LTVR - CEO & MD	15 Sept 2023	15 Sept 2026	FY24–FY26	Relative TSR vs ASX 300 Index	15 Sept 2029	0.26	2,568,741
FY24 LTVR	15 Sept 2023	15 Sept 2026	FY24–FY26	Relative TSR vs ASX 300 Index	15 Sept 2029	0.20	590,931
FY25 LTVR - CEO & MD	15 Sept 2024	15 Sept 2027	FY25–FY27	Relative TSR vs ASX 300 Index	15 Sept 2030	2.61	736,329
FY25 LTVR	15 Sept 2024	15 Sept 2027	FY25–FY27	Relative TSR vs ASX 300 Index	15 Sept 2030	1.72	375,278
FY26 LTVR - CEO & MD	15 Sept 2025	15 Sept 2028	FY26–FY28	Relative TSR vs Comparator Group	15 Sept 2031	2.96	531,932
FY26 LTVR	15 Sept 2025	15 Sept 2028	FY26–FY28	Relative TSR vs Comparator Group	15 Sept 2031	3.44	713,998
FY26 LTVR - US CEO	15 Sept 2025	15 Sept 2028	FY26–FY28	Positive Absolute TSR Gateway	15 Sept 2031	3.44	148,025
Total							**6,659,417**

1. LTVR rights vested and converted to ordinary shares during FY26.

(c) STVR Restricted Rights Holding

The table below sets out the deferred component of the STVR granted to Executive KMP.

Table 22 – STVR Restricted Rights

NON-EXECUTIVE DIRECTOR	BALANCE AT THE START OF THE YEAR	GRANTED[1]	CONVERSION TO ORDINARY SHARES	BALANCE AT THE END OF THE YEAR
Cynthia Scott	–	142,018	–	142,018
Gordon Bell	–	123,266	–	123,266
Joseph Heck[2]	–	–	–	–
Soraya Alali	–	10,936	–	10,936
Total	**–**	**276,220**	**–**	**276,220**

1. Restricted Rights granted are the deferred component of the FY25 STVR, subject to a 12 month disposal restriction period from the grant date. The rights will automatically convert to ordinary shares at the end of the restriction period.

Remuneration Report continued

2. Joseph Heck's 2025 STVR was delivered in shares, with a portion withheld to satisfy US tax withholding obligations. The remaining net shares are subject to a 12-month disposal restriction period from the grant date.

(d) NED Equity Plan Restricted Rights Holding

Table 23 – NED Equity Plan Restricted Rights

NON-EXECUTIVE DIRECTOR	BALANCE AT THE START OF THE YEAR	GRANTED	CONVERSION TO ORDINARY SHARES	BALANCE AT THE END OF THE YEAR
Diane Smith-Gander AO	198,336	–	–	198,336
Meredith Scott	95,354	9,678	–	105,032
Kevin Moss[1]	–	–	–	–
Matthew W. Schuyler	–	24,194	–	24,194
Andrew Stevens[1]	–	–	–	–
Total	**293,690**	**33,872**	**–**	**327,562**

1. Kevin Moss and Andrew Stevens have not participated in the NED Equity Plan, which is operated on a voluntary basis.

(e) Options Holding

No options were granted during FY26 and none of the KMP currently hold options for shares in Zip.

(f) Shareholding

Table 24 – KMP Shareholding (Ordinary Shares)

NON-EXECUTIVE DIRECTOR OR EXECUTIVE KMP	BALANCE AT THE START OF THE YEAR	GRANTED AND/OR RECEIVED ON CONVERSION OF RIGHTS	NET ADDITIONS/ (DISPOSALS)	BALANCE AT THE END OF THE YEAR
Diane Smith-Gander AO	197,474	–	54,891	252,365
Cynthia Scott	659,295	1,113,428	(95,418)	1,677,305
Meredith Scott	55,144	–	5,527	60,671
Kevin Moss	19,250	–	30,325	49,575
Matthew W. Schuyler	–	–	–	–
Andrew Stevens	47,000	–	106,667	153,667
Gordon Bell	680,530	–	–	680,530
Joseph Heck[1]	–	296,095	(140,854)	155,241
Soraya Alali	–	46,512	10,850	57,362

1, Joseph Heck's disposals during FY26 included 109,557 shares that were sold to satisfy US tax withholding obligations on vesting of his equity awards.

8.3 Other Statutory Disclosures

(a) Securities Trading Policy

The Zip Securities Trading Policy is available in the Corporate Governance section on our website.

(b) Other Transactions to KMP and their Related Parties

There were no loans to/from and no other transactions in the financial year ended 30 June 2026 and to the date of this report between the Company and:

- the Directors; and
- other members of KMP of the consolidated entity, including their personally related parties.

(c) Use of Remuneration Consultants

The RPCC may seek and consider advice from external and independent advisers from time to time to assist the RPCC discharge its duties, including periodically testing the market competitiveness of the remuneration policy and framework by benchmarking against comparable companies.

The RPCC has procedures in place to ensure that all engagements with independent external remuneration consultants, and recommendations (if any) or advice is free from undue influence. At times, remuneration consultants may be required to interact with management to obtain the relevant information needed to form any remuneration recommendations. In these instances, a Non-Executive Director will always have oversight of interactions between independent consultants and management.

The Board confirms that all remuneration advice received during FY26 was free from undue influence because these procedures were adhered to.

During FY26, PricewaterhouseCoopers (PwC) for ANZ and Wailea Partners for US, were engaged by the RPCC to provide benchmarking services and advice regarding KMP remuneration quantum and structure. In addition, PwC provided assistance with Zip's equity plans including tax and legal advice.

No remuneration recommendations (as defined in section 9B of the *Corporations Act 2001)* were obtained in FY26.

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This concludes the Remuneration Report, which has been audited.

Directors' Report continued

Indemnity and Insurance of Officers

Zip's Constitution provides that, subject to and to the extent permitted by the Corporations Act, Zip must indemnify any of it's or its Subsidiaries' current or former directors, secretaries and officers against any liability incurred by that person in that capacity, including but not limited to liability for negligence or for reasonable costs and expenses incurred in defending or responding to proceedings, whether civil or criminal.

This is supported by deeds of access, insurance and indemnity that provide for a right of indemnity by Zip against any liability and certain legal costs incurred by them as directors, secretaries or officers of Zip or its Subsidiaries to the extent permitted by law and subject to certain exceptions such as lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and Executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on Behalf of the Company

No person has applied to the Company under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-Audit Services

Details of the amounts paid or payable to the auditor during the financial year by the auditors are outlined in Note 22 to the financial statements.

The Board, in accordance with the advice of the Audit & Risk Committee has determined that the provision of non-audit services by Deloitte Touche Tohmatsu during the financial year is consistent with the general standard of auditor independence and did not compromise the auditor independence requirements of the *Corporations Act 2001 (Cth)*.

The Directors are satisfied with this conclusion based on the Audit & Risk Committee's assessment that considered the auditor independence requirements set forth in applicable laws, rules, and regulations. The conclusion of this review was that each service, or type of service, provided would not compromise the independence of Deloitte Touche Tohmatsu.

Officers of the Company who are Former Partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Directors' Report continued

Auditor’s Independence Declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors’ report.

This report is made in accordance with a resolution of Directors, pursuant to section 307C of the *Corporations Act 2001*.

Auditor

Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the *Corporations Act 2001*.

Post Balance Date Events

Apart from as otherwise disclosed in this report there were no further material items, transactions or events subsequent to 30 June 2026 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Cynthia Scott
Group Chief Executive Officer and Managing Director

20 August 2026

Index to Consolidated Financial Statements

Contents

Auditor’s Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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www.deloitte.com.au

20 August 2026

The Board of Directors
Zip Co Limited
Level 7, 180 George St
Sydney NSW 2000
Australia

Dear Directors

Auditor’s Independence Declaration to Zip Co Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the Board of Directors of Zip Co Limited.

As lead audit partner for the audit of the financial report and review of the climate related disclosures of Zip Co Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit of the financial report and review of the climate related disclosures; and
- Any applicable code of professional conduct in relation to the audit or review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2026

		Consolidated	
		30 JUNE 2026	30 JUNE 2025[1]
	NOTE	$'000	$'000
Portfolio interest income		830,870	701,666
Transactional income	3	505,131	369,929
Revenue		1,336,001	1,071,595
Other income		11,357	9,497
Total income		1,347,358	1,081,092
Expected credit loss expenses	8	(341,273)	(245,200)
Bank fees and data costs		(194,923)	(158,960)
Interest expense related to customer receivables		(222,156)	(219,752)
Salaries and employee benefits expenses		(204,777)	(190,891)
Marketing expenses		(55,924)	(48,081)
Information technology expenses		(51,268)	(49,793)
Depreciation and amortisation expenses	3	(47,591)	(65,388)
Share-based payments		(19,788)	(13,289)
Corporate financing costs	3	(968)	(30,564)
Other operating expenses	3	(63,346)	(31,010)
Impairment of goodwill	11	(1,257)	–
Unrealised loss - financial liability		–	(2,400)
Other gains/(loss) at fair value through profit and loss		1,184	(428)
Profit before income tax		**145,271**	**25,336**
Income tax (expense)/benefit	4	(28,888)	54,559
Profit for the period after income tax attributable to the Members of Zip Co Limited		**116,383**	**79,895**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation		(27,331)	(13,854)
Other comprehensive loss for the period, net of tax		(27,331)	(13,854)
Total comprehensive income for the period attributable to the Members of Zip Co Limited		**89,052**	**66,041**
		Cents	**Cents**
Earnings per share			
Basic earnings per share	5	9.16	6.20
Diluted earnings per share	5	9.06	6.10

[1] Amounts have been reclassified in FY25. Refer to Note 1 for further details.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2026

		Consolidated	
		30 JUNE 2026	30 JUNE 2025[1]
	NOTE	$'000	$'000
Assets			
Cash and cash equivalents	6	202,741	148,964
Restricted cash	6	224,798	242,657
Other receivables	7	101,039	87,122
Term deposit		4,591	4,612
Customer receivables	8	3,016,380	2,657,141
Derivative financial assets	18	554	–
Property, plant and equipment	9	2,546	2,635
Right-of-use assets	9	8,551	12,712
Identifiable intangible assets	10	54,934	55,343
Goodwill	11	200,345	212,294
Deferred tax assets	4	50,368	60,194
Total assets		**3,866,847**	**3,483,674**
Liabilities			
Trade and other payables	12	415,963	325,617
Employee provisions		22,045	24,540
Lease liabilities	13	9,378	13,368
Borrowings	14	2,746,041	2,410,629
Total liabilities		**3,193,427**	**2,774,154**
Net assets		**673,420**	**709,520**
Equity			
Issued capital	15	2,535,771	2,659,906
Treasury shares	15	(4,380)	(5,482)
Reserves	16	274,522	303,972
Accumulated losses		(2,132,493)	(2,248,876)
Total equity		**673,420**	**709,520**

[1] Amounts have been reclassified in FY25. Refer to Note 1 for further details.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

As at 30 June 2026

Consolidated	ISSUED CAPITAL $'000	TREASURY SHARES $'000	SHARE-BASED PAYMENTS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	CONVERTIBLE NOTES RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY $'000
Balance at 1 July 2025	2,659,906	(5,482)	74,917	65,207	163,848	(2,248,876)	709,520
Profit after income tax expense for the period	–	–	–	–	–	116,383	116,383
Other comprehensive loss for the period, net of tax	–	–	–	(27,331)	–	–	(27,331)
Total comprehensive income for the period	**–**	**–**	**–**	**(27,331)**	**–**	**116,383**	**89,052**
Realised foreign exchange differences on dissolution of foreign currency entities	–	–	–	(475)	–	–	(475)
Recognition of share-based payments	–	–	20,132	–	–	–	20,132
Designation of treasury shares to Zip Employees & NEDs	–	21,776	(21,776)	–	–	–	–
Exercise of options	–	10	–	–	–	–	10
Share buy-back[1]	(124,135)	3,931	–	–	–	–	(120,204)
Share purchase to settle employee equity awards[2]	–	(24,615)	–	–	–	–	(24,615)
Balance at 30 June 2026	**2,535,771**	**(4,380)**	**73,273**	**37,401**	**163,848**	**(2,132,493)**	**673,420**

1. 1.4 million shares ($3.9 million) acquired during FY25 and held as treasury shares at 30 June 2025 were subsequently cancelled in July 2025 as part of the share buy-back program.
2. 5.9 million shares ($24.6 million) acquired via Zip Employee Share Trust to satisfy future obligations under the Equity Incentive Plan, reducing the need for Zip to issue new shares when awards vest.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

As at 30 June 2026

Consolidated	ISSUED CAPITAL $'000	TREASURY SHARES $'000	SHARE-BASED PAYMENTS RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	CONVERTIBLE NOTE RESERVE $'000	ACCUMULATED LOSSES $'000	TOTAL EQUITY[1] $'000
Balance at 1 July 2024	2,408,160	(33)	76,268	79,061	163,848	(2,328,771)	398,533
Profit after income tax benefit for the period	–	–	–	–	–	79,895	79,895
Other comprehensive loss for the period, net of tax	–	–	–	(13,854)	–	–	(13,854)
Total comprehensive income for the period	**–**	**–**	**–**	**(13,854)**	**–**	**79,895**	**66,041**
Recognition of share-based payments	–	–	13,474	–	–	–	13,474
Issue of shares to Zip Employee Share Trust	17,864	(17,864)	–	–	–	–	–
Designation of treasury shares to Zip Employees & NEDs	(1,521)	16,346	(14,825)	–	–	–	–
Exercise of options	29	–	–	–	–	–	29
Issue of shares – capital raising	267,122	–	–	–	–	–	267,122
Cost of issuing of shares	(5,883)	–	–	–	–	–	(5,883)
Share buy-back	(25,865)	(3,931)	–	–	–	–	(29,796)
Balance at 30 June 2025	**2,659,906**	**(5,482)**	**74,917**	**65,207**	**163,848**	**(2,248,876)**	**709,520**

1. Amounts have been reclassified in FY25. Refer to Note 1 for further details.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the period ended 30 June 2026

		Consolidated	
	NOTE	30 June 2026 $'000	30 June 2025 $'000
Cash flows used in operating activities			
Receipts from customers - portfolio interest income		843,204	701,666
Receipts from customers - transactional and other income		506,438	382,657
Payments to suppliers and employees		(564,362)	(478,762)
Net cash settlement with merchants and customers[1]		(650,733)	(444,589)
Interest received from financial institutions		10,011	9,426
Interest paid		(215,536)	(216,452)
Income tax paid		(20,324)	(6,097)
Proceeds from disposal of receivables		5,419	2,342
Net cash flow used in operating activities		**(85,883)**	**(49,809)**
Cash flows used in investing activities			
Payments for plant and equipment		(1,317)	(1,545)
Payments for software development		(21,690)	(17,948)
Payments for trademarks		(19,929)	–
Net cash flow used in investing activities		**(42,936)**	**(19,493)**
Cash flows from financing activities			
Proceeds from borrowings		1,755,101	1,334,125
Repayment of borrowings		(1,420,259)	(1,361,723)
Repayment of principal of lease liabilities		(5,101)	(5,115)
Proceeds from issue of shares		10	267,151
Cost of share issues		–	(5,883)
Transaction costs related to restructuring of loans and borrowings[2]		(7,017)	(91,158)
Share purchase to settle employee equity awards		(24,615)	–
Payments for share buy-back program		(120,864)	(29,136)
Net cash flow from financing activities		**177,255**	**108,261**
Net increase in cash and cash equivalents		48,436	38,959
Cash, cash equivalents and restricted cash at the beginning of the period		391,621	353,006
Foreign exchange effect		(12,518)	(344)
Cash, cash equivalents and restricted cash at the end of the period	6	**427,539**	**391,621**

1. The Group presents operating cash flows using the direct method. Certain operating cash flow line items relate to movements in receivables and merchant settlement balances arising from the Group's core lending and payments activities. These balances represent operating assets and liabilities and the associated cash movements are therefore presented within operating cash flows.
2. FY25 balance mainly relates to the corporate debt facility exit fee of $88.9 million.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements

30 June 2026

Note 1. Material Accounting Policies

A. Business

Zip provides services in the digital retail finance, personal finance and payments industry. Established in 2013, the Group is headquartered in Sydney, Australia with operations currently providing services in Australia, New Zealand[1] (together ANZ) and the United States of America (USA).

Zip offers access to point-of-sale credit and digital payment services, connecting customers with its network of merchants. Zip also offers personal loans in Australia.

Zip's ordinary shares have been listed on the Australian Securities Exchange (ASX code: ZIP) since 2015. Zip Co Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity', the 'Group' or 'Zip'.

1. Subsequent to the reporting date, on 17 July 2026, the decision to formally exit the New Zealand market was announced to the ASX. Refer to Note 26 for more details.

