

7th December 2021

November Trading Update

Zip goes from strength to strength

Zip Co Limited (ASX: Z1P) (“Zip”, or the “Company”) is pleased to provide today a business update for November 2021.

KEY HIGHLIGHTS - November 2021¹

Note: all figures in AUD unless otherwise specified.

- Record monthly transaction volume of \$906.5m (up \$310.5m - 52% YoY).
- Based on November, transaction volume now annualising at over \$10b.
- Record transaction numbers for the month of 7.5m (up 86% YoY).
- Customer numbers increased to 9.2m (up 71% YoY).
- Brand awareness in the US is now at higher levels than pre Zip rebrand.
- Successfully went live with Microsoft Edge, Revolve, Virgin, Puma Fuel, Shein and many more.
- Zip Business delivered record transaction volume of \$15.2m (up 44% MoM).
- Completed the acquisition of Twisto providing a regional HQ and passport for European expansion. The acquisition of Payflex will be completed in early 2022.
- Delivered over \$50m from Expansion Markets ahead of AGM projections.
- Increased our Executive capability and capacity:
 - Ahu Chhapgar (ex PayPal, Mastercard, Citi) joined the Company as Global CTO.
 - Cynthia Scott (ex Scentre Group, Foxtel, Telstra) joined the Company as MD ANZ.
- Signed an exclusive agreement with Singtel (SGX:Z74) to support the upcoming Singapore launch and leverage the Singtel Dash App. The first test transaction has been

¹ Based on Zip unaudited financials for November 2021. All financial figures are translated into AUD using the average foreign exchange rates for the respective periods. All metrics are actuals, except for comparatives which include entities not acquired in comparative periods are reported on a pro-forma basis.

processed with a soft launch planned prior to year-end.

- Renewed the Variable Funding Note (VFN) within the Master Trust, extending its maturity to March 2024. Increased the facility limit to \$535.4m (from \$513.7m) and the weighted average margin on the VFN reduced by 0.5%.

CEO UPDATE

Zip Managing Director and Global CEO, Larry Diamond said:

“November was a very strong month for the Company, and shows the tremendous growth achieved since this time last year with many markets processing BNPL payments for the first time – the Company is now processing annualised volume of more than \$10b. Zip now has one of the largest BNPL footprints geographically with the aim of servicing its global merchants and partners in a simple and easy format.

Management and the Board would also like to acknowledge the significant volatility in equity markets, the impact to technology and fintech valuations and is taking this very seriously. We enter CY 2022 with strong momentum, in a solid financial position, with continued focus on execution, unit economics and global synergies.

We have bolstered the global executive team to better handle both regional and functional execution, and remain driven as ever to achieve the best long term outcomes for our customers, merchants and shareholders. A significant portion of the management team and the employees’ assets and remuneration is tied to the share price, and feels these gyrations alongside our loyal investor base.

Zip remains steadfast in its mission to disrupt the unfair and broken credit card with a better and fairer digital alternative, and becoming the first payment choice everywhere and every day.”

BUSINESS PERFORMANCE

Zip continues to deliver with strong November 2021 results across its BNPL operations in the United States, Australia, New Zealand, United Kingdom and Expansion Markets:

Pro-forma figures based on Zip’s unaudited financials for November 2021.

Financial Performance (AUD**)	Nov 2021	YoY
Transaction Volume	\$906.5m	52% ↑
USA	\$403.2m	54% ↑
ANZ	\$439.9m	42% ↑
UK	\$11.8m	911% ↑
Expansion Markets*	\$51.6m	N/A
Transactions	7.5m	86% ↑
USA	2.2m	45% ↑
ANZ	4.4m	111% ↑
UK	0.1m	850% ↑
Expansion Markets*	0.8m	N/A

Operational Performance	As at 30 Nov 2021	YoY
Customers	9.2m	71% ↑
USA	5.5m	92% ↑
ANZ	2.9m	27% ↑
UK	0.2m	564% ↑
Expansion Markets*	0.6m	N/A

* Expansion Markets include Canada, Mexico, Twisto (Poland and Czech Republic), Spotti (UAE and KSA) and Payflex (South Africa)

Release approved by the Chief Executive Officer on behalf of the Board.

- ENDS -

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About Zip

ASX-listed Zip Co Limited (ZIP: ASX) or (“Zip”) is a leading global financial services company, offering innovative, people-centred products that bring customers and merchants together. On a mission to be the first payment choice everywhere and every day, Zip offers point-of-sale credit and digital payment services in 13 markets around the world, including through strategic investments, connecting millions of customers with its global network of tens of thousands of merchants.

One of the fastest growing BNPL providers globally, Zip has a presence in Australia, Canada, Czech Republic, India, Mexico, New Zealand, the Philippines, Poland, Saudi Arabia, South Africa, UAE, the United Kingdom and the USA. Zip provides fair, flexible and transparent payment options to individual consumers and SMBs, helping them to take control of their financial future and helping merchants to grow their businesses. Zip is committed to responsible lending and also owns Pocketbook, a leading personal financial management tool. Founded in Australia in 2013, Zip now employs over 1,000 Zipsters worldwide.

For more information, visit: www.zip.co