Appendix 4D
Half Year Financial Report

1. Company Results

Name of Entity:	Zip Co Limited
ACN:	139 546 428
Reporting Period:	Half Year ended 31 December 2025
Previous Period:	Half Year ended 31 December 2024

The information contained in this report should be read in conjunction with the most recent annual financial report.

2. Results for Announcement to the Market[1]

			31 December 2025 $'000	**31 December 2024 $'000**
Revenue from ordinary activities	UP	29%	658,106	509,234
Profit from ordinary activities after income tax attributable to members	UP	128%	52,352	23,005
Total comprehensive income attributable to members	DOWN	(14)%	38,623	45,104

The company does not have a dividend policy.

	31 December 2025	**31 December 2024**
Total number of ordinary shares on issue	1,270,683,587	1,305,590,863
Net tangible asset backing per ordinary share[1]	28.65 cents	27.17 cents

1. Net tangible assets include right-of-use assets which are recognised by the Group in accordance with AASB 16.

Brief Explanation of the Above Figures

Please refer to the Review of Operations in the Directors' Report for an explanation of the results.

3. Details of Entities Which Control has Been Gained or Lost

Refer to Note 18 for changes in controlled entities in the half year ended 31 December 2025.

4. Associates and Joint Venture Entities

There were no changes in associates and joint ventures during the half year ended 31 December 2025.

5. Review Conclusion

This report is based on the condensed consolidated financial statements for the half year ended 31 December 2025.

The condensed consolidated financial statements have been subject to a review by an independent auditor and an unmodified opinion has been issued.

6. Dividends

No dividends have been declared for the half year ended 31 December 2025 or for the previous corresponding period.

1. This document, including the attached Half Year Report for the half year ended 31 December is provided to the Australian Securities Exchange under Listing Rule 4.2A

Half Year Report

31 December 2025

Zip Co Limited
ACN 139 546 428
Level 7, 180 George Street
Sydney NSW 2000

zip.co/home

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.

Contents

Directors' Report

31 December 2025

The Directors are pleased to present their report on Zip Co Limited and its controlled entities (consolidated entity or Group) for the half year ended 31 December 2025.

Directors

The following persons were Directors of Zip Co Limited (Zip or the Company) during the financial period and up to the date of this report:

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

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 (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 half year.

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

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 and instalment products. Revenue is generated from merchants (merchant fees), consumers (predominantly service fees, monthly fees, establishment fees and interest) and 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 half year ended 31 December 2025:

Growth and engagement

- Strengthened customer engagement with annual average transactions per customer of:
  - 11.3x in the USA, up 19.9%
  - 25.3x in ANZ, up 23.4%
- Strong holiday trading period in both markets
- Accelerated momentum with channel partners and embedded finance
- Added merchants in targeted verticals

Product innovation

- Expanded Pay-in-Z platform, scaling 'Pay-in-2' to all customers in January 2026 and piloted 'My Bills' feature in App (USA)
- Progressed development of an agentic guided cash flow management experience, Money Coach (USA)
- Acceleration of Zip Plus adoption (AU)

Platforms for scale

- Established a new US$283.4m warehouse at materially lower margin (USA)
- Issued a $400m ABS bond at materially improved margin of 1.37% (AU)
- Completed $100m on-market equity share buyback
- Scaled the use of AI across the Group
- Continued platform investment across risk management, credit underwriting and technology

Financial Performance

For the Half Year Ended 31 December	2025 $'M	2024 $'M	Change %
Total income	664.0	514.0	29.2%
Cash cost of sales	(349.7)	(278.5)	25.6%
Cash gross profit[1]	**314.3**	**235.5**	**33.5%**
Movement in bad debt provision	(19.2)	(32.1)	(40.2)%
Amortisation - Funding	(2.9)	(2.9)	(0.7)%
Gross profit[1]	**292.2**	**200.5**	**45.7%**
Salaries and employee benefits expenses	(102.4)	(89.7)	14.1%
Marketing expenses	(29.8)	(27.5)	7.9%
Information technology expenses	(27.0)	(24.1)	11.8%
Depreciation and amortisation expenses	(25.7)	(32.0)	(19.7)%
Share-based payments	(10.8)	(5.6)	92.7%
Corporate financing costs	(0.5)	(29.9)	(98.3)%
Other operating expenses	(29.5)	(17.7)	67.2%
Unrealised loss - financial liability	–	(2.4)	(100.0)%
Other (loss)/gain at fair value through profit and loss	(0.2)	0.1	255.2%
Profit/(loss) before income tax	**66.3**	**(28.3)**	**334.5%**
Depreciation and amortisation	25.7	32.0	(19.7)%
EBTDA[1]	**92.0**	**3.8**	**2,342.0%**
Non-cash items, corporate and one-off items:			
Share-based payments	10.8	5.6	92.7%
Amortisation - corporate funding[2]	–	28.1	(100.0)%
Unrealised loss - financial liability	–	2.4	(100.0)%
Other gain at fair value through profit and loss	(0.1)	(0.1)	38.2%
Unrealised currency losses/(gains)	0.4	(6.5)	106.2%
Non-cash items	(0.9)	(1.2)	22.6%
Movement in bad debt provision	19.2	32.1	(40.2)%
Amortisation - funding	2.9	2.9	(0.7)%
Group Cash EBTDA[1]	**124.3**	**67.0**	**85.6%**
Operating Margin (%)[1]	**18.7 %**	**13.0 %**	

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. 1HFY25 amortisation of corporate funding costs due to the repayment of the corporate funding facility.

Cash EBTDA

For the Half Year Ended 31 December	2025 $'M	2024 $'M	Change %
ANZ	30.5	12.8	138.0%
USA	115.8	68.3	69.6%
Corporate and other	(22.0)	(14.1)	(56.0)%
Total Cash EBTDA	**124.3**	**67.0**	**85.6%**

Total income increased 29.2% from the prior year due to a 34.1% increase in total transaction volumes driven by strong growth in the USA.

The increase in total transaction volumes and revenue, together with disciplined debt arrears performance and improved receivables funding margins, drove a 33.5% increase in cash gross profit compared to the prior period.

The Group's focus on operational leverage resulted in Cash EBTDA of $124.3 million, growing 85.6% over the prior period, driven by increases in both ANZ and USA regions. There was also a material increase in the operating margin from 13.0% in 1HFY25 to 18.7% in 1HFY26 .

Corporate financing costs decreased as prior period included the accelerated amortisation of borrowing costs due to early repayment of the corporate funding facility in full in July 2024.

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 integrated 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 Half Year Ended 31 December	2025 $'M	2024 $'M	Change %
ANZ	2,071.5	1,888.5	9.7%
USA	6,307.9	4,359.0	44.7%
Total Transaction Volumes	**8,379.4**	**6,247.5**	**34.1%**

Total transaction volumes generated by consumers have grown to $8.4 billion, an increase of 34.1%.

