

7 November 2024

2024 AGM - Addresses by the Chair and Group CEO and Managing Director

Zip Co Limited (ASX: ZIP) (“**Zip**”, or the “**Company**”) releases to the market the addresses of the Chair, Diane Smith-Gander AO and Group CEO and Managing Director, Cynthia Scott, to be delivered at Zip’s Annual General Meeting at 10:00am today.

The accompanying slide materials to be presented at the AGM will be released separately.

Release approved by the Board.

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About Zip

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

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

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

Chair's Address

Before we move to the formal part of the meeting, I will share some comments on Zip's performance for the financial year to 30 June 2024 and reflect on our key areas of focus as a Board.

I will then hand over to Cynthia Scott, Zip's Group CEO and Managing Director, for her remarks. In her first full financial year as Group CEO, Cynthia's leadership has been outstanding. Her clear strategic vision and decisive actions have engaged our team, directly contributing to our improved financial performance and operational excellence.

It has been an outstanding year for Zip with the Company solidifying its position in its two core markets and achieving several financial milestones including:

- Record total transaction volume of \$10.1 billion;
- Robust revenue growth to \$868.0 million; and
- Record group cash EBTDA profitability of \$69.0 million.

Our FY24 results reflect the team's focus on financial discipline and execution of a highly targeted growth strategy. Pleasingly, business momentum has continued in the first quarter of FY25. Cynthia will talk to these results in more detail in her address.

The exceptional performance of our Americas business is noteworthy. Our business has shown consistent growth as it continues to win the trust of more customers and merchants. Larry Diamond's tenacity in driving that strong US performance defines the culture of Zip. During the year, Larry transitioned to the position of Chairman of our US subsidiary, supporting our new US CEO, Joe Heck who joined the Zip team in July 2024. Larry of course remains a trusted member of our Board.

In FY24, significant progress was made to strengthen and simplify the Company's financial position. During the year, receivables facilities in ANZ and the Americas were refinanced at more favourable terms and all outstanding convertible notes were eliminated.

After the financial year end, an institutional equity raise of \$217.0 million supported early repayment of Zip's existing corporate debt facility and associated exit fee and a Share Placement Plan raised an additional \$50.0 million. In line with Zip's simplification focus, the Company also completed a Small Shareholder Sale Facility.

Risk management remains a key focus for the Board. In FY24, Zip invested in maintaining and enhancing the Company's risk management practices to reflect the nature, size and complexity of the Zip business. Key activities included continuing to refine our risk appetite statements to align with our strategy, completing a detailed review of our regional risk registers to better inform and validate our material risks and improving risk and compliance maturity across the business including Zip's cyber and data security practices.

As a Board, we remain alert to the regulatory environment in both our core markets. There have been regulatory developments in them during the past year and Zip is well-positioned as a result of our commitment to responsible lending and our current business practices.

Your company has continued to expand the size and diversity of the Board in line with growth in core markets appointing two US-based directors. In May, we welcomed Kevin Moss who brings

valuable depth of experience in credit and risk, coupled with his understanding of the US financial services and payments sectors. And in the last month, we welcomed Matthew Schuyler who brings extensive leadership experience in the areas of people and culture, brand leadership and business transformation.

Both these appointments reflect our ongoing commitment to ensuring the Board has the appropriate skills, experience and diversity to effectively oversee Zip's growth opportunity. Later in the meeting, you will hear from Kevin and Matt and I trust shareholders will join the Board today in supporting their election.

John Batistich will retire from the Board at the conclusion of this meeting. John's commitment to Zip has been outstanding during his 6-year tenure as a director and for the two years prior to that as an advisor. John stewarded our Remuneration, People and Culture Committee and led the Cyber Security Council, both critical to Zip's success. We wish him all the best for his future endeavours.

As a financial technology company, we understand the challenges of financial inequality and recognise the importance of financial wellbeing and inclusion. We actively monitor customer financial wellbeing, with reporting to the Board on measuring complaints, customer repayment behaviour and hardship levels. We continue to prioritise responsible lending and helping customers manage their budgets and maintain their repayments. Through customer-centric innovation, we have built the foundation for responsible growth, creating value for you, our shareholders.

We have a very talented group of Zipsters. I know they work hard and are committed to delivering on our refreshed purpose of unlocking financial potential, together.

Finally, thank you to all shareholders for your continued trust and support in Zip. The strong financial and operational foundations we have laid this year position us well for continued success. We look forward to building on our achievements and delivering long-term value for our shareholders.