B. Statement of Compliance

The full-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes of the consolidated entity comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with IFRS as issued by the IASB.

The consolidated entity is a for-profit entity and the financial statements comprise the consolidated financial statements of the consolidated entity.

The financial statements were approved by the Board of Directors and authorised for issue on 20 August 2026.

C. Basis of Preparation

The Report has been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars and Zip is an entity of the kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports) Instrument 2026/183*, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars ($'000), unless otherwise indicated. The accounting policies and methods of computation adopted in the preparation of the financial report are consistent with those adopted and disclosed in Zip's financial report for the year ended 30 June 2025 except as discussed in Note 1(e) Adoption of New and Revised Accounting Standards.

Notes to the Consolidated Financial Statements continued

Comparative Figures

Prior Period Adjustments

As described below, comparative figures have been adjusted to comply with the changes in presentation in the current period.

Consolidated Statement of Profit and Loss and Other Comprehensive Income change

1. The Group previously presented default and late fees as portfolio interest income and has corrected the presentation to include such amounts as transactional income resulting in portfolio interest income decreasing by $155.5 million from $857.2 million and transactional income increasing by the same amount from $214.4 million for the year ended 30 June 2025.
2. The Group previously presented the interest expense that related to a corporate debt facility as interest expense on the face of the consolidated statement of profit and loss and other comprehensive income and has determined that based on the nature of the expense, such amounts should be included in corporate finance cost. This resulted in a decrease in interest expense by $29.2 million for the year ended 30 June 2025 and corporate finance cost increasing by the same amount.

These adjustments represent the correction of an immaterial error.

Consolidated Statement of Financial Position change

1. The Group previously presented an intercompany receivable balance and a corresponding intercompany payable balance between two consolidated subsidiaries on a gross basis in the consolidated balance sheet which has been changed. This resulted in a decrease in other receivables and trade and other payables on the face of the consolidated statement of financial position amounting to $21.0 million for the year ended 30 June 2025. Net asset position remains unchanged for both periods.
2. The Group has identified a classification error from previously presented information regarding the aging of customer receivables. The aggregate amount for customer receivables presented on the face of the consolidated balance sheet remains unchanged. The reclassification resulted in a decrease in current receivables and a corresponding increase in non-current receivables amounting to $477.0 million for the year ended 30 June 2025. Refer to Note 18.

CUSTOMER RECEIVABLES	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	TOTAL $'000
30 June 2025					
Previously presented	2,622,310	216,294	41,944	1,096	2,881,645
Reclassification	(476,965)	290,926	183,222	2,818	–
Total	2,145,345	507,220	225,166	3,914	2,881,645

These adjustments represent the correction of an immaterial error.

Consolidated Statement of Changes in Equity change

The Group previously presented issued capital arising from the conversion of convertible notes at the market value of the capital at day of conversion. The Group has now recalculated this amount to be at the fair value of the convertible notes, arising in an adjustment to issued capital and retained earnings of $68.4 million for the year ended 30 June 2024, and no further adjustments were required for the year ended 30 June 2025. Net asset position remains unchanged for both periods.

This adjustment represent the correction of an immaterial error.

Parent Entity - Prior Period Adjustment

The Group identified errors in the parent entity’s statement of financial position and statement of profit or loss regarding its investment in subsidiaries in the previously filed financial statements.

1. The parent entity had not previously assessed whether indicators existed to suggest that prior impairment losses should be reversed in accordance with AASB 136 *Impairment of Assets*, despite relevant valuation information being available at the time the financial statements were authorised for issue. As a result, certain impairment reversals were not recognised in the parent entity’s standalone financial information in prior periods. This error has been corrected by restating the comparative information for the parent entity.

   The correction increased parent entity profit for the year ended 30 June 2025 by $311.5 million and increased the parent entity's opening retained earnings as at 1 July 2025 by $518.4 million. As a result, the parent entity equity increased with a cumulative impact of $829.9 million as at 30 June 2025.

2. The parent entity had not previously assessed the recoverability of intercompany loans under AASB 9 *Financial Instruments* (AASB 9). The Group assessed that there was an expected credit loss previously not recognised as at 30 June 2024, which is partially reversed at 30 June 2025, due to the improvement in the underlying value of the investment.

   The correction increased parent entity profit for the year ended 30 June 2025 by $12.5 million and decreased parent entity equity's opening retained earnings as at 1 July 2025 by $22.1 million. As a result, the parent entity equity decreased with a cumulative impact of $9.6 million as at 30 June 2025.

The restatement only impacts the parent entity’s standalone information. As investments in subsidiaries and intercompany loans to subsidiaries are eliminated upon consolidation, there is no impact on the Group's consolidated statement of financial position, statement of profit or loss, or statement of changes in equity. Refer to Note 23 for further details.

These adjustments represent correction of errors and are not material to the Group.

D. Going Concern

The Directors have prepared the consolidated financial statements on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The process of assessing going concern requires significant judgement, specifically in consideration of whether significant doubts or material uncertainties exist, and the identification and assessment of any relevant mitigating factors to these uncertainties.

The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group will continue normal business activities, realise assets and settle liabilities in the normal course of business. The Group actively engages with funders in the normal course of business to extend existing facilities and set up new arrangements and has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of approval of these financial statements..

E. Adoption of New and Revised Accounting Standards

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current financial year and that have a significant impact on the consolidated entity’s financial statements. There were no new or revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that have materially impacted the consolidated entity’s financial statements for the financial year ended 30 June 2026.

The consolidated entity has not early adopted any accounting standards that are issued but not yet effective. The consolidated entity has considered the applicability and impact of all recently issued accounting pronouncements and has determined that they were either not applicable or were not expected to have a material impact on the financial statements.

Notes to the Consolidated Financial Statements continued

In June 2024, the AASB issued a new standard AASB 18 *Presentation and Disclosure in Financial Statements* (AASB 18), which will be effective for the Group from 1 July 2027 and is required to be applied retrospectively. AASB 18 will replace AASB 101 *Presentation of Financial Statements* (AASB 101). The standard introduces new presentation and disclosure requirements, particularly in the statement of profit or loss. The Group is continuing to assess the impact of adopting AASB 18.

F. Critical Accounting Estimates and Judgements

In preparing this Report, the consolidated entity has been required to make certain estimates and assumptions concerning future occurrences. There is an inherent risk that the resulting accounting estimates will not equate exactly with actual events and results in the future.

Provision for Expected Credit Loss

Customer receivables are initially recognised at fair value. Subsequently, they are classified and measured at amortised cost.

An expected credit loss model is used for the assessment of impairment of customer receivables under AASB 9. Expected credit losses (ECL) are based on the difference between the contractual cash flows due in accordance with the terms of the consolidated entity's products and all the cash flows that the consolidated entity expects to receive from its customers. The expected credit losses are calculated based on either 12 months or the lifetime of the customer receivables.

ECL is the product of Probability of default (PD), Exposure at default (EAD), and Loss given default (LGD). LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. PD constitutes a key input in measuring ECL and it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

In measuring expected credit losses in accordance with AASB 9, management is required to incorporate the impact of forward-looking economic information. The Group's current ECL models are primarily based on historical loss experience.

To account for the expected impact of future economic conditions not captured by these base models, management applies a judgemental 'economic overlay.' This overlay is determined based on management's assessment of future economic conditions, based on current economic indicators and forecasts.

Consequently, the estimation of this overlay is considered a key source of estimation uncertainty, as it relies on significant management judgement to quantify the impact of forward-looking economic factors.

Judgement has been applied in the calculation of expected credit losses, including an assessment of the overlays in the financial year ended 30 June 2026. Refer to Note 8 for further details.

Impairment of Non-Financial Assets

Goodwill and other indefinite life intangible assets are tested for impairment annually or more frequently if there are indications that goodwill and indefinite life intangible assets might be impaired. If an intangible asset was recognised during the current period, that intangible asset is tested for impairment before or at the end of the current period.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a discount rate specific to the asset or cash-generating unit (CGU) to which the asset belongs.

CGUs are defined as the smallest group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination.

Intangible assets such as customer relationships and trademarks used by the consolidated entity for its own activities are unlikely to generate largely independent cash inflows and are therefore tested at a CGU level. Please refer to Note 10 and 11 for detailed assumptions and assessment of impairment for intangible assets and goodwill respectively.

G. Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Zip Co Limited ('parent entity') as at 30 June 2025 and 30 June 2026 as well as the results of all subsidiaries for the 12 months then ended.

H. Revenue Recognition

Portfolio Interest Income

The consolidated entity recognises portfolio interest income on customer receivables using the effective interest rate method (in accordance with AASB 9 *Financial Instruments*), based on estimated future cash receipts over the expected life of the financial asset. Any upfront fees are initially deferred on the statement of financial position as unearned future income. This balance is amortised into the statement of profit or loss over the expected life of the receivable. In making their judgement of the estimated future cash flows and the expected life of the customer receivables balance, Zip has considered the historical repayment pattern of the customer receivables on a portfolio basis for each type of its products.

These estimates require significant judgement and will be reviewed on an ongoing basis and where required, appropriate adjustments to the recognition of revenue will be made.

The Group consider that revenue from merchant service fees charged on origination of a receivable with merchants that are party to a contract with the Group (closed-loop), monthly fees, interest and establishment fees on personal loans are akin to financial or portfolio interest income as they are integral to the creation of the receivable and should be accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Transactional Income

Transactional income includes establishment fees on Zip Money, late and administrative fees, transaction processing fees, affiliate fees and interchange fees. These are recognised in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15) and not considered portfolio interest income. The Group has determined that it acts as a principal for the following revenue streams, as it controls the services before they are provided to the customer, maintains pricing discretion, and bears primary responsibility for fulfilment. The Group identifies its customers across three primary classes: merchants, consumers, and marketing.

- Merchant Revenue – Merchant revenue includes fees generated when consumers transact on the Group's network with open-loop non-Zip merchants, including transaction processing fees and interchange revenue. The Group provides a single performance obligation to facilitate these open-loop transactions between merchants and consumers. This is satisfied at the point in time when a transaction is successfully authorised. Revenue is derived from the volume of transactions multiplied by a fee, as agreed with third-party payment platform providers. Pricing is a combination of ad valorem (proportional to value) and fixed fees.
- Consumer Revenue – Consumer revenue represents revenue earned directly from the Zip consumer as the customer and includes establishment fees on Zip Money, as well as late and administrative fees. Establishment fees are considered part of the Group's ongoing involvement in the customer receivable. The performance obligation is satisfied over the expected life of the initial loan; revenue is deferred and recognised over this period. Administrative and late fees include fixed fees for services such as changing payment dates or late

payments. Revenue is earned as a fixed percentage of the loan amount up to an upper limit and recognised at the point in time the performance obligation is satisfied per the consumer agreement.

- Marketing and Affiliate Revenue – Revenue is earned from merchants for sponsored search, brand ads, or lead generation. Satisfaction occurs when an ad is displayed (impressions), accessed or a purchase occurs. Fees may be fixed or variable. The Group recognises revenue on a gross basis as it acts as the principal, having control over the service before delivery.
- Variable Consideration and Refunds – The Group's contracts may give rise to variable consideration where consumers return goods and merchants process a refund. Establishment fees on Zip Money are refunded to the consumer; therefore, the Group recognises a refund liability, where material, representing the portion of consideration it does not expect to be entitled to. Revenue is only recognised for the non-refundable portion to the extent that it is highly probable a significant reversal will not occur. Merchant fees charged for the original transaction are not returned to the merchant, as the Group's performance obligation for the transaction was fulfilled.
- Costs of Obtaining Contracts – The Group typically does not incur material costs for entering into contracts. However, when these occur, the Group capitalises incremental costs and amortises them over the contract life.
- Co-Marketing Arrangements – The Group enters into co-marketing activities with certain merchants to expand its user base. Consideration paid to merchants is recognised as a sales and marketing expense, reflecting an exchange for a distinct good or service.

I. Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Restricted cash is held by the securitisation warehouses and special purpose vehicles and is not available to pay creditors of the consolidated entity.

J. Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of the acquisition of the business, less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the consolidated entity's CGUs (or groups of CGUs) that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is so allocated is (a) representing the lowest level within the entity for internal management purposes; and (b) not be larger than an operating segment determined in accordance with AASB 8 *Operating Segments*.

A CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit if further impairment is needed. Any impairment loss for goodwill is recognised directly in profit or loss.

K. Financial Instruments

Initial Recognition and Subsequent Measurement of Financial Instruments

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument.

Financial Assets

Financial assets are initially measured at fair value. Financial assets are subsequently measured at amortised cost and include term deposits, other receivables (excluding prepayments) and customer receivables. Customer receivables are non-derivative financial assets which are measured at amortised cost using the effective interest method, less any impairment. Financial assets that do not meet the criteria for being measured at amortised cost or Fair Value Through Other Comprehensive Income (FVTOCI) are measured at Fair Value Through Profit and Loss (FVTPL). The consolidated entity did not have any financial assets measured at FVTOCI at 30 June 2026 and 30 June 2025.

Financial assets at FVTPL are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. There is no requirement to recognise an impairment loss.

Financial Liabilities

Financial liabilities are initially measured at fair value.

Financial liabilities including trade and other payables, loans and borrowings are measured subsequently at amortised cost. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period.

Embedded derivatives which are not closely related are separated and fair valued in the statement of profit and loss. Financial liabilities at FVTPL are initially measured at fair value and subsequently measured at fair value at each reporting date. Any gains or losses arise on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Derecognition of Financial Assets and Liabilities

The consolidated entity derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the consolidated entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the consolidated entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the consolidated entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the consolidated entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The consolidated entity derecognises financial liabilities when, and only when, the consolidated entity's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Notes to the Consolidated Financial Statements continued

L. Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and any adjustment recognised for prior periods, where applicable.

Where uncertainty exists over the income tax treatments of certain tax positions, an assessment of each uncertain tax position is made based on whether it is considered probable that the relevant taxation authority will accept the position. Where it is not probable, the effect of the uncertainty is reflected in determining the relevant taxable profit or loss, tax bases, unused tax losses and unused tax credits or tax rates. The consolidated entity has assessed the impact of the interpretation and does not believe that there are any uncertain tax positions for which the consolidated entity is required to reflect a different tax treatment in determining both current and deferred taxes.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit and does not give rise to equal taxable and deductible temporary differences; or
- When the taxable temporary difference is associated with interests in subsidiaries and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets is reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The Group has performed an assessment and concluded that it is not within the scope of the Australian tax regime Pillar Two legislation for the year ended 30 June 2026. This conclusion is based on the fact that the Group's consolidated revenue did not meet or exceed the €750 million (approximately $1.4 billion) threshold in at least two of the four fiscal years preceding the period, as required under the Pillar Two legislation.

Tax Consolidation Legislation

Zip Co Limited and its wholly-owned Australian controlled subsidiaries are members of a tax-consolidated group under Australian tax law. Zip Co Limited is the head entity within the tax-consolidated group.

In addition to its own current and deferred tax amounts, the head entity may also recognise the current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group.

Amounts payable or receivable under the tax-funding arrangement between the head entity and the entities in the tax consolidated group are determined using a 'separate taxpayer within group' approach to determine the tax contribution amounts payable or receivable by each member of the tax-consolidated group. This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred and does not tax effect transactions that have no tax consequences to the Group. The same basis is used for tax allocation within the tax-consolidated group.

M. Earnings Per Share

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Zip Co Limited, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted Earnings Per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

N. Foreign Currencies

In preparing the consolidated financial statements of the consolidated entity, the results and financial position of each group entity are expressed in Australian dollars, which is the functional currency of the parent entity and the presentation currency for the consolidated financial statements.

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the consolidated entity's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve and may be subsequently reclassified to profit and loss in future reporting period.

Notes to the Consolidated Financial Statements continued

Note 2. Segment Information

Operating segments are a component of the Group engaging in core business activities from which it may earn revenue and incur expenses, whose operating results are reviewed and used by the Chief Operating Decision Makers ("CODM") in assessing performance and in determining the allocation of resources. Intersegment loans are eliminated on consolidation and there is no aggregation of operating segments.

The consolidated entity had two operating segments being ANZ and the USA in the year ended 30 June 2026 and the year ended 30 June 2025.

These segments are based on the location of the Company's operations and customers. The CODM, the Group Chief Executive Officer and Managing Director, reviews financial performance by segments of ANZ and USA.

Primary measures include:

- Revenue margin (Total income as a % of TTV[1])
- Profit before income tax

1. Total Transaction Volume ("TTV") Total transaction volumes and originations.

The operating segments may change in the future as the consolidated entity continues to re-assess its operating model, reporting systems, and the financial information presented to the CODM for decision-making purposes. The details of the operating segments are set out below and the results of each segment are reported in the table that follows:

ANZ[3]	Offers retail line of credit products[2] and personal loans to consumers in Australia and retail instalment products to consumers in New Zealand[1].
USA	Offers Buy Now Pay Later (BNPL) instalment products[1] to customers in the USA.