The USA experienced strong TTV growth of 44.7%. The result was supported by a strong holiday trading period, which included the single largest trading day and month of transactional volumes in Zip USA history.

Momentum accelerated in the ANZ business, with TTV up 9.7% year on year, while revenue and Australian receivables returned to growth. Performance was underpinned by Zip Plus and strategic go-to-market initiatives. The result also included a strong holiday trading period which included record total transactions and open-loop network spend during Black Friday Cyber Monday.

Active Customers

For the Half Year Ended 31 December	2025 M	2024 M	Change %
ANZ	2.0	2.1	(7.1)%
USA	4.6	4.2	9.7%
Total Active Customers	**6.6**	**6.3**	**4.1%**

Active customers in USA increased by 9.7% (+407k) year on year to 4.6m, reflecting increased engagement and strategic marketing initiatives including on-site activations in sports with the Philadelphia Phillies and Comcast Spectacor, and partnering with Opportunity Knocks a USA television series which supports underestimated Americans through financial guidance.

ANZ business continues to serve 2.0 million active customers representing circa 10% of the Australian adult population.

Transactions

For the Half Year Ended 31 December	2025 M	2024 M	Change %
ANZ	25.8	23.5	9.5%
USA	29.2	22.2	31.6%
Total Transactions	**54.9**	**45.7**	**20.2%**

The number of transactions in ANZ has increased in the current period due to growth in Zip Plus accounts and refreshed go-to-market activities for both customers and merchants to stimulate growth.

Transaction numbers in the USA have grown 31.6% driven by growth in the number of active customers and continued growth from existing customers.

Merchants

For the Half Year Ended 31 December	2025 K	2024 K	Change %
ANZ	63.8	57.5	10.9%
USA	26.7	24.4	9.5%
Total Merchants	**90.6**	**81.9**	**10.5%**

In ANZ over 6,000 merchants were added to the platform in targeted verticals, including Didi, Advanced Hair, Australian Outdoor Living, White Fox Boutique, Bargain Chemist in-store (NZ), IAG (HomeHub, MotorHub and First Rescue NZ) and Kai Co (NZ). The businesses also executed strategic partnerships with Xero via Stripe, Mint Payments and PingPong Payments.

In the USA merchants on the Zip platform increased 9.5% year on year to 26.7k, including large enterprise merchants such as Temu, JD Sports and GOAT Group. Since launching to all Stripe businesses in the USA in August 2025, Zip has added over 1,400 merchants via the partnership.

Balance Sheet and Capital Management

Cash

	31 December 2025 $'M	30 June 2025 $'M	Change %
Cash, cash equivalents and restricted cash	537.0	391.6	37.1%
Less: unavailable cash			
Restricted cash	(367.3)	(242.7)	(51.4)%
Operational floats	(29.5)	(29.6)	0.3%
Add: excess invested securitisation warehouses and special purpose vehicles	98.9	18.5	435.1%
Available Cash and Liquidity	**239.0**	**137.8**	**73.4%**

Cash, cash equivalents and restricted cash grew $145.3 million over the prior corresponding period as a result of:

- $136.4 million of positive cash flows from operations generated from positive cash earnings, increases in pre-funding of transaction volumes by partners and increased receipts from customers;
- $(9.8) million of cash flows used in investing activities for capital expenditure; and
- $29.8 million of positive financing cash flows from net proceeds received from borrowings; offset by the share buy-back program (refer note 16) and the on market share purchase to settle employee equity awards.

Receivables

	31 December 2025 $'M	30 June 2025 $'M	Change %
Gross customer receivables	3,266.2	2,881.6	13.3 %
Unearned future income	(50.2)	(35.4)	(41.7)%
Provision for expected credit losses	(206.3)	(189.1)	(9.1)%
Customer Receivables	**3,009.8**	**2,657.1**	**13.3 %**
Split as:			
ANZ	2,097.2	1,982.2	5.8 %
USA	912.5	674.9	35.2 %
Customer Receivables	**3,009.8**	**2,657.1**	**13.3 %**

The Group's receivables portfolio increased 13.3% to $3,009.8 million at 31 December 2025, reflecting the strong total transaction volume growth of 9.7% and 44.7% in ANZ and USA respectively.

The provision for expected credit losses has decreased from 6.6% to 6.3% of gross customer receivables, predominantly due to improvement in arrears and refined our methodology without material change in ANZ.

Receivables Funding Facilities

Facility	Lender	Facility Limit $M	Drawn at 31 December 2025 $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
– Variable Funding Note	Public ABS	285.0	230.1	Mar-26
– Variable Funding Note 3	Private Facility	285.0	199.5	Jun-27
– Variable Funding Note 4	Private Facility	285.0	256.5	Mar-27
– Variable Funding Note 5	Private Facility	380.0	261.3	Mar-30
zipMoney 2017-1 Trust	Private Facility	155.5	144.2	Jul-26
Zip NZ Trust 2021-1	Private Facility	17.3	10.0	Jul-26
AR3LLC	Private Facility	447.9	242.6	Dec-26
AR5LLC	Private Facility	423.1	186.6	Oct-27
Total		**3,276.2**	**2,528.1**	

Zip AU had total facilities of $2,388.0 million available to fund its Australian consumer receivables at 31 December 2025, of which $2,089.0 million was drawn ($299.0 million undrawn and available).

Zip USA had total facilities of $870.9 million (US$583.4 million) to fund its USA consumer receivables which was drawn to $429.2 million (US$287.5 million) at 31 December 2025.

Zip New Zealand facility has a limit of $17.3 million (NZ$20.0 million) available to fund receivables in New Zealand, drawn to $10.0 million (NZ$11.5 million) at 31 December 2025.

During the half year ended 31 December 2025, Zip executed the following:

- In July 2025, Zip enhanced its short term arrangements in the USA, providing an uplift in capital efficiency, cost of funds, and funding capacity and flexibility
- Issued a new public bond (2025-1) in July 25, for $300.0 million with a weighted average margin of 1.79%
- Established a second warehouse facility in the USA (labelled 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
- The 2024-1 ABS bond was fully redeemed in October 2025 using existing capacity within the VFN1, VFN4 and VFN5 facilities
- A new $400.0 million rated AUD ABS note issuance (2025-2) at a weighted-average margin of 1.37%.This compares to margins of 1.79% and 2.13% achieved on the previous public ABS term deals in July 2025 and September 2024 respectively.

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 half year.

Future Developments

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

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.

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 306(3)(a) of the *Corporations Act 2001*.

Post Balance Date Events

In February 2026, the Group executed a 5-year, $300.0 million rated note issuance at a weighted average margin of 1.62%.

Except for this issuance and as otherwise disclosed in this report there were no further material items, transactions or events subsequent to 31 December 2025 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 CEO and Managing Director

19 February 2026

Auditor's Independence Declaration

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Quay Quarter Tower,
50 Bridge St,
Sydney, NSW, 2000
Australia

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19 February 2026

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

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 directors of Zip Co Limited.