Group CEO and Managing Director's Address

Thank you Diane and good morning everyone.

This morning I will provide:

- a brief recap of our financial and operational performance for financial year 2024;
- an update on first quarter trading; and
- an overview of our strategic priorities for financial year 2025.

FY24 was a transformational year, with Zip becoming a stronger, simplified and profitable company. The strength of our performance and continued momentum in FY25 reinforces the significant opportunity we have to deliver exceptional experiences for our customers, merchants, partners and shareholders.

Let me start by highlighting some of the key achievements delivered by your company in FY24.

Zip delivered four consecutive quarters of profitable growth, positive operating cashflows and achieved Group cash EBTDA of \$69.0 million. This was an improvement of \$117.2 million from the prior year's loss.

During the year, we continued to innovate and enhance our offering, introducing Zip Plus in Australia, and piloting a new 'Pay in 8' product in the US. Both have been well received by our customers.

In strengthening our financial foundation, we took decisive action to simplify our operating structure, exit non-core assets and focus on our two core markets. These targeted actions have reduced our cost base and delivered significant operating leverage.

We also materially strengthened our balance sheet, by:

- Extinguishing all remaining convertible notes;
- Clearing our corporate debt through a successful institutional equity placement and Share Purchase Plan; and
- Refinancing our Australian and US receivables funding at efficient pricing, providing headroom for growth.

As a result, Zip is now a self-sustaining business, with no corporate debt, sufficient capital, and is generating free operating cashflows to support our growth opportunities.

Over the last 12 months, we've also seen a material shift in the composition of Zip's share register, welcoming many new institutional investors. Our progress was recognised with Zip's elevation to the ASX 200 index in July this year.

Supporting our customers and people remains at the heart of what we do. We're committed to financial inclusion, responsible lending, and doing the right thing by our customers. In FY24, we piloted a financial literacy hub in the US for our most engaged app customers and in Australia, we enhanced our hardship application process.

We remain focused on ensuring we have an engaged and diverse team. For FY24, I'm proud to share that we achieved 96% participation in our staff engagement survey, with overall engagement of 80%. Delivering our gender diversity targets is a priority for Zip, with women representing 43% of our workforce and 50% of Zip's board. In FY25, our focus will be on improving the representation of women at leadership levels and across our technology teams in particular.

As demonstrated by our first quarter results, Zip has continued to drive scale and operating leverage in this financial year, with the team delivering a Group Cash EBTDA result of \$31.7 million, up 233.7% versus the first quarter of FY24.

Our US business continued to deliver outstanding growth, with TTV up 42.8% and revenue up 43.9%, versus the first quarter of FY24, driven by ongoing engagement in higher-margin channels such as the App. In ANZ, the yield on receivables increased to 19.2% driven by strategic portfolio management actions, and excess spread expanded to 6.9%, a very strong result in the current high interest rate environment.

We recently refreshed our Purpose to 'unlocking financial potential, together', to better reflect Zip's strategic priorities and our growth opportunity. Our team is committed to fulfilling Zip's refreshed Purpose and is aligned on our updated Mission 'to bring exceptional experiences, innovation and partnership to every financial journey'.

Zip remains focused on delivering its FY25 priorities of: growth and engagement, product innovation and operational excellence.

Before I close, I'd like to acknowledge some changes to our executive team over the last year.

Firstly, we welcomed Gordon Bell as Group Chief Financial Officer in September 2023. Gordon's deep financial services and capital markets experience have proven to be invaluable as we execute on our strategy.

Secondly, Alex Christie joined as our Chief People Officer in April 2024, reinforcing our commitment to driving strong people and culture experiences across Zip.

Thirdly, as Diane mentioned, Joe Heck joined as our US CEO in July, with Larry Diamond assuming the role of US Chairman. Joe's significant experience in lending and credit, product and innovation make him a wonderful fit to lead our US team on this next stage of Zip's journey.

I'd like to recognise Larry for the significant contribution he has made in leading what has been an outstanding year for the US business.

Finally, last month we welcomed Linda Lu as our Chief Legal and Risk Officer. Based in the US, Linda brings significant legal and regulatory expertise to Zip and will help drive our commitment to operational excellence.

In closing, I want to thank our dedicated Zipsters for their focus and hard work this year, the leadership team for their diligence and tenacity in executing our strategy, the Board for their guidance, and you, our shareholders, for your continued support.

That is the end of my formal presentation. I'll now hand back to Diane to go through the AGM's formal items of business, and I look forward to answering any shareholder questions later in the meeting.