1. For instalment products, a customer makes the first instalment when the transactions happens and then repays the remaining instalments typically over 2 - 14 weeks depending on the product. These instalments are of equal value for each order and are interest-free.
2. Line of credit products offer customers a flexible customer loan that consists of a defined amount of money that customer can access as needed and repay either immediately or over time.
3. Subsequent to the reporting date, on 17 July 2026, the decision to formally exit the New Zealand market was announced to the ASX. Refer to Note 26 for more details.

FINANCIAL YEAR ENDED 30 JUNE 2026	ANZ $'000	USA $'000	TOTAL OPERATING SEGMENTS $'000
Portfolio interest income	404,861	426,009	830,870
Transactional income	28,087	477,044	505,131
Total revenue	**432,948**	**903,053**	**1,336,001**
Other income	4,167	6,998	11,165
Total income	**437,115**	**910,051**	**1,347,166**
Expected credit loss expenses	(88,037)	(254,072)	(342,109)
Bank fees, data costs and other	(25,130)	(169,793)	(194,923)
Interest expense related to customer receivables	(132,468)	(90,373)	(222,841)
Salaries and employee benefits expenses	(78,114)	(107,012)	(185,126)
Marketing expenses	(10,838)	(45,026)	(55,864)
Information technology expenses	(22,223)	(27,272)	(49,495)
Depreciation and amortisation	(12,889)	(34,202)	(47,091)
Share-based payments	(5,075)	(9,288)	(14,363)
Corporate financing costs	(276)	–	(276)
Other operating expenses	(17,072)	(26,591)	(43,663)
Net other (losses) / gains	(4)	–	(4)
Intergroup recharges[1]	(3,100)	(4,900)	(8,000)
Segment profit before income tax	**41,889**	**141,522**	**183,411**
Reconciling:			
Corporate and other expenses[2]			**(38,140)**
Profit before income tax	**41,889**	**141,522**	**145,271**

1. Intergroup recharges consists of various corporate staff costs and corporate staff on-costs recharged to the ANZ and USA operating segments.
2. Mainly consists of salaries and employee benefits expenses $(19.7) million, professional fees $(14.3) million and share-based payments of $(5.4) million offset by intergroup recharges of $8.0 million.

Notes to the Consolidated Financial Statements continued

FINANCIAL YEAR ENDED 30 JUNE 2025	ANZ $'000	USA $'000	TOTAL OPERATING SEGMENTS $'000
Portfolio interest income	389,306	312,360	701,666
Transactional income	24,429	345,500	369,929
Total revenue	**413,735**	**657,860**	**1,071,595**
Other income	4,865	4,240	9,105
Total Income	**418,600**	**662,100**	**1,080,700**
Expected credit loss expenses	(109,007)	(136,317)	(245,324)
Bank fees, data costs and other	(23,500)	(135,461)	(158,961)
Interest expense related to customer receivables	(150,100)	(70,562)	(220,662)
Salaries and employee benefits expenses	(77,205)	(97,454)	(174,659)
Marketing expenses	(7,417)	(40,565)	(47,982)
Information technology expenses	(22,821)	(25,909)	(48,730)
Depreciation and amortisation	(13,474)	(51,444)	(64,918)
Share-based payments	(5,718)	(4,582)	(10,300)
Corporate financing costs	(274)	–	(274)
Other operating expenses	(11,905)	(20,087)	(31,992)
Net other (losses) / gains	23	–	23
Intergroup recharges[1]	(3,600)	(5,000)	(8,600)
Segment (loss)/profit before income tax	**(6,398)**	**74,719**	**68,321**
Reconciling:			
Corporate and other expenses[2]			**(42,985)**
(Loss)/profit before income tax	**(6,398)**	**74,719**	**25,336**

1. Intergroup recharges consists of various corporate staff costs and corporate staff on-costs recharged to the ANZ and USA operating segments.
2. Mainly consists of corporate financing costs ($30.3) million and salaries and employee benefits expenses ($16.2) million offset by intergroup recharges $8.6 million.

Note 3. Income and Expenses

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Profit before income tax includes the following income recognised in accordance with AASB 15:		
Transactional income:		
Revenue recognised over a period of time	3,361	2,838
Revenue recognised at a point in time	501,770	367,091
Total transactional income	505,131	369,929
Profit before income tax includes the following specific expenses:		
Depreciation and amortisation expenses:		
Depreciation of property, plant and equipment	1,474	1,766
Depreciation of right-of-use assets	4,598	4,766
Amortisation of acquired intangibles	26,305	42,436
Amortisation of internally generated IT development and software	15,214	16,420
Total depreciation and amortisation expenses	47,591	65,388
Corporate financing costs:		
Interest expense related to the corporate funding facility[1]	–	29,202
Interest on leasing liabilities	684	889
Other financing costs	284	473
Total corporate financing costs	968	30,564
Other operating expenses:		
Occupancy expense	3,160	2,529
Professional services fees	36,608	23,035
Other operating expenses	21,797	20,937
Unrealised foreign exchange loss/(gain)	1,781	(15,491)
Total other operating expenses	63,346	31,010

1. FY25 includes $28.1 million of amortisation of corporate funding costs due to the early repayment of the corporate funding facility in July 2024.

Notes to the Consolidated Financial Statements continued

Note 4. Taxation

Income Tax Expense/(Benefit)

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Numerical reconciliation of income tax expense at the statutory rate		
Profit before income tax	145,271	25,336
Tax at the statutory tax rate of 30%	43,581	7,600
Tax effect of amounts which are not deductible in calculating taxable income:		
– Share-based payments	536	1,228
– Non-deductible expenses/(Non-assessable items)	(503)	(3,521)
– Non-deductible capital costs	1,932	–
– Impairment losses	377	109
– Effect of different tax rates of subsidiaries operating in other jurisdictions	(4,303)	(2,152)
	41,620	**3,264**
Utilisation of unrecognised tax losses	(19,389)	(2,262)
Initial recognition of deferred tax asset on timing differences and tax losses	–	(60,720)
Net movement in temporary differences previously not recognised	1,288	(5,013)
Movement in temporary differences recognised	5,369	10,172
Income tax expense/(benefit)	**28,888**	**(54,559)**
Split as:		
Current income tax expense	21,924	6,161
Deferred income tax expense/(benefit)	6,964	(60,720)
Income tax expense/(benefit)	**28,888**	**(54,559)**

Deferred Tax

Deferred tax assets arising from timing differences and deferred tax liabilities have been offset in the consolidated statement of financial position at the current and the prior year end, to the extent they are levied by the same taxing authority on the same entity or different entities within a tax-consolidated group.

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Deferred tax assets comprise temporary differences attributable to:		
Timing differences		
– Provision for expected credit losses	66,390	54,257
– Other provision and payables	41,446	45,507
– Fair value movements on financial instruments	58	–
Tax losses	31,766	80,794
Less: Deferred tax assets not brought to account	(88,354)	(114,059)
Deferred tax assets (recognised from temporary difference) before set off	**51,306**	**66,499**
Set off deferred tax liabilities pursuant to set-off provisions	(938)	(6,305)
Net deferred tax assets	**50,368**	**60,194**
Deferred tax liabilities comprise temporary differences attributable to:		
– Acquired intangibles and other	938	6,305
Deferred tax liabilities before set off	**938**	**6,305**
Set off deferred tax assets pursuant to set-off provisions	(938)	(6,305)
Net deferred tax liabilities	**–**	**–**

The Group has carried forward a deferred tax asset of $50.4 million (US$34.7 million) for the USA income tax group from prior year. The recognition has continued to meet the requirements set out in the AASB 112 *Income Taxes* as the USA has a history of taxable profits and it is probable that future taxable profit will be available to be utilised. Included in the $50.4 million (US$34.7 million) deferred tax asset booked, $2.3 million (US$1.3 million) represents the deferred tax asset on USA State tax losses, and the remaining $48.1 million (US$33.4 million) is for the deferred tax asset on the USA timing differences.

Based on the calculation of the Group's tax position, the Group had $98.7 million of tax losses at 30 June 2026 and $283.5 million of tax losses at 30 June 2025. Included in this amount are tax losses not recognised on balance sheet of $98.7 million (deferred tax asset $29.5 million). The net movement during the period was:

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Net movement of tax losses:		
Derecognition of tax losses (deregistered entities)	(52,800)	–
Current year tax losses	–	77,200
Prior year tax loss adjustments	2,900	39,200
Foreign exchange movement	(6,100)	5,500
Utilisation of tax losses	(128,800)	(101,400)
Total movement	**(184,800)**	**20,500**

Group tax losses do not expire under current legislation in each applicable jurisdiction.

Notes to the Consolidated Financial Statements continued

Note 5. Earnings Per Share

A. Reconciliation of Earnings Used in Calculating Earnings Per Share

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Profit attributable to the Members of the Zip Co Limited used in calculating basic and diluted earnings per share	116,383	79,895

B. Weighted Average Number of Shares Used as the Denominator

	30 JUNE 2026 '000	30 JUNE 2025 '000
Adjusted weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,271,178	1,289,635
Effect of dilutive potential ordinary shares:		
Share options and rights	13,552	11,789
Warrants[1]	–	7,308
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,284,731	1,308,731

1. The warrants were determined by management to be non-dilutive as at 30 June 2026 and have been excluded from the calculation of diluted earnings per share.

C. Earnings Per Share

	30 JUNE 2026 CENTS	30 JUNE 2025 CENTS
Basic earnings per share	9.16	6.20
Diluted earnings per share	9.06	6.10

Note 6. Cash, Cash Equivalents and Restricted Cash

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Cash and cash equivalents	202,741	148,964
Restricted cash	224,798	242,657
	427,539	391,621

At 30 June 2026 the consolidated entity had cash of $427.5 million of which $224.8 million was restricted cash (30 June 2025: cash of $391.6 million of which $242.7 million was restricted cash). Restricted cash is held by the securitisation warehouses and special purpose vehicles and is not available to pay creditors of the consolidated entity.

Zip invests funds in its securitisation warehouses and when required withdraws funds in excess of those required to meet subordination requirements to fund its operations, drawing a corresponding amount from funding providers (30 June 2026: $72.1 million, 30 June 2025: $18.5 million).

Reconciliation of Profit After Income Tax to Net Cash from Operating Activities

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Profit after income tax for the year	116,383	79,895
Depreciation and amortisation expenses	47,591	65,388
Share-based payments	19,788	13,289
Impairment of goodwill	1,257	–
Unrealised loss of financial liability	–	2,400
Unrealised foreign exchange loss/(gain)	1,781	(15,491)
Amortisation of borrowing costs on early repayment of corporate facility	–	28,080
Other	2,798	8,516
Change in operating assets and liabilities:		
Movement in customer receivables	(359,240)	(258,549)
Movement in other assets and receivables	(13,917)	(1,897)
Movement in other liabilities and payables	90,346	82,753
Movement in employee provisions	(2,496)	6,001
Movement in deferred tax balances, net of deferred tax recognised in equity	9,826	(60,194)
Net cash flow used in operating activities	(85,883)	(49,809)

Notes to the Consolidated Financial Statements continued

Note 7. Other Receivables

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Amounts due from payment platform providers[1]	24,813	28,607
Prepayments	15,561	10,316
Accrued income[2]	32,875	29,250
Net other receivables	27,790	18,949
Total	101,039	87,122

1. Amounts due from payment platform providers reflect customer repayments received by payment platform providers to then be collected in the following month.
2. Accrued income consists of rebates from payment partners and affiliate revenue recognised under transactional income and settled in the following months.

Note 8. Customer Receivables

Financial Instruments

Customer receivables are initially recognised at fair value. Subsequently, they are classified and measured at amortised cost as:

- The consolidated entity provides accounts with lines of credit and instalment products to customers, and the business model is to hold such accounts and collect contractual cash flows until the account is closed or written off; and
- The contractual terms of the accounts give rise on specified dates to cash flows that are solely payments of principal and "effective interest" and when providing lines of credit, permit customers to vary the dates and frequency of payments.

Impairment

Expected credit losses are recognised based on unbiased forward-looking information and is applicable to all financial assets at amortised cost and loan commitments. The Group classifies assets into the following three stages:

- Stage 1: instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL's are recognised and "effective interest" revenue is calculated on the gross carrying amount of the asset. 12-month ECL are the expected credit losses that result from default events that are expected within 12 months after the reporting date.
- Stage 2: instruments that have experienced a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but "effective interest" revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3: includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and "effective interest" revenue is calculated on the net carrying amount.

Expected Credit Losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data. The exposure at default is estimated on gross customer receivables at the reporting date, adjusted for expected repayments and future drawdowns up to the point the exposure is expected to be in default.

Significant Increase in Credit Risk Since Initial Recognition

The provisioning model utilises customer receivables 30 days past due for its line of credit products or 14 days past due for its instalment products as criteria to identify significant increases in credit risk.

Definition of Default and Credit – Impaired Assets

Where there has been objective evidence of impairment for a customer receivable, the allowance will be based on lifetime expected credit losses. A customer receivable will be considered in default at 90 days past due for its line of credit products or 43 days past due for its Pay-in-2 and Pay-in-4 and 71 days past due for Pay-in-8 instalment products respectively, and/or when the consolidated entity is unlikely to receive the outstanding contractual amount in full based on internal or external indicators.

Write Off Policy

The consolidated entity's policy is to write off balances that are outstanding for over 180 days for its line of credit products or 84 days for Pay-in-2 and Pay-in-4 and 126 days for Pay-in-8 instalment products, in accordance with historical experience and industry practice.

Provisioning Model

In determining the appropriate level of provision for expected credit losses, the consolidated entity has considered receivables attributable to each of its product offerings separately and also aggregated by segment in this note.

In the assessment of the provision for expected credit losses at 30 June 2026, management took into consideration all available information relevant to the assessment, including information about past events, current economic conditions and reasonable and supportable information about future events and economic conditions at the reporting date.

USA and NZ

For each classification of receivable, the consolidated entity has applied historic roll rates (the percentage of receivables that move into the next ageing bucket), averaged over the period the entity is contractually exposed to the credit risk of that product.

Accordingly, a provision has been recognised for performing customer receivables to the extent that expected lifetime losses emerge by applying historical roll rates to the credit facility limits. For customers overdue, historical roll rates are applied to the overdue balances over the expected life of the credit facility to determine an amount of expected credit losses.

Australia

For each product, the consolidated entity classifies customer receivables into various segments of stage 1, 2 and 3 receivables and then reviews historical account data and performance together with assumptions (if applicable) to calculate probability of default, exposure at default and loss given default.

Discounting is also applied, where applicable, to account for the time value of money and overlays to account for forward economic conditions and any other applicable items is then added.

Provision Overlays

An allowance for debt recoveries is applied to the resulting estimated exposure at default and an economic overlay is added to include forward-looking macroeconomic and regulatory factors (including gross domestic product (GDP), unemployment rate, and inflation rate) and modelling risks.

Forward-looking information considered in assessing macroeconomic scenarios included economic reports published by financial analysts, governmental bodies, or other similar organisations, including assessments of the outlook for the Australian, New Zealand and USA economies that the consolidated entity operates in.

Notes to the Consolidated Financial Statements continued

Provision Overview

The provision for expected credit losses as a percentage of receivables increased to 7.0% at 30 June 2026 (6.6% at 30 June 2025). This is predominantly driven by comparatively higher growth in the USA business segment.

The consolidated entity believes that the provision for expected credit losses, is sufficient to address any potential write offs arising from the current economic environments the business operates within.

The following table summarises customer receivables as at the reporting dates:

	ANZ $'000	USA $'000	CONSOLIDATED $'000
Customer receivables[1]	2,319,124	976,989	3,296,113
Unearned future income[2]	(9,577)	(38,190)	(47,767)
Provision for expected credit losses	(146,585)	(85,381)	(231,966)
Balance at 30 June 2026	2,162,962	853,418	3,016,380

1. The customer receivables information is presented in line with the classification of the consolidated entity's operating segments. Refer to Note 2 for description of the consolidated entity's instalments and line of credit products.
2. Unearned future income relates to the recognition of the effective interest rate of portfolio interest income on the customer receivables. Refer to Note 1(h) for further details of portfolio interest income.

	ANZ $'000	USA $'000	CONSOLIDATED $'000
Customer receivables	2,123,765	757,880	2,881,645
Unearned future income	(6,512)	(28,920)	(35,432)
Provision for expected credit losses	(135,040)	(54,032)	(189,072)
Balance at 30 June 2025	1,982,213	674,928	2,657,141

The following table summarises reconciliations of provision for expected credit losses in the reporting periods:

	ANZ $'000	USA $'000	CONSOLIDATED $'000
Balance at 30 June 2024	114,353	27,882	142,235
Provided in the period	108,883	136,317	245,200
Receivables written-off during the period	(118,382)	(135,578)	(253,960)
Recoveries during the period	30,062	24,852	54,914
Foreign exchange movements	124	559	683
Balance at 30 June 2025	135,040	54,032	189,072
Provided in the period	87,201	254,072	341,273
Receivables written-off during the period	(108,172)	(255,668)	(363,840)
Recoveries during the period	31,748	36,833	68,581
Foreign exchange movements	768	(3,888)	(3,120)
Balance at 30 June 2026	146,585	85,381	231,966

The consolidated entity's customer receivable balances are predominately high volume low value advances to individual customers. The following tables provides information about customer receivables classified into Stage 1 to Stage 3 and the provision provided for expected credit losses for each stage.