As lead audit partner for the review of the financial report of Zip Co Limited for the half year ended 31 December 2025, 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 review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income

For the period ended 31 December 2025

		Consolidated	
		31 December 2025	**31 December 2024**
	Note	**$'000**	**$'000**
Portfolio interest income		404,964	338,852
Transactional income	3	253,142	170,382
Revenue		658,106	509,234
Other income		5,877	4,811
Total Income		663,983	514,045
Expected credit loss expenses	8	(164,079)	(129,505)
Bank fees and data costs		(94,549)	(74,902)
Interest expense	3	(113,134)	(109,098)
Salaries and employee benefits expenses		(102,428)	(89,688)
Marketing expenses		(29,763)	(27,503)
Information technology expenses		(27,004)	(24,149)
Depreciation and amortisation expenses	3	(25,755)	(32,040)
Share-based payments		(10,796)	(5,602)
Corporate financing costs	3	(511)	(29,869)
Other operating expenses	3	(29,553)	(17,667)
Unrealised loss - financial liability		–	(2,400)
Other (loss)/gains at fair value through profit and loss	3	(159)	103
Profit/(loss) before income tax		**66,252**	**(28,275)**
Income tax (expense)/benefit	4	(13,900)	51,280
Profit for the period after income tax attributable to the Members of Zip Co Limited		**52,352**	**23,005**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation		(13,729)	22,099
Other comprehensive (loss)/income for the period, net of tax		(13,729)	22,099
Total comprehensive income for the period attributable to the Members of Zip Co Limited		**38,623**	**45,104**
		Cents	**Cents**
Earnings per share			
Basic earnings per share	5	4.08	1.84
Diluted earnings per share	5	4.02	1.82

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

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	Note	Consolidated 31 December 2025 $'000	30 June 2025 $'000
Assets			
Cash and cash equivalents	6	169,624	148,964
Restricted cash	6	367,340	242,657
Other receivables	7	104,387	87,122
Income tax receivable		8,215	—
Term deposit		4,600	4,612
Customer receivables	8	3,009,758	2,657,141
Derivative financial assets	9	773	—
Property, plant and equipment	10	2,468	2,635
Right-of-use assets	10	10,372	12,712
Identifiable intangible assets	11	41,891	55,343
Goodwill	12	207,186	212,294
Deferred tax assets	4	50,965	60,194
Total assets		**3,977,579**	**3,483,674**
Liabilities			
Trade and other payables	13	757,044	325,617
Employee provisions		16,947	24,540
Lease liabilities	14	11,123	13,368
Borrowings	15	2,528,362	2,410,629
Total liabilities		**3,313,476**	**2,774,154**
Net assets		**664,103**	**709,520**
Equity			
Issued capital	16	2,585,771	2,659,906
Treasury Shares		(14,289)	(5,482)
Reserves		289,145	303,972
Accumulated losses		(2,196,524)	(2,248,876)
Total equity		**664,103**	**709,520**

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

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 December 2025

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	–	–	–	–	–	52,352	52,352
Other comprehensive loss for the period, net of tax	–	–	–	(13,729)	–	–	(13,729)
Total comprehensive income for the period	**–**	**–**	**–**	**(13,729)**	**–**	**52,352**	**38,623**
Recognition of share-based payments	–	–	10,769	–	–	–	10,769
Designation of treasury shares to Zip Employees & NEDs	–	11,867	(11,867)	–	–	–	–
Exercise of options	–	10	–	–	–	–	10
Share buy-back[1]	(74,135)	3,931	–	–	–	–	(70,204)
Share purchase to settle employee equity awards[2]	–	(24,615)	–	–	–	–	(24,615)
Balance at 31 December 2025	**2,585,771**	**(14,289)**	**73,819**	**51,478**	**163,848**	**(2,196,524)**	**664,103**

1. 1.4 million shares ($3.9 million) acquired during FY2025 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 mitigate the dilution impact from Equity Incentive Plan allocations.

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

Condensed Consolidated Statement of Changes in Equity

For the period ended 31 December 2025

Consolidated	Issued Capital $'000	Treasury Shares $'000	Share-based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Convertibles Note Reserve $'000	Accumulated Losses $'000	Total Equity $'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	–	–	–	–	–	23,005	23,005
Other comprehensive income for the period, net of tax	–	–	–	16,557	–	5,542	22,099
Total comprehensive income for the period	**–**	**–**	**–**	**16,557**	**–**	**28,547**	**45,104**
Recognition of share-based payments	–	–	5,757	–	–	–	5,757
Issue of shares to Zip Employee Share Trust	17,864	(17,864)	–	–	–	–	–
Designation of treasury shares to Zip Employees & NEDs	(1,521)	13,054	(11,500)	–	–	–	33
Exercise of options	20	–	–	–	–	–	20
Issue of shares – capital raising	267,122	–	–	–	–	–	267,122
Cost of issuing of shares	(5,883)	–	–	–	–	–	(5,883)
Balance at 31 December 2024	**2,685,762**	**(4,843)**	**70,525**	**95,618**	**163,848**	**(2,300,224)**	**710,686**

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

Condensed Consolidated Statement of Cash Flows

For the period ended 31 December 2025

	Note	Consolidated 31 December 2025 $'000	Consolidated 31 December 2024 $'000
Cash flows from operating activities			
Receipts from customers - portfolio interest		404,964	338,852
Receipts from customers - transactional and other income		268,214	181,018
Payments to suppliers and employees		(295,429)	(240,948)
Net increase in merchant payables		427,448	257,518
Net increase in receivables		(548,736)	(334,313)
Interest received from financial institutions		5,609	4,754
Interest paid		(110,974)	(108,172)
Income tax paid		(14,701)	(3,305)
Proceeds from disposal of receivables		–	384
Net cash flow from operating activities		**136,395**	**95,788**
Cash flows used in investing activities			
Payments for plant and equipment		(562)	(993)
Payments for software development		(9,281)	(8,751)
Net cash flow used in investing activities		**(9,843)**	**(9,744)**
Cash flows from financing activities			
Proceeds from borrowings		1,189,922	822,426
Repayment of borrowings		(1,057,385)	(942,530)
Repayment of principal of lease liabilities		(2,568)	(2,518)
Proceeds from issue of shares		–	267,142
Proceeds from the exercise of options		10	–
Cost of share issues		–	(5,883)
Transaction costs related to restructuring of loans and borrowings[1]		(4,659)	(88,889)
On market purchase to settle employee equity awards		(24,615)	–
Payments for share buy-back program		(70,864)	–
Net cash flow from financing activities		**29,841**	**49,749**
Net increase in cash and cash equivalents		156,393	135,793
Cash, cash equivalents, restricted cash at the beginning of the period		391,620	353,006
Foreign exchange effect		(11,049)	38,184
Cash, cash equivalents, restricted cash at the end of the period	6	**536,964**	**526,983**

1. 1HFY25 balance mainly relates to the corporate debt facility exit fee of $88.9 million.

