INTERIM REPORT

H1 FY25 Results

Tyro Payments Limited ABN 49 103 575 042

APPENDIX 4D (Listing rule 4.2A.3)

Half-Year Report

NAME OF ENTITY	Tyro Payments Limited
ABN	49 103 575 042
REPORTING PERIOD	For the half-year ended 31 December 2024
PREVIOUS PERIOD	For the half-year ended 31 December 2023

Results for Announcement to the Market

Key information		Half-year ended 31 December	
		2024	**2023**
	% change	**$'000**	**$'000**
Transaction value[1]	(0.9%)	21,971,420	22,173,537
Revenue from ordinary activities (normalised)[2]	4.7%	248,310	237,058
Gross profit (normalised)[3]	6.5%	111,982	105,167
EBITDA (normalised)[4]	20.6%	32,996	27,348
Profit before tax (normalised)[5]	1.3%	10,548	10,413
Profit before tax (statutory)	99.6%	10,256	5,138
Profit after tax (statutory) attributable to the ordinary equity holders of Tyro Payments Limited	99.6%	10,256	5,138

1 Transaction value is a non-IFRS financial measure and is unaudited. Transaction value represents the total value of merchant sales that are processed through the Tyro payments platform and does not represent revenue in accordance with Australian Accounting Standards.
2 Normalised revenue for the half-year ended 31 December 2023 is adjusted to exclude the gain on remeasurement of the commission liability related to the Bendigo Alliance.
3 Normalised gross profit is adjusted to reflect the Bendigo Alliance gross profit share not deducted from statutory gross profit but reflected within the movement on commission liability relating to the Bendigo Alliance.
4 Tyro uses EBITDA as a non-IFRS measure of business performance, which excludes the non-cash impact of share-based payments expense, share of gain from associates, the non-cash accounting impact of the Bendigo Alliance and other one-off costs.
5 Normalised net profit before tax excludes the non-cash accounting impact of the Bendigo Alliance and other one-off costs.

Net tangible asset backing

	31 December 2024	31 December 2023
Net tangible assets per share	$0.16	$0.08

Net tangible assets are calculated by deducting intangible assets, which include the Bendigo and Adelaide Bank Limited alliance (Bendigo Alliance) customer relationship intangible assets of $55.4 million, right-of-use assets of $21.8 million and deferred tax assets of $20.4 million from net assets, while including the associated commission payable to Bendigo and Adelaide Bank Limited, lease payables and deferred tax liability in total liabilities.

ASX Listing Rules require the liabilities funding these assets to be deducted from Net Tangible Assets, however, does not allow the recognition of these intangible assets, resulting in the 16 cents net tangible assets per share in December 2024 and 8 cents per share in December 2023.

Dividends

No dividends were declared or paid and are not proposed to be paid in respect of the half-year ended 31 December 2024 (H1 FY24: Nil).

Details of Associates

Details of associated entities in which Tyro holds an interest or controls as at 31 December 2024:

Entity	Principal activities	Principal place of business	Ownership/control interest	
			31 Dec 2024	31 Dec 2023
Axis IP Pty Ltd	Payments software provider	Brisbane, Australia	11.0%	11.0%

Details of Controlled Entities

On 4 July 2024 the Tyro Employee Share Trust (Tyro EST) was established. The Tyro EST is used to acquire Tyro shares to satisfy employee and director exercises of options and rights. The Tyro EST forms part of the Group and is wholly consolidated for financial statement purposes.

Compliance Statement

For additional disclosure in compliance with Listing Rule 4.2A.3, refer to the accompanying Interim Financial Report (which includes the Directors' Report) for the half-year ended 31 December 2024, the Investor Presentation and ASX Media Release as released to the ASX on 26 February 2025.

Basis of Preparation

The Interim Financial Report for the half-year period ended 31 December 2024:

- is for the group consisting of Tyro Payments Limited and its controlled entities (together, the Group);
- is presented in Australian dollars, with all values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the Australian Securities & Investments Commission Corporations Instrument 2016/191;
- has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Act 2001*;
- has been prepared on a going concern basis; and
- does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Tyro Payments Limited Annual Report for the year ended 30 June 2024 and any public announcements made by Tyro Payments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied by the Group in this Interim Financial Report are the same as those applied by the Group in its financial report for the year ended 30 June 2024, except for contributed equity. Further information relating to contributed equity can be found in Note 1 of the accompanying financial statements.

This report is based on the Consolidated Financial Statements for the half-year ended 31 December 2024 which have been reviewed by Ernst & Young.

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DIRECTORS' REPORT

The Board of Directors present their report together with the Interim Financial Report of the Group consisting of Tyro Payments Limited (the Company) and its controlled entities (Tyro or the Group) for the half-year ended 31 December 2024.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report unless otherwise noted:

Director	
Fiona Pak-Poy	Independent, Chair and non-executive director
Jon Davey	Executive, CEO and managing director
Claire Hatton	Independent, non-executive director
Aliza Knox	Independent, non-executive director
Paul Rickard	Independent, non-executive director
Shefali Roy	Independent, non-executive director
David Fite	Independent, non-executive director (resigned 13 November 2024)

Details including term of office, qualifications, experience and information on other directorships held by directors can be found on Tyro's Investor Centre at: https://investors.tyro.com/investor-centre/?page=board-of-directors

Highlights from H1 FY25

Figures and performance commentary presented on a normalised basis, unless otherwise stated.

In the first six months of FY25 ("the period"), we continued to make progress in innovating our payment solutions, expanding our network of valued partnerships and further developing the key building blocks of future growth.