As the consolidated entity's customer receivables are short-term in nature, the staging transfer disclosures have not been provided.

	ANZ $'000	USA $'000	CONSOLIDATED $'000
Gross Customer Receivables			
Stage 1	2,136,735	853,514	2,990,249
Stage 2	122,248	83,543	205,791
Stage 3	60,141	39,932	100,073
Balance at 30 June 2026	2,319,124	976,989	3,296,113
Provision for Expected Credit Losses			
Stage 1	(49,838)	(5,286)	(55,124)
Stage 2	(51,440)	(40,373)	(91,813)
Stage 3	(45,307)	(39,722)	(85,029)
Balance at 30 June 2026	(146,585)	(85,381)	(231,966)

	ANZ $'000	USA $'000	CONSOLIDATED $'000
Gross Customer Receivables			
Stage 1	1,950,423	675,993	2,626,416
Stage 2	110,008	57,954	167,962
Stage 3	63,334	23,933	87,267
Balance at 30 June 2025	2,123,765	757,880	2,881,645
Provision for Expected Credit Losses			
Stage 1	(45,700)	(5,835)	(51,535)
Stage 2	(45,386)	(28,054)	(73,440)
Stage 3	(43,954)	(20,143)	(64,097)
Balance at 30 June 2025	(135,040)	(54,032)	(189,072)

The following table provides information about customer receivables by payment past due status. Figures presented in the table differ from the staging table as the staging table is based on the assessment of credit risk which includes, but is not limited to, past due status.

	Consolidated			
	30 JUNE 2026 $'000	% OF CUSTOMER RECEIVABLES %	30 JUNE 2025 $'000	% OF CUSTOMER RECEIVABLES %
Past due under 30 days	93,856	3 %	70,571	2 %
Past due 31 days to under 60 days	59,134	2 %	43,622	2 %
Past due 61 to under 90 days	43,509	1 %	32,056	1 %
Past due 91 under 180 days[1]	47,128	1 %	41,155	1 %

1. Customer receivables are written off at a maximum of 180 days, depending on the product type. Refer to the Write Off Policy for complete details.

Notes to the Consolidated Financial Statements continued

The following table shows customer receivables and provision for expected losses presented based on the location of origination:

CUSTOMER RECEIVABLES	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Australia	2,309,455	2,111,934
New Zealand	9,669	11,831
USA	976,989	757,880
Balance	3,296,113	2,881,645

PROVISION FOR EXPECTED CREDIT LOSSES	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Australia	(146,254)	(134,654)
New Zealand	(331)	(386)
USA	(85,381)	(54,032)
Balance	(231,966)	(189,072)

Maturity Profile

The gross customer receivables maturity profile is calculated based on the scheduled repayments at an account level for all products.

GROSS CUSTOMER RECEIVABLES	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Current	2,169,962	2,145,345
Non-current	1,126,151	736,300
Balance	3,296,113	2,881,645

Note 9. Property, Plant and Equipment and Right-of-Use Assets

Plant and equipment is stated at historical cost less accumulated depreciation and impairment.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The following useful lives are used in the calculation of depreciation:

- Computer Equipment 3 years;
- Office Equipment 5 years;
- Leasehold and office fit-out based on lease term; and
- Right-of-use 2 to 5 years.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end. An item of plant and equipment is derecognised on disposal or when no further future economic benefits are expected from its use or disposal.

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at an amount, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received, plus any initial direct costs incurred by the Group and an estimate of costs to dismantle, remove, or restore the underlying asset or site on which it is located. Right-of-use assets are subsequently measured at the amount capitalised less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. All lease payments that are fixed or subject to fixed indexation are included in the measurement of the lease liability and right-of-use asset. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment indicator assessments.

	Consolidated 30 JUNE 2026 $'000	Consolidated 30 JUNE 2025 $'000
Carrying amounts		
Computer equipment	1,972	1,600
Office equipment	505	791
Leasehold and office fit-out	69	244
Right-of-use asset	8,551	12,712
	11,097	15,347

CONSOLIDATED	COMPUTER EQUIPMENT $'000	OFFICE EQUIPMENT $'000	LEASEHOLD AND OFFICE FIT-OUT $'000	RIGHT-OF-USE ASSET $'000	TOTAL $'000
Cost					
Balance at 1 July 2024	6,395	1,606	390	21,460	29,851
Additions	1,480	225	32	533	2,270
Disposals	(2,600)	(174)	–	–	(2,774)
Other including foreign exchange movements	(10)	(5)	–	258	243
Balance at 30 June 2025	5,265	1,652	422	22,251	29,590
Additions	1,460	33	2	516	2,011
Disposals	(402)	(119)	(231)	(311)	(1,063)
Other including foreign exchange movements	(138)	(68)	(43)	(190)	(439)
Balance at 30 June 2026	6,185	1,498	150	22,266	30,099

CONSOLIDATED	COMPUTER EQUIPMENT $'000	OFFICE EQUIPMENT $'000	LEASEHOLD AND OFFICE FIT-OUT $'000	RIGHT-OF-USE ASSET $'000	TOTAL $'000
Accumulated depreciation and impairment losses					
Balance at 1 July 2024	(4,755)	(667)	(112)	(4,553)	(10,087)
Depreciation	(1,328)	(373)	(65)	(4,767)	(6,533)
Disposals	2,172	163	–	–	2,335
Other including foreign exchange movements	246	16	(1)	(219)	42
Balance at 30 June 2025	(3,665)	(861)	(178)	(9,539)	(14,243)
Depreciation	(1,103)	(302)	(136)	(4,598)	(6,139)
Disposals	340	115	137	311	903
Other including foreign exchange movements	215	55	96	111	477
Balance at 30 June 2026	(4,213)	(993)	(81)	(13,715)	(19,002)

Notes to the Consolidated Financial Statements continued

Note 10. Identifiable Intangible Assets

	Consolidated 30 JUNE 2026 $'000	Consolidated 30 JUNE 2025 $'000
Carrying amounts		
Trademarks	19,991	62
Transacting partner database	–	3,176
IT development and software	34,943	52,105
	54,934	55,343

CONSOLIDATED	TRADEMARKS $'000	CUSTOMER DATABASE $'000	TRANSACTING PARTNER DATABASE $'000	IT DEVELOPMENT AND SOFTWARE $'000	TOTAL $'000
Cost					
Balance at 30 June 2024	62	654	94,508	233,317	328,541
Additions	–	–	–	17,948	17,948
Written-off	–	(654)	(524)	(33,681)	(34,859)
Effect of movements in foreign exchange rates	–	–	1,320	2,245	3,565
Balance at 30 June 2025	62	–	95,304	219,829	315,195
Additions	19,929	–	–	21,608	41,537
Written-off	–	–	–	(2,800)	(2,800)
Effect of movements in foreign exchange rates	–	–	(4,951)	(7,186)	(12,137)
Balance at 30 June 2026	19,991	–	90,353	231,451	341,795

CONSOLIDATED	CUSTOMER DATABASE $'000	TRANSACTING PARTNER DATABASE $'000	IT DEVELOPMENT AND SOFTWARE $'000	TOTAL $'000
Accumulated amortisation and impairment losses				
Balance at 30 June 2024	(611)	(72,579)	(159,264)	(232,454)
Amortisation	(43)	(18,695)	(40,118)	(58,856)
Written-off	654	3,389	32,808	36,851
Effect of movements in foreign exchange rates	–	(4,243)	(1,150)	(5,393)
Balance at 30 June 2025	–	(92,128)	(167,724)	(259,852)
Amortisation	–	(3,190)	(38,329)	(41,519)
Written-off	–	–	2,705	2,705
Effect of movements in foreign exchange rates	–	4,965	6,840	11,805
Balance at 30 June 2026	–	(90,353)	(196,508)	(286,861)

The following useful lives are used in the calculation of amortisation:

Internally generated intangibles:

- IT development and software 2.5 years.

Acquired intangibles:

- Trademarks indefinite;
- Transacting partner database 4 to 5 years; and
- IT development and software 6 years.

At each reporting date, the Group reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired. The impairment assessment of intangible assets is detailed in Note 11.

Note 11. Goodwill

The consolidated entity has three cash-generating units at 30 June 2026 as set out in the following table. Goodwill has been allocated to these CGUs.

CONSOLIDATED	ZIP AU $'000	ZIP US $'000	ZIP NZ $'000	CONSOLIDATED $'000
Balance at 30 June 2024	4,548	203,676	1,252	209,476
Effect of movements in foreign exchange rates	–	2,813	5	2,818
Balance at 30 June 2025	4,548	206,489	1,257	212,294
Impairment	–	–	(1,257)	(1,257)
Effect of movements in foreign exchange rates	–	(10,692)	–	(10,692)
Balance at 30 June 2026	4,548	195,797	–	200,345

Impairment Assessment for Intangible Assets

A CGU to which goodwill and indefinite life intangible assets has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. For the purpose of impairment testing, goodwill and intangible assets are allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination or acquisition of the asset.

During the year ended 30 June 2026 and 30 June 2025, for each of the consolidated entity's CGUs, the recoverable amount has been calculated based on value-in-use using cash flow projections covering a five-year period then applying a discount rate. Cash flow projections during the forecast period are based on the forecast revenue and transaction volume growth. Cash flows beyond the five-year period have been extrapolated using a steady long-term annual growth rate which did not exceed the long-term average for the sectors and economies in which the CGUs operate. The steady long-term growth rate was estimated by the Group based on past performance of each cash-generating unit and the growth expectations for the markets in which they operate. Key rates included in the current financial year impairment assessment are set out in the following table:

	ZIP AU %	ZIP US %	ZIP NZ %
Discount rate – post tax[1]	12.06 %	12.00 %	12.06 %
Long-term annual growth rate[2]	4.00 %	4.00 %	0.00 %

1. Zip has used a post-tax discount rate applied to post-tax cash flows to be aligned with how valuation practitioners would ordinarily undertake such an exercise. This method is used to approximate the requirement of the accounting standards to apply a pre-tax discount rate to pre-tax cash flows. Post-tax rates used in the prior financial year impairment assessment were 12.4% for Zip AU CGU and 12.1% for Zip US CGU.
2. Long-term growth rates used in the prior financial year impairment assessment were 4.0% for Zip AU CGU, 4.0% for Zip NZ CGU and 4.0% for Zip US CGU.

Notes to the Consolidated Financial Statements continued

In June 2026, as part of a strategic review of the business portfolio, the Group began exploring withdrawing from the New Zealand market. Zip entered a confidential consultation process seeking input and feedback from the New Zealand team.

An impairment test was conducted on the New Zealand CGU in its current condition, utilising short-term (three year) cash flow projections, a discount factor of 12.06% and a zero-terminal value. This resulted in a deficit, that resulted in a non-cash impairment charge of $1.3 million, representing a full impairment of the goodwill allocated to the NZ CGU.

Subsequent to the reporting date, on 17 July 2026, the decision to formally exit the New Zealand market was announced to the ASX. No further impairment is required for the remaining right-of-use assets, property, plant and equipment, and intangible assets within the NZ CGU at 30 June 2026. This conclusion is based on the expectation that these remaining assets will be recovered through short-term use during the wind down phase or through other means.

Sensitivity to Changes in Assumptions

For CGUs that are not assessed to be impaired, Zip has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for each of the group of CGUs to which goodwill and intangible assets are allocated. Forecast transaction volumes are the key drivers in determining the cash flow projections for each CGU. In the event that transaction volumes do not reach the levels forecast there is a risk that the forecast cash flows are not sufficient to support the carrying value and an impairment charge may be reported in a future accounting period.

For Zip AU CGU and Zip US CGU, reducing the forecast compound annual growth rate (CAGR) of transaction volumes or long-term annual growth rate for the terminal value calculation to zero would not result in an impairment charge. Further testing showed that increasing the discount rate beyond 100% also did not result in an impairment charge.

Note 12. Trade and Other Payables

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Trade payables	55,922	51,713
Amounts due to merchants and other partners	356,324	271,173
Other	3,717	2,731
Total	415,963	325,617

The increase in amounts due to merchants and other partners reflects an increase in volumes in the USA and enhanced short term arrangements in the USA with an existing banking partner, to provide an uplift in capital efficiency, cost of funds, and funding capacity and flexibility.

Note 13. Lease Liabilities

Zip's leases are primarily office facilities with various expiration dates through to May 2029. Zip has the option to renew or extend our leases, and certain agreements also provide the option to terminate with prior written notice. As of 30 June 2026 and 30 June 2025, we have not included these provisions in determining the lease term, as it is not reasonably certain that these options will be exercised.

For the year ended 30 June 2026 and 30 June 2025, there was no impairment expense related to leases.

The following amounts are recognised in the statement of financial position relating to leases:

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Right-of-use assets		
Office facilities	8,551	12,712
	8,551	12,712
Lease liabilities		
Current	4,837	4,481
Non-current	4,541	8,887
	9,378	13,368

The following table presents lease expenses recognised in 2026 and 2025:

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Depreciation of right-of-use assets	(4,598)	(4,767)
Interest expense for lease liabilities	(684)	(889)
Total right-of-use lease cost	(5,282)	(5,656)

Notes to the Consolidated Financial Statements continued

Note 14. Borrowings

Borrowings and Securitisation Warehouse

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Secured consumer facilities	2,742,059	2,407,217
Add: accrued interest	11,180	10,040
Less: unamortised costs	(7,198)	(6,628)
	2,746,041	2,410,629

Of the $2,746.0 million at 30 June 2026, $490.2 million is expected to be settled no more than 12 months from the balance sheet date. Refer below for individual maturities.

The securitisation warehouses and special purpose vehicles are consolidated as the consolidated entity is exposed to, or has rights to, variable equity returns, and has the ability to affect its returns through its power over the securitisation warehouses and special purpose vehicles. The secured facilities are directly secured by receivables in the consolidated entity's securitisation warehouses and special purpose vehicles. In the event the consolidated entity does not extend a secured facility, or renew a secured facility with a new financier, the secured facility amortises under the terms of the respective secured facility agreement and customer repayments are used to repay the respective financier. The securitisation warehouses and special purpose vehicles are subsidiaries of the Group and therefore consolidated within the Group results, all intercompany transactions are eliminated on consolidation of these vehicles.

Assets Pledged as Security

The table below presents the assets and underlying borrowings as a result of the securitisation warehouses and special purpose vehicles through the consolidated entity's asset-backed financing program:

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Customer receivables[1]	2,678,385	2,376,055
Cash held through asset-backed financing program (Note 6)	224,798	242,657
	2,903,183	2,618,712
Borrowings related to receivables[2]	2,898,539	2,579,033

1. The amount recognised above represents the carrying value of the customer receivables held by securitisation warehouses and special purpose vehicles and is net of the provision for expected credit losses and unearned future income. This excludes customer receivables totalling $338.0 million held by entities that do not have asset-backed financing programs in place at 30 June 2026 ($281.1 million at 30 June 2025).
2. Including $156.5 million junior and seller notes held by Zip's corporate entities ($171.8 million at 30 June 2025).

Term of Facilities Financing Arrangements

CONSUMER RECEIVABLES	FACILITY LIMIT $'000	DRAWN AT 30 JUNE 2026 $'000	MATURITY	FACILITY TYPE
Zip Master Trust[4]				
– Rated Note Series				
– 2024-2	332,500	332,500	September 2027	BBSW + Margin
– 2025-1[3,10]	285,000	285,000	July 2028	BBSW + Margin
– 2025-2[4,10]	380,000	380,000	November 2028	BBSW + Margin
– 2026-1[5]	285,000	285,000	February 2031	BBSW + Margin
– Variable Funding Note[7,8]	285,000	198,564	March 2028	BBSW + Margin
– Variable Funding Note 4[7]	285,000	251,500	March 2027	BBSW + Margin
– Variable Funding Note 5[7]	380,000	250,250	March 2030	BBSW + Margin
zipMoney 2017-1 Trust[9]	190,000	156,465	May 2028	BBSW + Margin
Zip NZ Trust 2021-1[1]	16,410	4,104	July 2026	BKBM + Margin
AR3LLC[2]	435,401	235,842	December 2026	SOFR + Margin
AR5LLC[2,6]	411,309	362,834	October 2027	SOFR + Margin
Total	3,285,620	2,742,059		

1. Facility limit of NZ$20.0 million translated to AUD at exchange rate of 1.2188.
2. Facility limit of US$300.0 million AR3LLC and US$283.4 million AR5LLC translated to AUD at exchange rate of 0.6890.