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

Notes to the Condensed Consolidated Financial Statements

31 December 2025

Note 1. Material Accounting Policies

A. Business

Zip provides services in 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 (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'.

B. Statement of Compliance

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The half year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The condensed consolidated financial statements comprise the condensed consolidated financial statements of the consolidated entity. For the purposes of preparing the condensed consolidated financial statements, the consolidated entity is a for-profit entity.

The condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 19 February 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 of a kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports) Instrument 2016/191*, 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 (e) Adoption of New and Revised Accounting Standards.

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 $69.8 million for the half year ended 31 December 2024 and transactional income increasing by the same amount.
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 half year ended 31 December 2024 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 8.

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 represents the correction of an immaterial error.

D. Going Concern

The Directors have prepared the condensed 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 judgment, 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 end of the reporting period.

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 (the AASB) that are relevant to its operations and effective for the current half 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 (the AASB) that have materially impacted the consolidated entity's financial statements for the half year ended 31 December 2025.

The consolidated entity has not 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 condensed financial statements.

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. The standard introduces new requirements for the presentation and disclosure of information financial statements with a focus on financial performance 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 *Financial Instruments* (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, if any. 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 (ECL) 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 judgmental '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 judgment to quantify the impact of forward-looking economic factors.

Judgement has been applied in the calculation of expected credit losses, including an assessment of overlays in the half year ended 31 December 2025. 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 annual period, that intangible asset is tested for impairment before or at the end of the current annual 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 11 and 12 for detailed assumptions and assessment of impairment for intangible assets and goodwill respectively.

Fair Value Measurements and Valuation Processes

The consolidated entity measures certain assets and liabilities at fair value for financial reporting purposes. In estimating the fair value of these assets and liabilities, the consolidated entity uses market observable data to the extent it is available. Where market observable data is not available, the consolidated entity engages qualified third party valuers to assist with the valuation and work closely with management to establish the appropriate valuation techniques and inputs to the valuation model. Key inputs to the valuation model for valuation of derivatives embedded in the corporate facility and recognised as a financial liability included Zip's share price, volatility and the risk-free rate.

G. Principles of Consolidation

The condensed consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Zip Co Limited ('parent entity') as at 31 December 2025 and 30 June 2025 as well as the results of all subsidiaries for the six months ended 31 December 2025 and 31 December 2024.

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), 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 judgment 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, 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 are 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 fulfillment. 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, including transaction processing fees and interchange revenue. The Group provides a single performance obligation to facilitate 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, and 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) or a specified action (click/purchase) is taken. 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 (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 and 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; and (b) not be larger than an operating segment determined in accordance with AASB 8 *Operating Segments* (AASB 8).

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 31 December 2025 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, deferred contingent considerations and the debt component of convertible notes 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 arising 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.

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.

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 the accounting nor taxable profits; 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 2025. This conclusion is based on the fact that the Group's consolidated revenue did not meet or exceed the €750 million 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.

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 condensed 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 condensed 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 condensed 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.

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 (Americas changed to USA with operations in Canada ceasing) in the half year ended 31 December 2025 and the half year ended 31 December 2024.

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 (Total income as a % of TTV[1])
- Profit/(Loss) 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	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 6–14 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.

Half Year Ended 31 December 2025	ANZ $'000	USA $'000	Total Operating Segments $'000
Portfolio interest income	198,787	206,177	404,964
Transactional income	13,988	239,154	253,142
Revenue	**212,775**	**445,331**	**658,106**
Other income	1,965	3,821	5,786
Total income	**214,740**	**449,152**	**663,892**
Expected credit loss expenses	(30,740)	(133,550)	(164,290)
Bank fees, data costs and other	(11,900)	(82,700)	(94,600)
Interest expense	(65,400)	(47,800)	(113,200)
Salaries and employee benefits expenses	(40,529)	(52,527)	(93,056)
Marketing expenses	(5,616)	(24,091)	(29,707)
Information technology expenses	(11,559)	(14,513)	(26,072)
Depreciation and amortisation	(6,343)	(19,112)	(25,455)
Share-based payments	(2,736)	(5,566)	(8,302)
Corporate financing costs	(463)	(40)	(503)
Other operating expenses	(8,364)	(4,874)	(13,238)
Intergroup recharges[1]	(1,335)	(2,118)	(3,453)
Segment profit before income tax	**29,755**	**62,261**	**92,016**
Reconciling:			
Corporate and other expenses[2]			**(25,764)**
Profit before income tax	**29,755**	**62,261**	**66,252**

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 ($9.4) million, professional services fees ($13.7) million and share-based payments ($2.5) million offset by intergroup recharges $3.5 million.

Half Year Ended 31 December 2024	ANZ $'000	USA $'000	Total Operating Segments $'000
Portfolio interest income	194,449	144,404	338,852
Transactional income	11,870	158,512	170,382
Revenue	**206,319**	**302,916**	**509,234**
Other income	2,677	1,946	4,623
Total income	**208,996**	**304,862**	**513,857**
Expected credit loss expenses	(64,866)	(64,687)	(129,553)
Bank fees, data costs and other	(12,100)	(62,800)	(74,900)
Interest expense	(76,300)	(32,800)	(109,100)
Salaries and employee benefits expenses	(36,883)	(44,323)	(81,206)
Marketing expenses	(3,396)	(24,023)	(27,419)
Information technology expenses	(11,381)	(12,333)	(23,713)
Depreciation and amortisation	(6,807)	(24,976)	(31,783)
Share-based payments	(3,203)	(2,437)	(5,640)
Corporate financing costs	(556)	(58)	(614)
Other operating expenses	(4,171)	(10,554)	(14,725)
Net other (losses) / gains	(8)	–	(8)
Intergroup recharges[1]	(1,648)	(2,529)	(4,177)
Segment (loss)/profit before income tax	**(12,323)**	**23,342**	**11,019**
Reconciling:			
Corporate and other expenses[2]			**(39,294)**
(Loss)/profit before income tax	**(12,323)**	**23,342**	**(28,275)**

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 ($29.3) million and salaries and employee benefits expenses ($8.5) million million offset by intergroup recharges $4.2 million.