During the year ended 30 June 2026, Zip executed the following:

3. In July 2025, completed a new $300 million bond issuance (2025-1) at a weighted average margin of 1.79%.
4. Established a new $400.0 million rated note issuance (2025-2) at a weighted-average margin of 1.37%.
5. Established a new five year $300.0 million rated note issuance (2026-1) at a weighted-average margin of 1.62%.
6. In October 2025, established a second US warehouse facility AR5 with a limit of US$283.4 million, funded by new and existing financiers. The two year facility provides enhanced capacity for future growth, delivers a material improvement in funding costs and adds diversity to Zip's funding program.
7. The 2024-1 was fully redeemed in October 2025 using existing capacity within the VFN1, VFN4 and VFN5 facilities.
8. Renegotiated terms of VFN1 in March 2026, extending maturity from March 2026 to March 2028.
9. Refinanced the 2017-1 Trust in May 2026, extending maturity from July 2026 to May 2028 and increased the facility size to $200 million.
10. The Reserve Bank of Australia (RBA) has accepted the Series 2025-1 and 2025-2 AAA notes for repo eligibility, with completion expected in FY27.

Subsequent to the year ended 30 June 2026:

- Zip has reached an agreement with the existing bank funding partner to extend the NZ 2021-1 Trust facility, as part of the orderly wind down of its New Zealand operations.
- Zip is well progressed to establish additional funding capacity in 1Q27 with a rated ABS deal, delivering a material improvement in funding costs and diversifying Zip's funding sources.

Reconciliation of Borrowing

	30 JUNE 2025 $'000	CASH MOVEMENT $'000	NON-CASH MOVEMENT $'000	30 JUNE 2026 $'000
Gross borrowings	2,407,217	334,842	–	2,742,059
Accrued interest	10,040	–	1,140	11,180
Unamortised costs	(6,628)	(7,017)	6,447	(7,198)
Total	2,410,629	327,824	7,587	2,746,041

Notes to the Consolidated Financial Statements continued

	30 JUNE 2024 $'000	CASH MOVEMENT $'000	NON-CASH MOVEMENT $'000	30 JUNE 2025 $'000
Gross borrowings	2,430,287	(23,070)	–	2,407,217
Accrued interest	9,272	(2,139)	2,907	10,040
Unamortised costs	(36,420)	(2,388)	32,180	(6,628)
Total	2,403,139	(27,597)	35,087	2,410,629

Note 15. Share Capital

Issued Capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the consolidated entity in proportion to the number of, and amounts paid when initially issued, on the shares held. The fully paid ordinary shares have no par value and the consolidated entity does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

	30 JUNE 2026 SHARES '000	30 JUNE 2026 $'000
Ordinary shares – fully paid	1,245,922	2,535,771
	1,245,922	2,535,771

Movements in Ordinary Share Capital

DETAILS	SHARES '000	SHARES $'000
Balance at 30 June 2024	1,126,660	2,408,160
Issue of shares – employee & NED	7,632	16,343
Issue of shares – exercise of options	68	29
Issue of shares – capital raising	171,231	267,122
Cost of issuing shares	–	(5,883)
Share buy-back[1]	(13,435)	(25,865)
Balance at 30 June 2025	1,292,156	2,659,906
Share buy-back[1,2]	(46,234)	(124,135)
Balance at 30 June 2026	1,245,922	2,535,771

1. 1.4 million shares were acquired and included in treasury shares at 30 June 2025 and cancelled in FY26.
2. 44.9 million shares were acquired and cancelled in FY26.

Treasury Shares

The Company accounts for treasury shares using the cost method, whereby the repurchased shares are recorded at the purchase price and are presented as a reduction of total shareholders' equity on the Consolidated Statement of Financial Position. Treasury shares are held for future issuance under employee equity incentive plans or for other general corporate purposes. Shares held in treasury carry no voting or dividend rights.

Movements in Treasury Shares

DETAILS	SHARES '000	SHARES $'000
Balance at 30 June 2024	116	33
Issue of shares to Zip Employee Share Trust	7,700	17,864
Designation of treasury shares to Zip Employees & NEDs	(7,162)	(16,346)
Net impact of share buy-back[1]	1,401	3,931
Balance at 30 June 2025	2,055	5,482
Net impact of share buy-back[1]	(1,401)	(3,931)
Share purchase to settle employee equity awards	5,944	24,615
Designation of treasury shares to Zip Employees & NEDs	(5,527)	(21,776)
Exercise of options	(19)	(10)
Balance at 30 June 2026	1,052	4,380

1. 1.4 million shares were acquired and included in treasury shares at 30 June 2025 and cancelled in FY26.

On-Market Share Buy-Back Program

On 8 April 2025, Zip announced its intention to undertake an on-market share buy-back of up to $50.0 million of ordinary shares. This was extended to $100.0 million of ordinary shares on 20 October 2025. On 18 December 2025, Zip announced its final buy-back notification. In total, 34.9 million ordinary shares were acquired for $100.0 million excluding transaction cost. This represents 2.7% of the total shareholding on the date of the announcement. All shares acquired as part of the share buy-back program were cancelled.

On 20 February 2026, Zip announced its intention to undertake another on-market share buy-back of up to $50.0 million of its ordinary shares. The buy-back commenced on 6 March 2026. Zip announced final buy-back notification on 29 June 2026. In total, 24.8 million ordinary shares were acquired for $50.0 million excluding transaction costs. This represents 1.9% of the total shareholding on the date of the announcement.

The buy-back program is consistent with Zip's capital management framework, which aims to maximise shareholder returns while maintaining balance sheet strength and flexibility to pursue strategic growth opportunities.

Warrants

Movements in Warrants

DETAILS	WARRANTS '000
Balance at 30 June 2025	7,308
Lapsed	(1,827)
Balance at 30 June 2026	5,481

The following table shows details of warrants issued outstanding at 30 June 2026:

ISSUE DATE	EXPIRY DATE	EXERCISE PRICE	NUMBER ISSUED
6 November 2019	6 November 2026	$4.70	5,480,625
Balance at 30 June 2026			5,480,625

Notes to the Consolidated Financial Statements continued

On 7 November 2019, Zip entered a strategic agreement with Amazon Commercial Services Pty Limited (Amazon Australia) whereby Zip was offered as a payment choice on Amazon Australia. Zip issued Amazon Australia warrants to acquire 14,615,000 ordinary shares in Zip at an exercise price of $4.70 exercisable based on achievement of certain performance hurdles.

The Amazon Warrants were independently valued by an external valuer using a custom-built Monte Carlo model which simulates share price paths over the duration of the warrants' life. As a result, each Amazon Warrant has been valued at $1.65 which approximates the value of the service received. Of the warrants issued, 3,653,750 warrants (25% of the total) vested concurrently with Zip's entry into the strategic agreement, and the remainder of the warrants vest based on performance milestones relating to transaction volumes being achieved over the seven years from issue date. On vesting, the warrants may be exercised any time up to seven years from the issue date. Unvested Amazon Warrants are subject to early expiration in certain circumstances, including in the event that the applicable vesting milestones are not met by specified dates. Assessments are made at each future reporting date and adjustments made to the amounts recognised in expenses based on this assessment.

Note 16. Reserves

Total Reserves

Details		30 June 2026 $'000	30 June 2025 $'000
Foreign currency translation reserve		37,401	65,207
Convertible notes – equity		163,848	163,848
Share-based payment reserves	Note 25	73,273	74,917
Total		274,522	303,972

Foreign Currency Translation Reserve (FCTR)

The foreign currency translation reserve comprises cumulative exchange differences arising from the translation of the financial statements of foreign operations into the Group's presentation currency. These amounts are recognised in other comprehensive income and accumulated in equity.

On disposal of a foreign operation, the cumulative amount of exchange differences relating to that foreign operation is reclassified from equity to profit or loss.

Movements in FCTR

Details	FCTR $'000
Balance at 30 June 2024	79,061
Other comprehensive loss for the period, net of tax	(13,854)
Balance at 30 June 2025	65,207
Realised foreign exchange differences on dissolution of foreign currency entities	(475)
Other comprehensive loss for the period, net of tax	(27,331)
Balance at 30 June 2026	37,401

Convertible Note – Equity

The convertible note reserve represents the historical equity components recognised in respect of the Group's Senior Convertible Notes, including the conversion option recognised on the Amended Senior Convertible Notes following the July 2023 Consent Solicitation. The conversion features were classified as equity in accordance with AASB 132 *Financial Instruments Presentation* and are not subsequently remeasured.

At 30 June 2026, no Senior Convertible Notes remained outstanding. The reserve balance of A$163.8 million remains within equity and does not represent a liability.

Movements in Convertible Note – Equity

Details	CONVERTIBLE NOTES – EQUITY $'000
Balance at 30 June 2025	163,848
Balance at 30 June 2026	163,848

Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 18. Financial Risk Management

Financial Risk Management Objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Management's approach includes sensitivity analysis in the case of interest rate and other price risks, and ageing analysis for credit risk. Risk management is carried out under policies approved by the Board. The Group Treasury function identifies, evaluates and hedges financial risks in close cooperation with operating units.

Market Risk

Foreign Currency Risk

Foreign currency risk arises on financial instruments that are denominated in a foreign currency, that is in a currency other than the functional currency in which they are measured. Foreign currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The consolidated entity undertakes transactions denominated in its subsidiaries' functional currencies to reduce exposure.

During the financial year ended 30 June 2026 Zip has entered into AUD/USD foreign exchange call options as part of the foreign exchange risk management activities. These instruments provide the Group with the right, but not the obligation, to purchase foreign currency at a specified exchange rate, which are net cash settled on exercise. Accordingly, the options do not create a contractual obligation for the Group to purchase foreign currency. However, the fair value of the options is affected by movements in foreign exchange rates and other market inputs, including volatility and time to maturity.

The foreign exchange call options are measured at fair value at each reporting date, with changes in fair value recognised in profit or loss. The options have not been designated in a hedge accounting relationship. As of 30 June 2026, the consolidated entity had six outstanding foreign exchange option contracts, with a fair value of $0.6 million. The consolidated entity recognised a total realised gain of $1.3 million and a total unrealised loss of $0.2 million during the financial year relating to unsettled foreign exchange option contracts.

Management has assessed the foreign currency exposure arising from these instruments and concluded that the exposure is not significant to the Group. Accordingly, no separate foreign currency sensitivity analysis has been presented for these instruments.

The consolidated entity did not hedge any other foreign currency risks during the financial year ended or 30 June 2025.

Translation exposures arise from financial and non-financial items held by an entity with a functional currency different from the consolidated entity's presentation currency. The consolidated entity's exposure to translation-related risk mainly arises from its investments in subsidiaries in the United States and New Zealand businesses. The foreign exchange gain or loss on translating the consolidated entity's investment in foreign subsidiaries to Australian dollars at the end of the financial year is recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve.

Notes to the Consolidated Financial Statements continued

Price Risk

The consolidated entity had been exposed to the equity price risk arising from its embedded derivative in the corporate debt facility, which had been recorded as a financial liability at 30 June 2024. In July 2024 the Company repaid the corporate debt facility and the associated exit fee in full using funds received by the issuance of ordinary equity.

The consolidated entity had no exposure to the equity price at 30 June 2026 and 30 June 2025.

Interest Rate Risk

The consolidated entity's main interest rate risk arises from its cash and cash equivalents and borrowings. Secured borrowings to fund the customer receivables are floating-rate borrowings where the rates are set as a fixed margin plus 1-month BBSW/BKBM/SOFR.

The consolidated entity also earns interest from its customer receivables on fixed rates. In the event of a movement in interest rates the consolidated entity would review its pricing framework in accordance with its risk management policy.

At the end of the reporting period, the consolidated entity had the following variable rate borrowing outstanding:

	WEIGHTED AVERAGE INTEREST RATE	30 JUNE 2026 $'000	WEIGHTED AVERAGE INTEREST RATE	30 JUNE 2025 $'000
Floating rate secured borrowing	6.74 %	(2,742,059)	7.26 %	(2,407,217)

At the end of reporting periods, the consolidated entity had the following financial assets and liabilities exposed to variable interest rate risk:

	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Cash and cash equivalents	202,741	148,964
Restricted cash	224,798	242,657
Floating rate secured borrowing	(2,742,059)	(2,407,217)

In the event of a +/– 100 basis points movement in the BBSW/BKBM/SOFR, based on reasonable possible judgement, and with all other variables held constant, the consolidated entity's:

- Profit after tax for the year ended 30 June 2026 would increase/decrease by $16.2 million (2025: increase/decrease by $14.1 million). This is mainly attributable to the consolidated entity's exposure to interest rates on its floating rate borrowings; and
- Equity at 30 June 2026 would increase/decrease by $16.2 million (2025: increase/decrease by $14.1 million).

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming application details and setting appropriate credit limits prior to customers joining a Zip platform.

The consolidated entity regularly reviews customer collections, and collections past due. If there are uncollectable customer receivables, the consolidated entity will write off these receivables but will continue to work on their recovery.

The consolidated entity regularly reviews the level of provision for expected credit loss to ensure that the level of provision is sufficient to mitigate the credit risk exposure in terms of financial reporting. The provision raised represents management's expectation for credit losses in the receivables portfolio at the reporting date measured in accordance with AASB 9.

The collective provision is estimated on the basis of historical loss experience for assets with similar credit characteristics by the consolidated entity and other companies with similar portfolios. The maximum exposure to credit risk at the reporting date for recognised financial assets is the carrying amount, net of any provisions for expected credit losses of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the consolidated financial statements. Refer to Note 8 for detailed assessment of expected credit losses.

The consolidated entity does not hold any collateral or other credit enhancements.

Liquidity Risk

Liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities, by perpetually monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Each of the securitisation warehouses in place has loan covenants that are in line with standard market practice given the nature of the warehouse facilities. There were no breaches of any of the covenants in place during the financial periods ending 30 June 2026 and 30 June 2025.

Purchased foreign exchange option contracts do not give rise to significant future contractual cash outflows beyond the initial option premium paid, as they provide the right, but not the obligation, to exchange currencies.

Financing Arrangements

Unused borrowing facilities at the reporting date are disclosed in Note 14.

Remaining Contractual Maturities

The financial assets of the consolidated entity predominantly comprise customer receivables that have:

- In Australia, an average repayment profile of five months for Zip Pay receivables and six to eight months for Zip Money, Zip Plus and Zip Personal Loan receivables; and
- Customer repayments for Zip's Instalment products have a short-term duration. Instalment products are offered by Zip US and Zip New Zealand and are typically 14 days for Pay-in-2 (Pi2), 42 days for Pay-in-4 (Pi4) and 98 days for Pay-in-8 (Pi8).

The following table represents the estimated cash inflows from customer receivables:

CONSOLIDATED 30 JUNE 2026	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	TOTAL $'000
Customer receivables	2,169,962	569,147	552,366	4,638	3,296,113

CONSOLIDATED 30 JUNE 2025	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	TOTAL $'000
Customer receivables	2,145,345	507,220	225,166	3,914	2,881,645

The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements continued

CONSOLIDATED 30 JUNE 2026	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-interest-bearing						
Trade and other payables	–	415,963	–	–	–	415,963
Lease liabilities	–	5,252	4,490	193	–	9,935
Interest-bearing						
Borrowings						
– Floating rate	6.74 %	491,449	1,050,363	1,200,250	–	2,742,062
		912,664	1,054,853	1,200,443	–	3,167,960

CONSOLIDATED 30 JUNE 2025	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS $'000	BETWEEN 1 AND 2 YEARS $'000	BETWEEN 2 AND 5 YEARS $'000	OVER 5 YEARS $'000	REMAINING CONTRACTUAL MATURITIES $'000
Non-interest-bearing						
Trade and other payables	–	325,617	–	–	–	325,617
Lease liabilities	–	5,147	5,133	4,266	–	14,546
Interest-bearing						
Borrowings						
– Floating rate	7.26 %	610,030	1,250,936	546,250	–	2,407,216
		940,794	1,256,069	550,516	–	2,747,379

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair Value of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the consolidated entity. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair Value Hierarchy

AASB 13 *Fair Value Measurement* (AASB 13) requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1 – the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices).
- Level 3 – a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The Group consider that the carrying amount of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

FAIR VALUE HIERARCHY AT 30 JUNE 2026	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Financial assets				
Derivative financial assets	–	554	–	554
Total	–	554	–	554

Note 19. Contingencies

On 21 May 2026, Zip announced that it will continue using the Zip brand in Australia, having reached a settlement with Firstmac Limited.

Following Zip's announcement on 13 May 2026, Zip and Firstmac reached a confidential settlement agreement under which Zip acquired the registered trade mark No. 1021128 for ZIP. This allows Zip to continue using the name ZIP in Australia in respect of its products and services.