Note 3. Income and Expenses

	Consolidated	
	31 December 2025	31 December 2024
	$'000	$'000
Profit/(loss) before income tax includes the following income recognised in accordance with AASB 15:		
Transactional income:		
Revenue recognised over a period of time	1,617	1,488
Revenue recognised at a point in time	251,525	168,894
Total transactional income	253,142	170,382
Profit/(loss) before income tax the following specific expenses:		
Interest expense:		
Interest expense related to customer receivables	113,134	109,098
Total interest expense	113,134	109,098
Depreciation and amortisation expenses:		
Depreciation of property, plant and equipment	770	900
Depreciation of right-of-use assets	2,302	2,361
Amortisation of acquired intangibles	15,227	20,197
Amortisation of internally generated IT development and software	7,456	8,582
Total depreciation and amortisation expenses	25,755	32,040
Corporate financing costs:		
Interest expense related to the corporate funding facility[1]	–	29,202
Interest on leasing liabilities	367	462
Other financing costs	144	205
Total corporate financing costs	511	29,869
Other operating expenses:		
Occupancy expense	1,622	1,234
Professional services fees	19,851	12,017
Other operating expenses	8,080	4,416
Total other operating expenses	29,553	17,667
Other loss/(gains) at fair value through profit and loss:		
Realised fair value loss on derivatives	263	–
Unrealised fair value gains on derivatives	(63)	–
Other gains	(41)	(103)
Total Other loss/(gains) at fair value through profit and loss	159	(103)

1. Includes $28.1 million of amortisation of corporate funding costs due to the repayment of the corporate funding facility.

Note 4. Taxation

Income Tax expense/(benefit)

	Consolidated	
	31 December 2025 $'000	31 December 2024 $'000
Numerical reconciliation of income tax expense at the statutory rate		
Profit/(loss) before income tax	66,252	(28,275)
Tax at the statutory tax rate of 30%	19,875	(8,482)
Tax effect of amounts which are not deductible in calculating taxable income:		
– Share-based payments	730	577
– Non-deductible expenses/(Non-assessable items)	1,687	(4,522)
– Impairment losses	–	(28)
– Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,976)	(1,229)
	20,316	**(13,684)**
Prior year tax losses (utilised)/current year tax losses not recognised	(6,460)	23,732
Initial recognition of deferred tax asset on timing differences and tax losses	–	(54,613)
Net movement in temporary differences not recognised	43	(6,715)
Income tax expense/(benefit)	**13,900**	**(51,280)**

In the half year ended 31 December 2025 current income tax expense is $6.13 million (1HFY25: $3.33 million) and deferred income tax expense is $7.77 million (1HFY25 tax benefit of $54.61 million).

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	
	31 December 2025 $'000	**30 June 2025 $'000**
Deferred tax assets comprise temporary differences attributable to:		
Timing differences		
– Provision for expected credit losses	58,538	54,257
– Other provision and payables	43,941	45,507
– Fair value movements on financial instruments	(19)	–
Tax losses	45,627	80,794
Less: Deferred tax assets not brought to account	(93,257)	(114,059)
Deferred tax assets (recognised from temporary difference) before set off	**54,830**	**66,499**
Set off deferred tax liabilities pursuant to set-off provisions	(3,865)	(6,305)
Net deferred tax assets	**50,965**	**60,194**
Deferred tax liabilities comprise temporary differences attributable to:		
– Acquired intangibles and other	3,865	6,305
Deferred tax liabilities before set off	**3,865**	**6,305**
Set off deferred tax assets pursuant to set-off provisions	(3,865)	(6,305)
Net deferred tax liabilities	**–**	**–**

The Group has recognised a deferred tax asset of $50.97 million (US$34.14 million) in respect of the USA income tax group. Recognition of this deferred tax asset meets the requirements of AASB 112 *Income Taxes* (IAS 12), as the USA tax group has a history of taxable profits and it is probable that sufficient future taxable profits will be available to utilise the tax losses.

Based on the Group's tax calculations, total tax losses amounted to $146.5 million as at 31 December 2025, compared with $283.5 million as at 30 June 2025. Included in the 31 December 2025 balance are tax losses of $144.7 million (corresponding deferred tax asset of $43.2 million) that have not been recognised on the balance sheet.

The net decrease in tax losses during the period was $136.9 million, comprising utilisation of prior-year tax losses of $82.6 million, a prior-year true-up of $1.5 million, and derecognition of tax losses of $52.8 million relating to deregistered entities.

	31 December 2025 $ millions	**31 December 2024 $ millions**
Net movement of tax losses:		
Current year tax losses	–	100.7
Derecognition of tax losses	(52.8)	–
Prior year tax losses true up	(1.5)	54.6
FX movement	–	12.4
Utilisation of tax losses	(82.6)	(37.4)
Total Movement	(136.9)	130.3

Note 5. Earnings Per Share

A. Reconciliation of Earnings Used in Calculating Earnings Per Share

	Consolidated	
	31 December 2025 $'000	31 December 2024 $'000
Profit attributable to the Members of the Zip Co Limited used in calculating basic and diluted earnings per share	52,352	23,005

B. Weighted Average Number of Shares Used as the Denominator

	31 December 2025 '000	31 December 2024 '000
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	1,283,032	1,248,789
Effect of dilutive potential ordinary shares:		
- Share options and rights	15,371	12,156
- Warrants	5,481	7,308
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	1,303,884	1,268,253

C. Earnings Per Share

	31 December 2025 Cents	31 December 2024 Cents
Basic earnings per share	4.08	1.84
Diluted earnings per share	4.02	1.82

Note 6. Cash and Cash Equivalents and Restricted Cash

	Consolidated	
	31 December 2025	30 June 2025
	$'000	$'000
Cash and cash equivalents	169,624	148,964
Restricted cash	367,340	242,657
	536,964	391,621

At 31 December 2025 the consolidated entity had cash of $537.0 million of which $367.3 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 (31 December 2025: $98.9 million, 30 June 2025: $18.5 million). Zip considers this amount to be available cash to fund operations.

Reconciliation of Profit/(Loss) After Income Tax to Net Cash from Operating Activities

	Consolidated	
	31 December 2025	31 December 2024
	$'000	$'000
Profit after income tax for the year	52,352	23,005
Depreciation and amortisation expenses	25,755	32,040
Share-based payments	10,796	5,602
Unrealised losses/(gains)[1]	402	(4,094)
Amortisation of borrowing costs on early repayment of corporate facility	—	28,080
Other	(16,091)	(5,698)
Change in operating assets and liabilities:		
Movement in customer receivables	(352,617)	(193,837)
Movement in other assets and receivables	(17,265)	2,321
Movement in other liabilities and payables	431,427	265,689
Movement in employee provisions	(7,593)	(2,267)
Movement in deferred tax balances, net of deferred tax recognised in equity	9,229	(55,054)
Net cash flow from operating activities	136,395	95,788

1. Unrealised gains and losses include unrealised losses on financial liabilities and unrealised foreign exchange gains/losses.

Note 7. Other Receivables

	Consolidated	
	31 December 2025	30 June 2025
	$'000	$'000
Amounts due from payment platform providers[1]	21,413	28,607
Prepayments	20,314	10,316
Accrued Income[2]	41,233	29,250
Other receivables	21,427	18,949
Total	104,387	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 42 days and 90 days past due for its Pay-in-4 and 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-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 31 December 2025, 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 report 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 macro economic 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.

Provision Overview

The provision for expected credit losses as a percentage of receivables decreased to 6.3% at 31 December 2025 (6.6% at 30 June 2025). This is predominantly due to improvement in arrears and refinement overlays for macro economic overlays in ANZ.

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]	2,233,092	1,033,132	3,266,224
Unearned future income[2]	(8,807)	(41,393)	(50,200)
Provision for expected credit losses	(127,128)	(79,138)	(206,266)
Balance at 31 December 2025	2,097,157	912,601	3,009,758

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 1 January 2025	130,338	46,677	177,015
Provided in the period	44,065	71,630	115,695
Receivables written-off during the period	(55,358)	(77,398)	(132,756)
Recoveries during the period	15,905	15,250	31,155
Foreign exchange movements	90	(2,127)	(2,037)
Balance at 30 June 2025	135,040	54,032	189,072
Provided in the period	30,529	133,550	164,079
Receivables written-off during the period	(52,826)	(121,793)	(174,619)
Recoveries during the period	14,214	15,217	29,431
Foreign exchange movements	171	(1,868)	(1,697)
Balance at 31 December 2025	127,128	79,138	206,266

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	2,067,120	915,033	2,982,153
Stage 2	110,274	76,185	186,459
Stage 3	55,698	41,914	97,612
Balance at 31 December 2025	2,233,092	1,033,132	3,266,224
Provision for Expected Credit Losses			
Stage 1	(45,138)	(9,254)	(54,392)
Stage 2	(43,925)	(33,640)	(77,565)
Stage 3	(38,065)	(36,244)	(74,309)
Balance at 31 December 2025	(127,128)	(79,138)	(206,266)

	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			
	31 December 2025 $'000	% of Customer Receivables %	30 June 2025 $'000	% of Customer Receivables %
Past due under 30 days	90,344	3%	70,571	2%
Past due 31 days to under 60 days	49,662	2%	43,622	2%
Past due 61 to under 90 days	46,736	1%	32,056	1%
Past due 91 under 180 days	34,834	1%	41,155	1%

Maturity profile

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

	Consolidated	
	31 December 2025 $'000	30 June 2025[1] $'000
Current	2,467,452	2,145,345
Non-current	798,772	736,300
Total	3,266,224	2,881,645

1. The classification of customer receivables between current and non-current as of 30 June 2025 has been updated following further analysis of expected recovery timelines. This reclassification has no impact on total receivables, net assets, or the prior year's reported profit.

Note 9. Derivative financial assets

During 1HFY26, Zip has entered into AUD call / USD put foreign exchange options as part of the FX risk management activities. Each contract gives the right to buy AUD and sell USD at a strike rate of 0.67 (AUD/USD), with net cash settlement on exercise.

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Asset balance		
Derivative financial assets	773	–
Total	773	–

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Profit/loss movement during the period		
Realised derivative loss from forfeited options	263	–
Unrealised derivative gain arising from movements in fair value	(63)	–

Note 10. Property, Plant and Equiptment 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 5 years.
- 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 up 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 (ie. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised (Refer to Note 14), initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. There are no variable lease payments associated. All lease payments are fixed or subject to fixed indexation and are therefore 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	
	31 December 2025 $'000	30 June 2025 $'000
Carrying amounts		
Computer equipment	1,738	1,600
Office equipment	644	791
Leasehold and office fit-out	86	244
Right-of-use asset	10,372	12,712
	12,840	15,347

Consolidated	Computer Equipment $'000	Office Equipment $'000	Leasehold And Office Fitout $'000	Right-of-use Asset $'000	Total $'000
Cost					
Balance at 1 January 2025	6,474	1,658	368	21,037	29,537
Additions	572	13	39	605	1,229
Disposals	(1,657)	(18)	–	39	(1,636)
Other including foreign exchange movements	(124)	(1)	15	570	460
Balance at 30 June 2025	5,265	1,652	422	22,251	29,590
Additions	657	24	2	–	683
Disposals	(99)	(5)	(231)	(311)	(646)
Other including foreign exchange movements	(59)	(59)	(41)	(80)	(239)
Balance at 31 December 2025	5,764	1,612	152	21,860	29,388

Consolidated	Computer Equipment $'000	Office Equipment $'000	Leasehold And Office Fitout $'000	Right-of-use Asset $'000	Total $'000
Accumulated depreciation and impairment losses					
Balance at 1 January 2025	(4,722)	(687)	(142)	(6,488)	(12,039)
Depreciation	(705)	(199)	(36)	(2,388)	(3,328)
Disposals	1,424	15	–	–	1,439
Other including foreign exchange movements	338	10	–	(663)	(315)
Balance at 30 June 2025	(3,665)	(861)	(178)	(9,539)	(14,243)
Depreciation	(490)	(160)	(120)	(2,302)	(3,072)
Disposals	37	2	137	311	487
Other including foreign exchange movements	92	51	95	42	280
Balance at 31 December 2025	(4,026)	(968)	(66)	(11,488)	(16,548)

Note 11. Identifiable Intangible Assets

	Consolidated 31 December 2025 $'000	Consolidated 30 June 2025 $'000
Carrying amounts		
Trademarks	62	62
Transacting partner database	–	3,176
IT development and software	41,829	52,105
	41,891	55,343

Consolidated	Trademarks $'000	Transacting Partner Database $'000	IT Development and Software $'000	Total $'000
Cost				
Balance at 1 January 2025	62	102,769	220,428	323,259
Additions	–	–	9,197	9,197
Written-off	–	(2,865)	(937)	(3,802)
Effect of movements in foreign exchange rates	–	(4,600)	(8,859)	(13,459)
Balance at 30 June 2025	62	95,304	219,829	315,195
Additions	–	–	9,281	9,281
Effect of movements in foreign exchange rates	–	(2,365)	(2,800)	(5,165)
Balance at 31 December 2025	62	92,939	226,310	319,311

Consolidated	Trademarks $'000	Transacting Partner Database $'000	IT Development and Software $'000	Total $'000
Accumulated amortisation and impairment losses				
Balance at 1 January 2025	–	(89,449)	(155,087)	(244,536)
Amortisation	–	(9,812)	(20,265)	(30,077)
Written-off	–	2,865	883	3,748
Effect of movements in foreign exchange rates	–	4,268	6,745	11,013
Balance at 30 June 2025	–	(92,128)	(167,724)	(259,852)
Amortisation	–	(3,190)	(19,493)	(22,683)
Effect of movements in foreign exchange rates	–	2,379	2,736	5,115
Balance at 31 December 2025	–	(92,939)	(184,481)	(277,420)

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 12.