Zip has no further liability for damages or costs in relation to Firstmac's proceedings.

There were no contingent liabilities or contingent assets as at 30 June 2026.

Notes to the Consolidated Financial Statements continued

Note 20. Key Management Personnel (KMP) Disclosures

Directors

The following persons were Directors of Zip Co Limited (Zip or the Company) during the financial year ended 30 June 2026:

- Diane Smith-Gander AO
- Cynthia Scott
- Meredith Scott
- Kevin Moss
- Matthew W. Schuyler
- Andrew Stevens

Other KMP

- Gordon Bell – Group CFO
- Joseph Heck - USA CEO
- Soraya Alali - ANZ CEO

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	30 JUNE 2026 $'000	30 JUNE 2025 $'000
Short-term employee benefits	6,368	6,166
Post-employment benefits	201	94
Long-term benefits	97	(163)
Share-based payments	5,001	3,520
Total	11,667	9,617

Note 21. Related Party Transactions

Balances and transactions between entities in the Group have been eliminated on consolidation and are not disclosed in this note.

Parent Entity

Zip Co Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in Note 24.

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 20 and the remuneration report included in the Directors' Report.

Transactions with Related Parties

Other than reported in this note and in Note 20, there were no other significant transactions with related parties during the current and previous financial year.

Receivable from and Payable to Related Parties

There were no trade receivables due from, or trade payables due to related parties at the current and previous reporting date.

Loans to/from Related Parties

There were no other loans to/from related parties at the current and previous reporting date.

Note 22. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu (the auditor of the consolidated entity) and other auditors:

	Consolidated	
	30 JUNE 2026[1] $'000	30 JUNE 2025 $'000
Deloitte and related network firms		
Audit of financial reports		
■ Group	3,191	1,521
■ Controlled entities	1,380	848
Other assurance services		
■ Limited assurance - climate related disclosures	82	–
■ Other services	269	69
Total	4,922	2,438
Other auditors and their related network firms		
Audit of financial reports	–	87
Total	–	87

[1] The FY26 auditor remuneration disclosed above includes unrecoverable GST.

Notes to the Consolidated Financial Statements continued

Note 23. Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements except as set out below.

Intercompany Payables & Receivables

There were intercompany receivables due from and payables due to at the current and previous reporting date.

Investments in Subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and joint ventures are accounted for at cost. Dividends (if any) received from subsidiaries, associates and joint ventures are recognised in profit or loss when a right to receive the dividend is established (provided that it is probable that the economic benefits will flow to the Parent and the amount of income can be measured reliably).

Tax Consolidation

The Company and its wholly-owned Australian resident entities are members of a tax-consolidated group under Australian tax law. The Company is the head entity within the tax-consolidated group.

See Note 1 for a summary of the significant accounting policies relating to the consolidated entity. Set out below is the supplementary information about the parent entity.

Statement of Profit or Loss and Other Comprehensive Income

	Parent	
	30 JUNE 2026 $'000	30 JUNE 2025[1] $'000
Value chain income[2]	39,279	32,897
Other income	7,447	273
Total Income	**46,726**	**33,170**
Salaries and employee benefits expenses	(922)	(680)
Information technology expenses	(440)	(7)
Other operating expenses	(10,238)	(6,430)
Corporate financing costs	–	(39)
Net other gains	1,117	–
Expected credit loss reversal	–	12,518
(Impairment)/Reversal of impairment related to investments in subsidiaries	(9,780)	311,530
Profit before tax	**26,463**	**350,062**
Income tax expense	–	–
Profit after tax	**26,463**	**350,062**
Other comprehensive income	–	–
Total comprehensive income	**26,463**	**350,062**

1. Comparative information has been adjusted. Refer to Note 1 for further details.
2. Value chain income represents intercompany adjustments under the Group's transfer pricing policy. These amounts are intra-group and are eliminated on consolidation.

Notes to the Consolidated Financial Statements continued

Statement of Financial Position

	Parent	
	30 JUNE 2026 $'000	30 JUNE 2025[1] $'000
Assets		
Current Assets		
Cash and cash equivalents	16,239	11,121
Other receivables	1,419	1,146
Derivative financial assets	554	–
Receivables from subsidiaries	964,890	1,082,166
Total current assets	**983,102**	**1,094,433**
Non-Current Assets		
Investments in subsidiaries	1,691,343	1,667,792
Identifiable intangible assets	31	31
Total non-current assets	**1,691,374**	**1,667,823**
Total assets	**2,674,476**	**2,762,256**
Liabilities		
Current Liabilities		
Trade and other payables	2,080	3,544
Payables to subsidiaries	26,473	14,580
Total current liabilities	**28,553**	**18,124**
Total liabilities	**28,553**	**18,124**
Net assets	**2,645,923**	**2,744,132**
Equity		
Issued capital	2,535,771	2,659,906
Treasury shares	(4,381)	(5,482)
Reserves	237,513	239,151
Accumulated losses	(122,980)	(149,443)
Total equity	**2,645,923**	**2,744,132**

1. Comparative information has been adjusted. Refer to Note 1 for further details.

Notes to the Consolidated Financial Statements continued

Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries

During the financial year ended 30 June 2026 and financial year 30 June 2025, the parent entity and certain subsidiaries had a deed of cross guarantee in place under which each company guarantees the debts of the others.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and a Directors' Report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The effect of the Deed is that the parent entity guarantees to each creditor payment in full of any debt in the event of winding up of the subsidiaries included in the Deed under certain provisions of the *Corporations Act 2001*.

The subsidiaries identified in Note 24 as parties to a deed of cross guarantee are party to guarantees of the debts of the others. These controlled entities have been relieved of the requirement to prepare a financial report and Directors' Report under ASIC Corporations (Wholly-owned Companies) Instruments 2016/785. These controlled entities and the Company form a closed group. Included in the closed group are receivables on ZipMoney Payments Pty Ltd's balance sheet which are transferred to the Trusts (which are not parties to the deed of cross guarantee) but failed derecognition due to ZipMoney Payments Pty Ltd retaining substantially all the risks and rewards of ownership.

The effects of transactions between entities to the deed are eliminated in full in the Consolidated Statement of Financial Position and Consolidated Statement of Profit or Loss and Other Comprehensive Income as set out in the following tables.

The Consolidated Statement of Financial Position of the Closed Group is set out in the following table:

	30 JUNE 2026 $'000	30 JUNE 2025[1] $'000
Assets		
Cash and cash equivalents	49,348	84,412
Restricted cash	21,150	29,347
Other receivables	45,240	46,590
Customer receivables	2,152,133	1,968,655
Derivative asset	554	–
Property, plant and equipment	1,428	1,593
Right-of-use assets	7,333	11,021
Intangible assets	33,959	11,518
Investments and intercompany balances	2,029,101	2,075,786
Total assets	**4,340,246**	**4,228,922**
Liabilities		
Trade and other payables	32,976	30,196
Employee provisions	15,845	14,778
Lease liabilities	7,994	11,452
Borrowings	2,147,249	1,956,937
Total liabilities	**2,204,064**	**2,013,363**
Net assets	**2,136,182**	**2,215,559**
Issued capital	2,535,771	2,659,906
Reserves	232,600	233,136
Accumulated losses	(632,189)	(677,483)
Total equity	**2,136,182**	**2,215,559**

1. Comparative information has been adjusted. Refer to Note 1 for further details.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Closed Group is set out in the following table:

	30 JUNE 2026 $'000	30 JUNE 2025[1] $'000
Portfolio interest income	399,667	383,305
Transactional income	23,372	19,339
Revenue	423,039	402,644
Other income	11,441	4,835
Total Income	434,480	407,479
Expected credit loss expenses	(86,010)	(107,499)
Bank fees and data costs	(23,424)	(21,567)
Interest expense related to customer receivables	(130,996)	(152,861)
Salaries and employee benefits expenses	(90,645)	(88,850)
Marketing expenses	(10,743)	(7,327)
Information technology expenses	(23,227)	(23,199)
Depreciation and amortisation expenses	(12,957)	(13,643)
Share-based payments	(9,855)	(8,435)
Corporate financing costs	(882)	(29,330)
(Impairment)/reversal of impairment	(9,780)	311,530
Expected credit loss reversal	–	12,518
Other operating expenses	9,832	(300)
Net other losses	(499)	(2,400)
Profit before income tax	**45,294**	**276,116**
Income tax expense	–	–
Profit after income tax	45,294	276,116
Total comprehensive profit	**45,294**	**276,116**

1. Comparative information has been adjusted.. Refer to Note 1 for further details.

Contingencies

Other than reported in Note 19, the parent entity had no contingencies as at 30 June 2026 and 30 June 2025.

Capital Commitments — Property, Plant and Equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Notes to the Consolidated Financial Statements continued

Note 24. Interest in Subsidiaries

Ultimate Parent

Zip Co Limited is the ultimate parent entity and the parent entity of the consolidated entity.

Corporate Structure

The legal corporate structure of the consolidated entity is set out below:

		Ownership Interest	
		30 JUNE 2026	30 JUNE 2025
LEGAL PARENT	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	%	%
Zip Co Limited[1]	Australia	–	–
Legal subsidiaries			
ZipMoney Payments Pty Ltd[1]	Australia	100 %	100 %
ZipMoney Trust 2017-1[2]	Australia	100 %	100 %
Zip Master Trust[2]	Australia	100 %	100 %
ZipMoney Holdings Pty Ltd[1]	Australia	100 %	100 %
ZipMoney Securities Ltd	Australia	100 %	100 %
Pocketbook Holdings Pty Ltd	Australia	100 %	100 %
Pocketbook Australia Pty Ltd	Australia	100 %	100 %
Pocketbook Technologies Pty Ltd	Australia	100 %	100 %
Zip Domestic Holdings Pty Limited	Australia	100 %	100 %
Zip International Holdings Pty Limited	Australia	100 %	100 %
Zip International India Pty Ltd	Australia	100 %	100 %
Zip Business Australia Pty Ltd	Australia	100 %	100 %
Funding Box 3 (Australia) Pty Ltd	Australia	100 %	100 %
Urge Holdings Pty Ltd	Australia	100 %	100 %
Urge Technologies Pty Ltd	Australia	100 %	100 %
Shnap Pty Ltd	Australia	100 %	100 %
ZipMoney Payments (NZ) Limited	New Zealand	100 %	100 %
Zip Business New Zealand Pty Ltd	New Zealand	100 %	100 %
Funding Box NZ Limited	New Zealand	100 %	100 %
Zip Co NZ Limited	New Zealand	100 %	100 %
Zip Co NZ Finance Limited	New Zealand	100 %	100 %
Zip NZ Trust 2021-1	New Zealand	100 %	100 %
Zip Co Payments UK Limited[4]	United Kingdom	– %	100 %
Zip Co UK Finance Limited[4]	United Kingdom	– %	100 %
Zip UK Holdings Limited[4]	United Kingdom	– %	100 %
Zip Co US Inc	United States of America	100 %	100 %
AR3 LLC	United States of America	100 %	100 %
AR3 Holdco LLC	United States of America	100 %	100 %
AR5 LLC[3]	United States of America	100 %	– %
AR5 Holdco LLC[3]	United States of America	100 %	– %

		Ownership Interest	
		30 JUNE 2026	30 JUNE 2025
Zip ABS Depositor Trust[5]	United States of America	100 %	– %
Zip Asset Securitization Trust 2026-A[5]	United States of America	100 %	– %
Zip Co Canada Holdings Inc	United States of America	100 %	100 %
Zip Co Payments Mexico. S.A.de C.V.	Mexico	100 %	100 %

1. These entities have entered into a deed of cross guarantee. A cross deed of guarantee is an agreement where related entities mutually guarantee each other's debts or obligations, ensuring that if one party defaults, the others are collectively responsible for meeting those obligations. The summarised financial report and those entities were deed of cross guarantee as shown at Note 23.
2. Ownership is through ZipMoney Payments Pty Ltd, which is both the Participating Unitholder and Residual Unitholder of the ZipMoney Trust 2017-1 and the Zip Master Trust.
3. AR5 LLC and AR5 Holdco LLC were established on 4 September 2025.
4. Zip Co Payments UK Limited and Zip Co UK Finance Limited were deregistered on 3 March 2026. Zip UK Holdings Limited was deregistered on 10 March 2026.
5. Zip ABS Depositor Trust and Zip Asset Securitisation Trust 2026-A were established on 6 May 2026.

Note 25. Share-Based Payments

Movements in Share-Based Payments Reserve

Details	30 June 2026 $'000	30 June 2025 $'000
Opening balance	74,917	76,268
Recognised for the year		
– At Risk Short-Term Incentive	7,835	9,767
– Restricted Short-Term Variable Reward Share rights	1,422	–
– At Risk Long-Term Incentive	3,062	1,324
– Fixed Long-Term Equity	7,711	2,160
– Recognition of NED equity plans	102	223
Total recognised for the year	20,132	13,474
Exercised for the year		
– Designation of treasury shares to Zip Employees & NEDs	(21,776)	(14,825)
Total exercised for the year	(21,776)	(14,825)
Closing balance	73,273	74,917

Employee Short-Term Variable Reward (STVR)

Short-term incentives are granted to employees for their contribution to the performance of the consolidated entity and include annual share awards, sign-on bonuses and project specific incentives. Provision is made during the year for incentives that are to be issued during the year and in subsequent years.

Shares have been issued under the Employee STVR as follows:

- 2,217,034 ordinary shares issued in financial year 2026 with a weighted average share price of $3.75; and
- 4,582,019 ordinary shares issued in financial year 2025 with a weighted average share price of $1.99.

Shares issued vest immediately other than those issued to KMP as set out in Remuneration Report.

Shares issued under the Short-Term Incentive Plan are expensed as share-based payments as the obligation is incurred. No consideration is payable.

Notes to the Consolidated Financial Statements continued

Restricted Short-Term Variable Reward (STVR) Share rights

Issue of restricted STVR Share Rights pursuant to the Equity Incentive Plan in connection with the FY25 STVR for executives. Rights are fully vested on grant and subject to a restriction period ending 19 September 2026. No consideration is payable. Rights will be automatically exercised at the end of the restriction period.

Shares have been issued under the Restricted Short-Term Variable Reward Share rights as follows:

- 379,072 restricted rights issued in financial year 2026 to Australian executives with a weighted average share price of $3.75.

Employee Long-Term Incentive Plan

Performance rights include Long-Term Variable Reward (LTVR) and Fixed Long-Term Equity (LTE), which are subject to the consolidated entity's Remuneration Framework Structure as set out in Remuneration Report.

LTVR:

LTVRs have been issued under the consolidated entity's Employee Long-Term Incentive Plan as follows:

- 1,798,424 LTVRs issued in financial year 2026 to management; and
- 1,525,670 LTVRs issued in financial year 2025 to management.

Details of LTVRs outstanding during the year are as follows:

	WEIGHTED AVERAGE FAIR VALUE $	NUMBER OF LTVR ISSUED
Balance at 30 June 2024		8,757,252
Granted during the year	$2.75	1,525,670
Exercised during the year	$0.93	(523,333)
Lapsed during the year	$0.53	(2,780,879)
Balance at 30 June 2025		6,978,710
Granted during the year	$3.30	1,798,424
Exercised during the year	$0.26	(1,248,232)
Balance at 30 June 2026		7,528,902

The LTVRs have a nil exercise price and vest on the achievement of Total Shareholder Return and time based hurdles over the period from the date of grant to the assessment dates. The assessment dates are up to three years from the date of grant.

LTVRs granted were valued by an independent valuation expert using a custom-built Monte Carlo model which simulates multiple paths for the share price over the duration of the grant's life. The pay out of the rights is then calculated along each simulated path based on the realised performance of the share price along that path and discounted to the valuation date. The value of the rights is then averaged across all the simulations to obtain the fair value of the rights. This process is repeated for each volatility scenario. These benefits are amortised as share-based payments over the vesting period.

LTE:

LTEs were issued vesting over one to four years. LTE is not subject to any performance hurdles and only requires the employees to remain employed for the vesting period for the rights to vest.

The movements in LTE balances during the year are as follows:

	WEIGHTED AVERAGE FAIR VALUE $	NUMBER OF LTE ISSUED
Balance at 30 June 2024		5,641,436
Granted during the year	$2.46	2,151,660
Exercised during the year	$0.84	(1,471,018)
Lapsed during the year	$1.52	(1,883,301)
Balance at 30 June 2025		4,438,777
Granted during the year	$3.56	3,998,825
Exercised during the year	$1.57	(2,061,404)
Lapsed during the year	$2.43	(1,025,653)
Balance at 30 June 2026		5,350,545

All granted LTEs were valued under risk neutral principles, with the future expected value for each LTE being the grant date share price escalated at the risk-free rate. This future expected value is discounted back to the grant date using the risk-free rate, resulting in the fair value at the grant date being Zip's share price at the grant date.

Restricted Rights to NEDs

The Company established the NED Equity Plan to assist in the motivation and retention of NEDs and to provide an opportunity for the NEDs to acquire shareholdings in the Company through the sacrifice of fees into equity and to align NEDs interests to those of shareholders. Following approval by shareholders at the 2024 AGM, the rights under the NED Equity Plan were granted on 2 June 2025 and vested immediately. The securities issued under the NED equity plan are not subject to performance-based vesting conditions or vesting conditions of any kind. As shareholder approval of the grant of restricted rights for the next three years had already been obtained in November 2024, the FY26 rights under the NED Equity Plan were granted on 25 June 2026 and vested immediately, not subject to performance-based vesting conditions or vesting conditions of any kind.

Details of rights under the NED Equity Plan movement are as follows:

	WEIGHTED AVERAGE FAIR VALUE $	NUMBER OF NED EQUITY ISSUED
Balance at 30 June 2024		338,896
Granted during the year	Note 1	40,471
Exercised during the year	$0.44	(85,677)
Balance at 30 June 2025		293,690
Granted during the year	Note 2	33,872
Balance at 30 June 2026		327,562

Note 1: Amounts salary sacrificed using the 10 day VWAP post FY24 results release of $2.22 per share, share price at AGM approval was $3.11.

Note 2: Amounts salary sacrificed using the 10 day VWAP post FY25 results release of $4.13 per share. The share price when Directors made a binding election to receive shares in lieu of salary was $2.95 and $3.03.

Notes to the Consolidated Financial Statements continued

All rights granted under the NED Equity Plan were valued under risk neutral principles, with the future expected value for each right under the NED Equity Plan being the grant date share price escalated at the risk-free rate. This future expected value is discounted back to the grant date using the risk-free rate, resulting in the fair value at the grant date being Zip's share price at the grant date. Each right under the NED Equity Plan ends fifteen years after the grant date, and if not exercised before the end of the Term the rights under the NED Equity Plan will lapse.

Share Options Issued on Acquisition of Zip US (formally QuadPay)

Replacement awards were issued to employees and other option holders of QuadPay on the acquisition of QuadPay which occurred in 2020. The outstanding share options in QuadPay were replaced by options in Zip. There were 10,480,369 replacement options issued to employees and non-employees. No amounts were paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

Each option expires on the earlier of:

- The expiry dates of the options which varies between 28 May 2028 and 28 May 2030; and
- The date on which the options otherwise lapse in accordance with the terms of the Award Agreement between the Company and the relevant QuadPay option holder, and the terms of the QuadPay option Plan.

Details of Employee Share Options outstanding during the year are as follows:

	WEIGHTED AVERAGE EXERCISE PRICE $	NUMBER OF OPTIONS
Balance at 30 June 2024		156,665
Exercised during the year	$2.48	(68,466)
Expired during the year	$3.11	(10,572)
Balance at 30 June 2025		77,627
Exercised during the year	$3.01	(20,032)
Balance at 30 June 2026		57,595

Note 26. Subsequent Events

On the 17 July 2026 Zip announced that, following a strategic review of its business portfolio, it had decided to commence an orderly wind down of its New Zealand operations. The decision reflects Zip's strategic focus on investing in its Australian and US business, which continue to demonstrate strong momentum and profitable growth.

Apart from as otherwise disclosed in this report there were no further material items, transactions or events subsequent to 30 June 2026 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

Consolidated Entity Disclosure Statement

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by section 295(3A)(a) of the *Corporations Act 2001*.

NAME OF ENTITY	ENTITY TYPE	TRUSTEE, PARTNER OR PARTICIPANT IN A JV	COUNTRY OF INCORPORATION/ FORMED	PERCENTAGE OF OWNERSHIP %	AUSTRALIAN RESIDENT/ FOREIGN RESIDENT (TAX PURPOSES)	FOREIGN TAX JURISDICTION
Zip Co Limited*	Body Corporate	n/a	Australia	–	Australian	n/a
ZipMoney Payments Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
ZipMoney Trust 2017-1	Trust	n/a	Australia	100%	Australian	n/a
Zip Master Trust	Trust	n/a	Australia	100%	Australian	n/a
ZipMoney Holdings Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
ZipMoney Securities Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Pocketbook Holdings Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Pocketbook Australia Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Pocketbook Technologies Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Zip Domestic Holdings Pty Limited	Body Corporate	n/a	Australia	100%	Australian	n/a
Zip International Holdings Pty Limited	Body Corporate	n/a	Australia	100%	Australian	n/a
Zip International India Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Zip Business Australia Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Funding Box 3 (Australia) Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Urge Holdings Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Urge Technologies Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Shnap Pty Ltd	Body Corporate	n/a	Australia	100%	Australian	n/a
Zip Business New Zealand Pty Ltd	Body Corporate	n/a	New Zealand	100%	Foreign	New Zealand
Funding Box NZ Limited	Body Corporate	n/a	New Zealand	100%	Foreign	New Zealand

Consolidated Entity Disclosure Statement continued

NAME OF ENTITY	ENTITY TYPE	TRUSTEE, PARTNER OR PARTICIPANT IN A JV	COUNTRY OF INCORPORATION/ FORMED	PERCENTAGE OF OWNERSHIP %	AUSTRALIAN RESIDENT/ FOREIGN RESIDENT (TAX PURPOSES)	FOREIGN TAX JURISDICTION
ZipMoney Payments (NZ) Limited	Body Corporate	n/a	New Zealand	100%	Foreign	New Zealand
Zip Co NZ Limited	Body Corporate	n/a	New Zealand	100%	Foreign	New Zealand
Zip Co NZ Finance Limited	Body Corporate	n/a	New Zealand	100%	Foreign	New Zealand
Zip NZ Trust 2021-1	Trust	n/a	New Zealand	100%	Foreign	New Zealand
Zip Co US Inc	Body Corporate	n/a	United States	100%	Foreign	United States
AR3 Holdco LLC	Body Corporate	n/a	United States	100%	Foreign	United States
AR3 LLC	Body Corporate	n/a	United States	100%	Foreign	United States
AR5 Holdco LLC	Body Corporate	n/a	United States	100%	Foreign	United States
AR5 LLC	Body Corporate	n/a	United States	100%	Foreign	United States
Fearless Frontiers LLC	Body Corporate	n/a	United States	0%**	Foreign	United States
Zip ABS Depositor Trust	Trust	n/a	United States	100%	Foreign	United States
Zip Asset Securitization Trust 2026-A	Trust	n/a	United States	100%	Foreign	United States
Zip Co Canada Holdings Inc	Body Corporate	n/a	United States	100%	Foreign	United States
Zip Co Payments Mexico. S.A.de C.V.	Body Corporate	n/a	Mexico	100%	Foreign	Mexico

* Entities listed here are those that are part of the consolidated entity at the end of the financial year. Entities disposed of during the year, or where the entity has lost control by the reporting date, are not included here. This means that entities listed could be different to the 'Interests in subsidiaries' note contained in the notes to the financial statements.

** The Group holds 0% of the formal share capital or legal membership interests in Fearless Frontiers LLC, the entity is consolidated in accordance with AASB 10 Consolidated Financial Statements.

Consolidated Entity Disclosure Statement

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian Tax Residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

Foreign Tax Residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors' Declaration

For the year ended 30 June 2026

In the Directors’ opinion:

- the attached consolidated financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the consolidated entity’s financial position as at 30 June 2026 and of its performance for the financial period ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Directors.

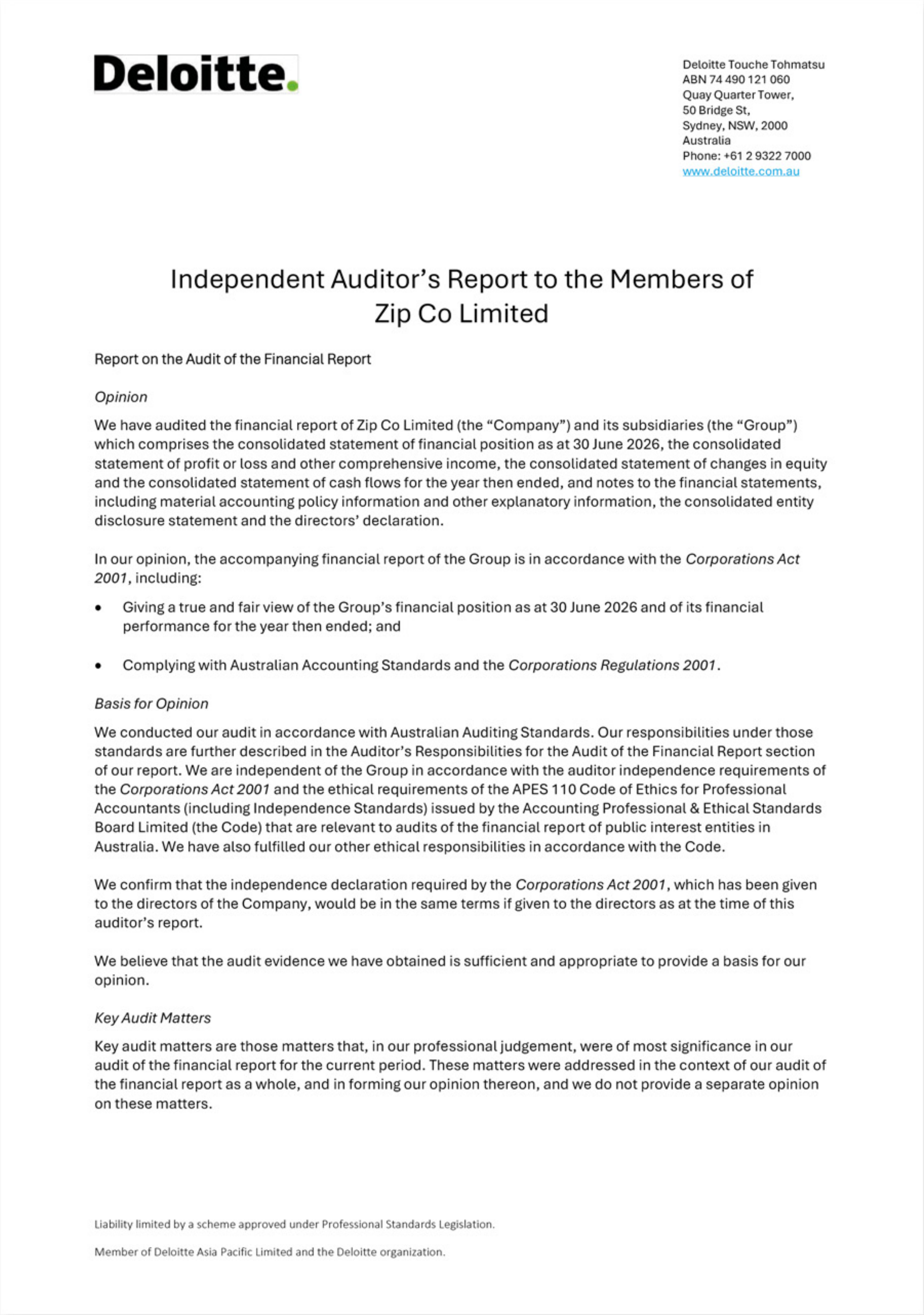
On behalf of the Directors

Cynthia Scott

Cynthia Scott
Group Chief Executive Officer and Managing Director

20 August 2026

Independent Auditor's Report



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Independent Auditor's Report to the Members of Zip Co Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Zip Co Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

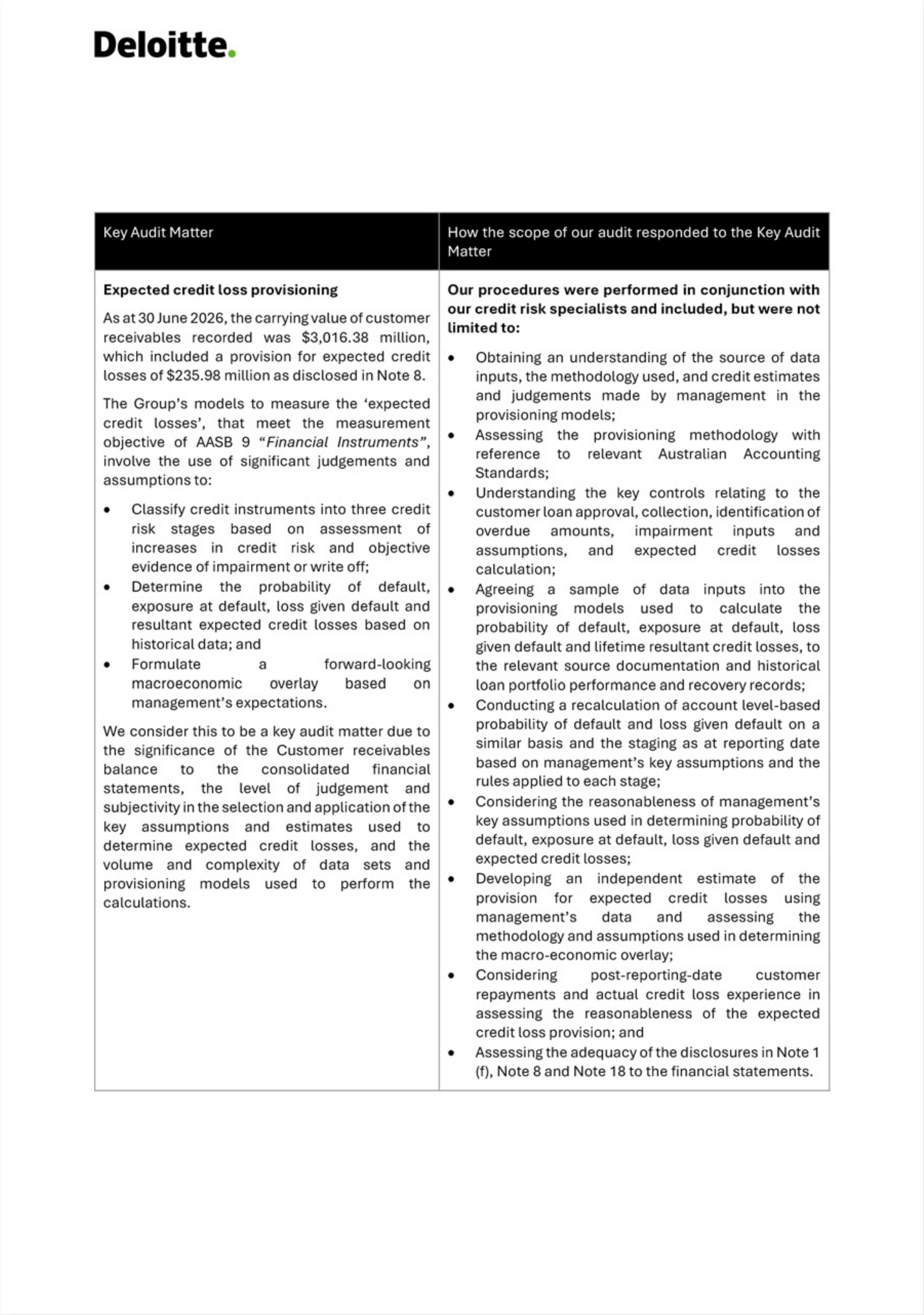
We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report continued