Note 12. Goodwill

The consolidated entity has three cash-generating units (CGUs) at 31 December 2025 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 1 January 2025	4,548	216,423	1,257	222,228
Effect of movements in foreign exchange rates	–	(9,934)	–	(9,934)
Balance at 30 June 2025	4,548	206,489	1,257	212,294
Effect of movements in foreign exchange rates	–	(5,108)	–	(5,108)
Balance at 31 December 2025	4,548	201,381	1,257	207,186

Impairment Assessment for Goodwill, Including 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.

During the half year ended 31 December 2025, an assessment of impairment indicators was performed for each of the consolidated entity's CGUs, considering both internal and external factors, and management concluded that there were no indications that goodwill may be impaired.

Note 13. Trade and Other Payables

	Consolidated	
	31 December 2025	30 June 2025
	$'000	$'000
Trade payables	56,135	51,713
Amounts due to merchants and other partners	698,725	271,173
Other	2,184	2,731
Total	757,044	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 14. Lease Liabilities

Zip's leases are primarily office facilities with various expiration dates through June 2028. 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 31 December 2025 and 31 December 2024, 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 31 December 2025 and 31 December 2024, there was no impairment expense related to leases.

The following amounts are recognised in the statement of financial position relating to leases:

	Consolidated	
	31 December 2025	30 June 2025
	$'000	$'000
Right-of-use assets		
Office facilities	10,372	12,712
	10,372	12,712
Lease liabilities		
Current	4,571	4,481
Non-current	6,552	8,887
	11,123	13,368

The following table presents lease expenses recognised in half year 2026 and 2025:

	Consolidated	
	31 December 2025	31 December 2024
	$'000	$'000
Depreciation of right-of-use assets	(2,302)	(2,361)
Interest expense for lease liabilities	(367)	(462)
Total right-of-use lease cost	(2,669)	(2,823)

Note 15. Borrowings

Borrowings and Securitisation Warehouse

	Consolidated	
	31 December 2025 $'000	30 June 2025 $'000
Secured Consumer facilities	2,528,114	2,407,217
Add: accrued interest	9,734	10,040
Less: unamortised costs	(9,486)	(6,628)
	2,528,362	2,410,629

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. All intercompany transactions with these subsidiaries are eliminated on consolidation. 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.

Corporate Facility

In July 2024, Zip repaid the remaining corporate debt facility of $130.0 million and associated exit fee. The term loan was 4 years and the early repayment of the corporate debt facility accelerated the amortization of the borrowing costs associated with the corporate debt facility ($28.1 million).

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	
	31 December 2025 $'000	30 June 2025 $'000
Customer receivables[1]	2,469,476	2,376,055
Cash held through asset-backed financing program	367,340	242,657
	2,836,816	2,618,712
Borrowings related to receivables[2]	2,686,092	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 $540.3 million held by entities that do not have asset-backed financing programs in place at 31 December 2025 ($281.1 million at 30 June 2025).
2. Including $158.0 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[7] $'000	Drawn at 31 December 2025 $'000	Maturity	Facility Type
Zip Master Trust				
– Rated Note Series				
– 2024-2	332,500	332,500	September 2027	BBSW + Margin
– 2025-1[3]	285,000	285,000	July 2028	BBSW + Margin
– 2025-2[4]	380,000	380,000	November 2028	BBSW + Margin
– Variable Funding Note[6]	285,000	230,050	March 2026	BBSW + Margin
– Variable Funding Note 3	285,000	199,500	June 2027	BBSW + Margin
– Variable Funding Note 4[6]	285,000	256,500	March 2027	BBSW + Margin
– Variable Funding Note 5[6]	380,000	261,250	March 2030	BBSW + Margin
zipMoney 2017-1 Trust	155,490	144,160	July 2026	BBSW + Margin
Zip NZ Trust 2021-1[1]	17,307	9,951	July 2026	BKBM + Margin
AR3LLC[2]	447,864	242,593	December 2026	SOFR + Margin
AR5LLC[2,5]	423,082	186,610	October 2027	SOFR + Margin
Total	3,276,243	2,528,114		

1. Facility limit of NZ$20.0 million translated to AUD at exchange rate of 1.1556.
2. Facility limits of US$300.0 million AR3LLC and US$283.4 million AR5LLC translated to AUD at exchange rate of 0.6698.

During the period ended 31 December 2025, Zip executed the following:

3. A new $300m bond issuance (2025-1) at a weighted average margin of 1.79%, compared to 2.13% achieved on the previous public ABS term deal in September 2024.
4. A new $400.0 million rated note issuance (2025-2) at a weighted-average margin of 1.37%. This compares to margins of 1.79% and 2.13% achieved on the previous public ABS term deals in July 2025 and September 2024 respectively.
5. Established a second 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.
6. The 2024-1 was fully redeemed in October 2025 using existing capacity within the VFN1, VFN4 and VFN5 facilities.
7. When Zip retains 5.0% of a facility, the facility limit disclosed above excludes this amount.

Reconciliation of Borrowing

At 31 December 2025	30 June 2025 $'000	Cash Movement $'000	Non-Cash Movement $'000	31 December 2025 $'000
Gross borrowings	2,407,217	120,897	–	2,528,114
Accrued interests	10,040	13,441	(13,747)	9,734
Unamortised costs	(6,628)	(1,801)	(1,057)	(9,486)
Total	2,410,629	132,537	(14,804)	2,528,362

At 30 June 2025	31 December 2024 $'000	Cash Movement $'000	Non-Cash Movement $'000	30 June 2025 $'000
Gross borrowings	2,327,960	79,257	–	2,407,217
Accrued interests	10,040	(197,280)	197,280	10,040
Unamortised costs	(8,147)	(2,081)	3,600	(6,628)
Total	2,329,853	(120,104)	200,880	2,410,629

Note 16. Issued Capital

Ordinary Shares

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.

	31 December 2025 Shares '000	31 December 2025 $'000	30 June 2025 Shares '000	30 June 2025 $'000
Ordinary shares – fully paid	1,270,684	2,585,771	1,292,156	2,659,906
	1,270,684	2,585,771	1,292,156	2,659,906

Movements in Ordinary Share Capital

Details	Shares '000	Shares $'000
Balance at 31 December 2024	1,305,591	2,685,762
Issue of shares – employee incentives	(18)	–
Issue of shares – exercise of options	18	9
Share buy-back	(13,435)	(25,865)
Balance at 30 June 2025	1,292,156	2,659,906
Share buy-back	(21,472)	(74,135)
Balance at 31 December 2025	1,270,684	2,585,771

Movements in Options

Employee Options

Details	Options '000
Balance at 31 December 2024	96
Exercised during the period	(19)
Balance at 30 June 2025	77
Exercised during the period	(19)
Balance at 31 December 2025	58

Movements in Performance Rights

Performance Rights Under at Risk Long-Term Variable Reward (LTVR)

Shares Under LTVR

At Risk Long-Term incentives were issued for no consideration under the Employee Incentive Plan, and have a nil exercise price and vest based on the achievement of Total Shareholder Return hurdles and time-based hurdles.

Details	Weighted Average Fair Value $	Rights '000
Balance at 31 December 2024		7,095
Vested during the period	0.94	(116)
Balance at 30 June 2025		6,979
Issued during the period	3.30	1,798
Balance at 31 December 2025		8,777

Performance Rights Under Long-Term Equity (LTE)

LTE issued provide Zip with the best opportunity to retain and attract high-quality talent. LTE were issued with equal vesting over one to four years. LTE is not subject to any performance hurdles and only requires the employee to remain employed for the rights to vest. Details of LTE outstanding during the period are as follows:

Details	Weighted Average Fair Value $	Rights '000
Balance at 31 December 2024		4,712
Issued during the period	2.30	1,293
Lapsed during the period	0.47	(673)
Vested during the period	1.79	(892)
Balance at 30 June 2025		4,439
Issued during the period	3.98	2,670
Lapsed during the period	0.93	(329)
Vested during the year	1.62	(917)
Balance at 31 December 2025		5,863

Movements In Restricted Rights

	Weighted Average Fair Value $	Rights '000
Balance at 31 December 2024		253
Issued during the period	3.11	40
Balance at 30 June 2025		294
Issued during the period	3.75	379
Balance at 31 December 2025		673

During the period, the Company issued STVR Share Rights under the Equity Incentive Plan in relation to the 2025 Short-Term Variable Reward (STVR) for executives. The rights are fully vested on grant and subject to a restriction period ending on 19 September 2026. No consideration is payable. The rights will be automatically exercised at the conclusion of the restriction period.

Movements In Warrants

Details	Warrants '000
Balance at 31 December 2024	7,308
Balance at 30 June 2025	7,308
Lapsed during the year	(1,827)
Balance at 31 December 2025	5,481

The following table shows details of warrants issued outstanding at 31 December 2025:

Issue Date	Expiry Date	Exercise Price	Number Issued
6 November 2019	6 November 2026	$4.70	5,481,000
Balance at 31 December 2025			5,481,000

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 (Amazon Warrants).

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.

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 million of ordinary shares. This was extended to $100 million of ordinary shares on 20 October 2025. This reflected the strength of the Zip balance sheet, the continued delivery of operating cash flows and Zip’s outlook for future profitable growth. The establishment of the Buy-Back program is consistent with Zip’s capital management framework. This framework is designed to maximise shareholder returns, whilst preserving balance sheet strength and ensuring Zip maintains the ability to pursue strategic growth opportunities.

On 18 December 2025, Zip announced the final buy-back notification. Zip had acquired 34.9 million of ordinary shares with the paid value of shares being $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 in the period.

Note 17. Contingencies

On 24 June 2019, Zip announced to the ASX that Firstmac Limited had commenced proceedings in the Federal Court against Zip Co Limited and its subsidiary zipMoney Payments Pty Ltd alleging infringement of Firstmac’s “ZIP” trademark, which is registered in respect of financial affairs (loans).

In June 2023, Zip announced that it had successfully defended the trademark infringement claim, and that Zip was also successful in its non-use application, and cross-claim for removal or cancellation of Firstmac’s trademark. Firstmac lodged an appeal in response to both its failed trademark infringement claim against Zip, and Zip’s success in its non-use claim and the consequential cancellation or removal of Firstmac’s mark. The appeal was heard in November 2023.

In March 2025, the Full Court of the Federal Court of Australia handed down its judgment in the appeal lodged by Firstmac, finding in Firstmac’s favor, and determining that Zip had infringed Firstmac’s “ZIP” trademark and Zip’s cross-claim and non-use application should be dismissed. The Full Court then made orders giving effect to its judgment, with orders related to Zip’s future use of the “Zip” trademark in relation to credit and payment services in Australia being ‘stayed’ (i.e., suspended) pending the outcome of Zip’s application for special leave to appeal the Federal Court’s decision to the High Court. Zip's application for special leave was submitted in June 2025.

In September 2025, Zip’s application for special leave to appeal the decision of the Full Court was granted. Since that time, Zip and Firstmac have each undertaken various procedural steps in accordance with the High Court’s process.

Zip’s appeal was heard on 12 February 2026 in person in Canberra. It is likely that the High Court will deliver its judgment between May and July 2026 (though the Court is not bound by any time requirement in this respect, and judgment may be handed down before or after this time). If Zip is successful in its appeal, Zip will be entitled to continue to use the “ZIP” trade mark in relation to its commercial activities in Australia. If Zip is unsuccessful, among other things, Zip will be prohibited from using the “ZIP” mark in relation to credit and payment services and financial affairs (loans) in Australia.

There were no other contingent liabilities or contingent assets as at 31 December 2025.

Note 18. 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	
		31 December 2025	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	United Kingdom	100 %	100 %
Zip Co UK Finance Limited	United Kingdom	100 %	100 %
Zip UK Holdings Limited	United Kingdom	100 %	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 %	– %
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.
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.

Note 19. Subsequent Events

In February 2026, the Group executed a 5-year, $300.0 million rated note issuance at a weighted average margin of 1.62%.

Except for this issuance and as otherwise disclosed in this report there were no further material items, transactions or events subsequent to 31 December 2025 which relate to conditions existing at that date and which require comment or adjustment to the figures dealt with in this report.

Directors' Declaration

For the half year ended 31 December 2025

In the Directors' opinion:

- the attached condensed 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 condensed 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 condensed consolidated financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2025 and of its performance for the financial period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors

Cynthia Scott
Group CEO and Managing Director

19 February 2026

Independent Auditor's Report

Deloitte.

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Zip Co Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit and loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements, including material accounting policy information and other explanatory information, and the directors' declaration as set out on pages 10 to 51.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the Corporations Act 2001, including:

- Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Half-year 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 and Ethical Standards Board ("the Code") that are relevant to our audit of the annual 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 review report.

Directors' Responsibilities for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report continued

Deloitte.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Jason Thorne
Partner
Chartered Accountants
Sydney, 19 February 2026

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 Secretary

Kate Hume and Lucy Barnett

Registered Office

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Administrative Office

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Securities Exchange Listing

ASX Code: ZIP

Auditors

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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.
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.
ASX	Australian Securities Exchange.
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.
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.
CY	Calendar year.
EBTDA	Earnings before tax, depreciation and amortisation.
GRG	Godfrey Remuneration Group.
KMP	Key Management Personnel.
LTE	Long-Term Equity.
LTVR	Long-Term Variable Reward.
Operating margin	Cash EBTDA divided by total income.
NED	Non-Executive Director.
Net bad debts	Bad debts written off- actual value of the customer receivables deemed uncollectible, net of any recoveries, excluding the movement in the provision for expected credit losses.

NTM	Net Transaction Margin.
Revenue margin	Total income divided by total transaction volumes.
RPCC	Remuneration, People and Culture Committee.
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 half year ended 31 December 2025 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.