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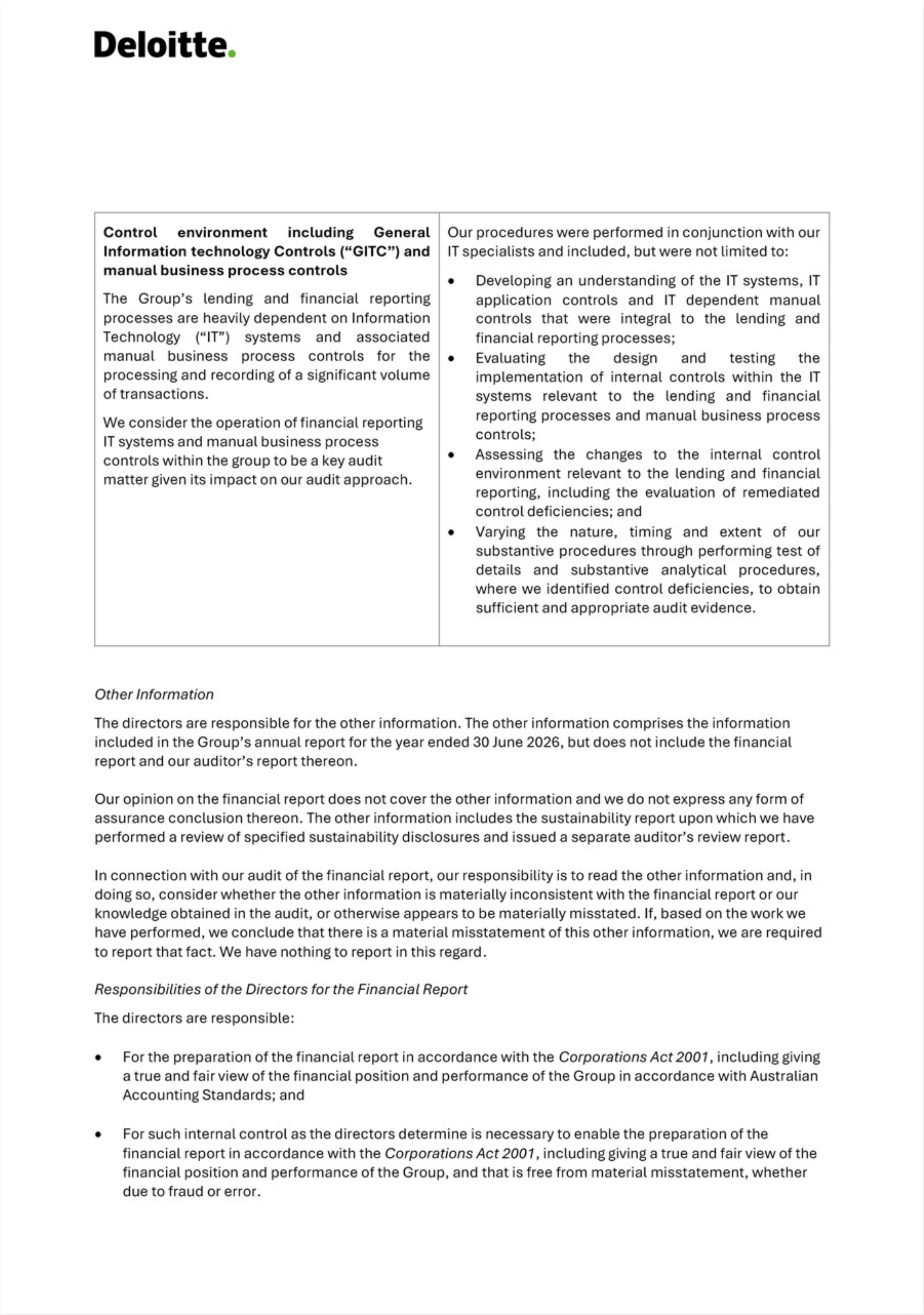
Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Expected credit loss provisioning As at 30 June 2026, the carrying value of customer receivables recorded was $3,016.38 million, which included a provision for expected credit losses of $235.98 million as disclosed in Note 8. The Group's models to measure the 'expected credit losses', that meet the measurement objective of AASB 9 "*Financial Instruments*", involve the use of significant judgements and assumptions to: • Classify credit instruments into three credit risk stages based on assessment of increases in credit risk and objective evidence of impairment or write off; • Determine the probability of default, exposure at default, loss given default and resultant expected credit losses based on historical data; and • Formulate a forward-looking macroeconomic overlay based on management's expectations. We consider this to be a key audit matter due to the significance of the Customer receivables balance to the consolidated financial statements, the level of judgement and subjectivity in the selection and application of the key assumptions and estimates used to determine expected credit losses, and the volume and complexity of data sets and provisioning models used to perform the calculations.	**Our procedures were performed in conjunction with our credit risk specialists and included, but were not limited to:** • Obtaining an understanding of the source of data inputs, the methodology used, and credit estimates and judgements made by management in the provisioning models; • Assessing the provisioning methodology with reference to relevant Australian Accounting Standards; • Understanding the key controls relating to the customer loan approval, collection, identification of overdue amounts, impairment inputs and assumptions, and expected credit losses calculation; • Agreeing a sample of data inputs into the provisioning models used to calculate the probability of default, exposure at default, loss given default and lifetime resultant credit losses, to the relevant source documentation and historical loan portfolio performance and recovery records; • Conducting a recalculation of account level-based probability of default and loss given default on a similar basis and the staging as at reporting date based on management's key assumptions and the rules applied to each stage; • Considering the reasonableness of management's key assumptions used in determining probability of default, exposure at default, loss given default and expected credit losses; • Developing an independent estimate of the provision for expected credit losses using management's data and assessing the methodology and assumptions used in determining the macro-economic overlay; • Considering post-reporting-date customer repayments and actual credit loss experience in assessing the reasonableness of the expected credit loss provision; and • Assessing the adequacy of the disclosures in Note 1 (f), Note 8 and Note 18 to the financial statements.



Control environment including General Information technology Controls ("GITC") and manual business process controls The Group's lending and financial reporting processes are heavily dependent on Information Technology ("IT") systems and associated manual business process controls for the processing and recording of a significant volume of transactions. We consider the operation of financial reporting IT systems and manual business process controls within the group to be a key audit matter given its impact on our audit approach.	Our procedures were performed in conjunction with our IT specialists and included, but were not limited to: • Developing an understanding of the IT systems, IT application controls and IT dependent manual controls that were integral to the lending and financial reporting processes; • Evaluating the design and testing the implementation of internal controls within the IT systems relevant to the lending and financial reporting processes and manual business process controls; • Assessing the changes to the internal control environment relevant to the lending and financial reporting, including the evaluation of remediated control deficiencies; and • Varying the nature, timing and extent of our substantive procedures through performing test of details and substantive analytical procedures, where we identified control deficiencies, to obtain sufficient and appropriate audit evidence.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. The other information includes the sustainability report upon which we have performed a review of specified sustainability disclosures and issued a separate auditor's review report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and

- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report continued

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In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report continued

Deloitte.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 67 to 95 of the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Zip Co Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 20 August 2026

Shareholder Information

The security holder information set out below was applicable as at 31 July 2026.

Distribution of Equity Securities

Analysis of Number of Equity Security Holders by Size of Holding

RANGE	NUMBER OF HOLDERS OF ORDINARY SHARES	%	NUMBER OF HOLDERS OF UNLISTED WARRANTS EXP 06.11.2026	%
1 to 1,000	11,753	0.43	–	–
1,001 to 5,000	14,703	3.25	–	–
5,001 to 10,000	5,174	3.14	–	–
10,001 to 100,000	5,951	13.32	–	–
100,001 and over	502	79.86	1	100.00
Total	38,083	100.00	1	100.00
Holding less than a marketable parcel[1]	2,535		n/a	

1. Based on a closing price of $2.55 on 31 July 2026

RANGE	NUMBER OF HOLDERS OF UNQUOTED PERFORMANCE RIGHTS, VESTING 07.06.2023	%	NUMBER OF HOLDERS OF UNQUOTED PERFORMANCE RIGHTS, VESTING 07.06.2024	%	NUMBER OF HOLDERS OF UNQUOTED PERFORMANCE RIGHTS, VESTING 13.03.2026	%
10,001 to 100,000	1	100.00	1	100.00	–	–
100,001 and over	–	–	–	–	1	100.00
Total	1	100.00	1	100.00	1	100.00

Shareholder Information continued

RANGE	NUMBER OF HOLDERS OF UNQUOTED PERFORMANCE RIGHTS, VESTING 15.09.2026	%	NUMBER OF HOLDERS OF UNQUOTED PERFORMANCE RIGHTS, VESTING 15.09.2027	%	NUMBER OF HOLDERS OF UNQUOTED PERFORMANCE RIGHTS, VESTING 15.09.2028	%
10,001 to 100,000	1	25.00	–	–	–	–
100,001 and over	3	75.00	6	100.00	6	100.00
Total	4	100.00	6	100.00	6	100.00

	QUADPAY EMPLOYEE OPTIONS	%	LTE PLAN – UNLISTED PERFORMANCE RIGHTS, VESTING VARIOUS DATES UP TO 06.06.2029	%	NED EQUITY PLAN - RESTRICTED RIGHTS	%
1 to 1,000	–	–	–	–	–	–
1,001 to 5,000	–	–	10	8.00	–	–
5,001 to 10,000	–	–	3	2.40	–	–
10,001 to 100,000	2	100.00	103	82.40	1	33.33
100,001 and over	–	–	9	7.20	2	66.67
Total	2	100.00	125	100.00	3	100.00

	STVR PLAN - RESTRICTED RIGHTS	%
10,001 to 100,000	3	60.00
100,001 and over	2	40.00
Total	5	100.00

Shareholder Information continued

Equity Security Holders

Twenty Largest Quoted Equity Security Holders

The twenty largest holders of ordinary shares as at 31 July 2026 are listed below:[1]

	Ordinary Shares	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	233,056,370	18.71
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	209,982,865	16.85
CITICORP NOMINEES PTY LIMITED	167,870,525	13.47
BNP PARIBAS NOMS PTY LTD	62,997,117	5.06
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	16,334,896	1.31
SOLIUM NOMINEES (AUSTRALIA) PTY LTD <VSA A/C>	15,443,876	1.24
BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	15,058,525	1.21
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	14,205,195	1.14
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	13,337,581	1.07
THORNEY INTERNATIONAL PTY LTD	12,461,033	1.00
BNP PARIBAS NOMS (NZ) LTD	12,280,526	0.99
MR DESHUN SHI	12,058,100	0.97
UBS NOMINEES PTY LTD	8,906,350	0.71
MR PETER JOHN GRAY	8,199,474	0.66
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,910,214	0.63
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	7,379,351	0.59
TOMANOVIC MULTIOWN PTY LTD <AFS SUPER FUND A/C>	7,000,000	0.56
PALM BEACH NOMINEES PTY LIMITED	6,228,561	0.50
ST LAWRENCE CORPORATION PTY LTD <ST LAWRENCE A/C>	5,112,512	0.41
FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	4,200,630	0.34
Total	840,023,701	67.42

1. As recorded on the shareholder register.

Shareholder Information continued

Unquoted Equity Securities

	NUMBER ON ISSUE	NUMBER OF HOLDERS
Unlisted Warrants, Expiry 06.11.2026	5,480,625	1
QuadPay Employee options	57,595	2
Unlisted Performance Rights Vesting 07.06.2023	99,904	1
Unlisted Performance Rights Vesting 07.06.2024	66,542	1
Unlisted Performance Rights Vesting 13.03.2026	219,109	1
Unlisted Performance Rights Vesting 15.09.2026	3,819,254	4
Unlisted Performance Rights Vesting 15.09.2027	1,525,670	6
Unlisted Performance Rights Vesting 15.09.2028	1,798,424	6
Long Term Equity Plan – Unlisted Performance Rights, vesting various dates up to 08.06.2030	5,318,247	125
NED Equity Plan – Unlisted Restricted Rights	327,562	3
STVR Plan – Unlisted Restricted Rights	379,072	5

The following persons holds 20% or more of unquoted equity securities:

NAME	CLASS	NUMBER HELD
AMAZON.COM NV INVESTMENT HOLDINGS LLC	Unlisted Warrants, Expiry 06.11.2026	5,480,625

Substantial Holders

The following shareholders have disclosed a substantial shareholding notice to ASX as at 31 July 2026:

	Ordinary shares	
	NUMBER HELD	PERCENTAGE VOTING POWER %
Vanguard Group[1]	77,221,965	6.144 %
State Street Corporation and subsidiaries[2]	93,364,833	7.44 %
JPMorgan Chase & Co. and its affiliates[3]	66,282,838	5.29 %
Bank of America Corporation and its related bodies corporate[4]	63,163,372	5.04 %
UBS Group AG and its related bodies corporate[5]	62,694,881	5.03 %

1. Substantial shareholding as at 7 May 2026, as per notice lodged with ASX on 13 May 2026.
2. Substantial shareholding as at 12 June 2026, as per notice lodged with ASX on 16 June 2026.
3. Substantial shareholding as at 18 June 2026, as per notice lodged with ASX on 23 June 2026.
4. Substantial shareholding as at 26 June 2026, as per notice lodged with ASX on 2 July 2026.
5. Substantial shareholding as at 29 July 2026, as per notice lodged with ASX on 31 July 2026.

Shareholder Information continued

Voting Rights

Voting rights are as set out below:

Ordinary shares:

On a show of hands every member present at a general meeting in person or by proxy shall have one vote and upon a poll, each fully paid share shall have one vote.

Options, performance rights and restricted rights:

All quoted and unquoted options, performance rights and restricted rights do not carry any voting rights.

On-market acquisitions for employee incentive schemes during the financial year ended 30 June 2026

During FY26, Zip has acquired 5,943,837 ordinary shares at an average price of $4.14 per share via its Employee Share Trust to mitigate the dilution impact from Equity Incentive Pan (EIP) allocations.

On-market buy-back

There is no current on-market buy-back program.

ASX Listing Rule 4.10.3

The corporate governance statement that meets the requirements of this rule is located on the Company's website https://zip.co/investors/corporate-governance

Corporate Directory

Directors

Diane Smith-Gander AO (Chair)

Cynthia Scott (Group CEO & Managing Director)

Meredith Scott (Non-Executive Director)

Kevin Moss (Non-Executive Director)

Matthew W. Schuyler (Non-Executive Director)

Andrew Stevens (Non-Executive Director)

Company Secretaries

April Goulter and Kate Hume

Registered Office

Level 5, 126 Phillip Street
Sydney NSW 2000

Phone: 1300 288 664
Website: www.zip.co

Administrative Office

Level 7, 180 George Street
Sydney NSW 2000

Phone: +61 2 8294 2345

Securities Exchange Listing

ASX Code: ZIP

Auditors

Deloitte Touche Tohmatsu
Quay Quarter Tower
50 Bridge Street
Sydney NSW 2000

Solicitors

Arnold Bloch Liebler
Level 24, 2 Chifley Square
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace
Perth WA 6000

Phone: 1300 850 505

Investor Enquiries

investors@zip.co

Glossary

Throughout Zip Co Limited's (Zip, Company, Parent) financial statements, the following terms and abbreviations have the meanings detailed in this glossary, which shall be updated from time to time:

FY	Financial year ending 30 June of the relevant financial year.
CY	Calendar year.
1H	Six months ending 31 December of the relevant financial year.
2H	Six months ending 30 June of the relevant financial year.
1Q	Three months ending 30 September.
2Q	Three months ending 31 December.
3Q	Three months ending 31 March.
4Q	Three months ending 30 June.
AASB	Australian Accounting Standards Board.
Active Customers	Customer accounts that have had transaction activity in the last 12 months.
AFSL	Australian Financial Services License.
AGM	Annual General Meeting.
ANZ	The geographic regions comprising Australia and New Zealand, excluding the operations of Zip Business.
AU revenue yield	Annualised revenue for a given period divided by gross customer receivables, calculated on receivables related to Zip AU's Master Trust facilities and funding vehicle 2017-1 Trust.
ASX	Australian Securities Exchange.
bps	Basis points (1.0% = 100bps).
Cash Cost of Sales	Comprises interest expense, net bad debts written off, and bank fees and data costs.
Cash EBTDA (Cash earnings)	EBTDA less non-cash and one-off items.
Cash Gross Profit	Total income less cash cost of sales.
Cash Net Transaction Margin ("Cash NTM")	Calculated as cash gross profit divided by TTV.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CHESS	Clearing House Electronic Subregister System.
COO	Chief Operating Officer.
Cost of Sales	Cost of sales includes interest expense related to customer receivables (including amortisation of funding costs), bad debts and expected credit losses, and bank fees and data costs.
EBTDA	Earnings before tax, depreciation and amortisation.
KMP	Key Management Personnel.
LTE	Long-Term Equity.
LTVR	Long-Term Variable Reward.
NED	Non-Executive Director.

NTM	Net Transaction Margin.
NPS	Net Promoter Score is calculated by subtracting the percentage of Detractors (scores 0–6) from the percentage of Promoters (scores 9–10), producing a score between −100 and +100.
NZ	New Zealand.
Operating Margin	Cash EBTDA divided by total income.
Revenue Margin	Total income divided by total transaction volumes.
RPCC	Remuneration, People and Culture Committee.
Segment EBTDA	EBTDA less share-based payments expense and one-off items.
STVR	Short-Term Variable Reward.
Total Income	Revenue plus other income.
Total merchants	Cumulative merchants that have signed up to the Zip platform.
Total Transaction Volume ("TTV")	Total transaction volumes and originations.
TSR	Total Shareholder Return.
VWAP	Volume Weighted Average Price.
USA	United States of America.

Non-IFRS Information

Non-IFRS financial information included in Zip's Financial Report, for the year ended 30 June 2026 has been prepared in accordance with ASIC Regulatory Guidance 230 – *Disclosing Non-IFRS financial information*.

Non-IFRS financial information is used to manage and report on the Group that are neither recognised under AASB pronouncements or IFRS but that are included, as in the Directors' opinion, they are considered useful for the users of this Directors Report and Financial Report. This information is unaudited.

Financial information prepared in accordance with accounting standards and other financial reporting requirements of the *Corporations Act 2001* provide consistent and comparable reporting of historical financial performance, position and cash flows over time periods and between entities. Zip's Non-IFRS measures contain information aimed to assist in assessment of underlying drivers of the Group's operations, financial performance and financial position.

Unless otherwise indicated, the Group's non-IFRS financial information is calculated consistently from period to period. Definitions are provided in the reports or the Glossary, when appropriate.

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