Under one of our most important strategic priorities, to provide integrated payments and banking to more merchants, we saw positive momentum in the period with a strong increase in the adoption of our banking solutions. This is a great demonstration that our integrated payments and banking proposition is highly valued by Australia's SMEs.

In the period, we delivered gross profit of $112.0 million, a 6.5% increase compared with H1 FY24 ("the prior period"). EBITDA increased by 20.6% to $33.0 million and this represents an EBITDA margin of 29.5%. Our statutory profit before tax increased by 99.6% to $10.3 million.

Review of operations

Group Performance (H1 FY25)

Numbers and performance commentary are prepared on a normalised basis, unless stated otherwise.

Gross profit for the period increased 6.5% to $112.0 million, performing in-line with our expectation as set out in our FY25 guidance, of gross profit between $218 million and $226 million in FY25, representing growth of between 3% and 7% compared with FY24.

Gross profit

	H1 FY25 $'000	H1 FY24 $'000	Change %
Gross profit	111,982	105,167	6.5%
Payments gross profit	98,216	92,673	6.0%
Banking gross profit	7,784	7,134	9.1%
Corporate and other gross profit	5,982	5,360	11.6%

Payments

Gross profit for payments increased 6.0% to $98.2 million, supported by a 2.9 basis points improvement in our payment gross margin and continued strong growth in the health vertical.

Our payment gross margin increased by 2.9 basis points to 44.7 basis points, with the increase predominantly driven by the benefit of the pricing transformation initiatives that took place in FY24, and to a lesser extent in the first half of FY25.

Transaction volumes for Tyro Core (i.e. excluding Bendigo Alliance merchants, hereafter 'Bendigo') increased by 0.3% in the period. We continued to see strong growth in our non-discretionary verticals (Health and Services), which increased by 11.1% to $5.4 billion in the first half. Within this, the Health vertical remained strong with volumes increasing by 16.2% to $3.6 billion, driven by growth in merchant numbers and an increased average transaction value. Volumes in our discretionary verticals continues to be impacted by weaker consumer discretionary spending and elevated business closures rates. We are also seeing higher levels of competition than we do in our non-discretionary verticals, which continues to weigh on our volume churn.

However, we're encouraged by the level of new business being written (transaction volumes processed in the first calendar month for new merchants in the period) which increased by 17% compared with the first half of FY24, and for Hospitality and Retail the new business written was 22% higher than in the first half of FY24.

Transaction volumes for our Bendigo merchants reduced by 10.7% to $2.2 billion, with churn on the back-book remaining high. This partially offset the benefit from the price review undertaken in May 2024 which supported an overall increase in normalised gross profit on the Bendigo book.

Banking

In the first half of FY25, we continued to see positive momentum with our integrated banking proposition, with the key lead indicators showing that more of our merchants are using us to solve both their payments and banking needs.

As at the end of December 2024, we had close to 9,000 active Tyro Bank Account (TBA) users, an increase of 34% compared with December 2023, and as we exited H1 FY25, over 25% of new merchants joining Tyro through direct channels became active TBA users within the first month of joining. These merchants use the TBA both for transactional purposes but also to hold balances, and the balances held in TBA's at the end of December 2024 increased 5% to $84.1 million compared with a year earlier.

Through improvements in awareness, and upgrades to the user experience leading to better conversion, we saw Tyro business loan originations increase by 10% to $74.7 million in H1 FY25. After seeing a reduction in loan originations in FY24, we're encouraged by how these recent changes are driving performance, and we know that merchants value the product as those with a Tyro business loan score the highest on Net Promotor Score surveys across Tyro.

In December 2024, we entered into an agreement with a third-party banking-as-a-service partner, whose expertise we will leverage to provide the banking products our merchants are asking for. Having observed positive lead indicators across banking in the period, we're increasingly confident in pursuing integrated payments and banking, and that through our new partnership we can accelerate delivery of Tyro's banking products to support more merchants.

The contribution to gross profit in H1 FY25 from Banking was $7.8 million, a 9.1% increase compared to H1 FY24. This was driven by increased revenue from lending and a reduction in overall deposit costs. The lower deposit costs reflect the maturity of more expensive term deposit funding, replaced by lower cost TBA balances.

In addition to the gross profit earned on payments and banking activities, we also generated $6.0 million of corporate and other gross profit, which includes the interest earned on our corporate cash.

Expenses

	H1 FY25 $'000	H1 FY24 $'000	Change %
Total expenses	78,986	77,819	1.5%
Employee benefits expense	50,701	48,833	3.8%
Other operating expenses	26,568	26,963	(1.5%)
Operating costs	77,269	75,797	1.9%
Lending and non-lending losses	1,717	2,022	(15.1%)

Total expenses (including lending and non-lending losses) totaled $79.0 million in the period, a 1.5% increase compared to the prior period. Within this, operating costs increased 1.9%, or $1.5

million, to $77.3 million and this was driven predominantly by higher employee benefits expenses reflecting pay increases which became effective January 2024.

Lending and non-lending losses reduced by 15.1% to $1.7 million, and indicators of credit quality remained strong. The reduction in the overall losses was supported by a number of sizeable recoveries in the period.

	H1 FY25 $'000	H1 FY24 $'000	Change %
Gross profit	111,982	105,167	6.5%
Total expenses	(78,986)	(77,819)	1.5%
EBITDA	32,996	27,348	20.6%
EBITDA margin	29.5%	26.0%	+3.5ppts

As a result of the higher gross profit and relatively flat expenses, EBITDA for the period increased by 20.6% to $33.0 million, representing an EBITDA margin of 29.5%.

Statutory profitability

	H1 FY25 $'000	H1 FY24 $'000	Change %
EBITDA	32,996	27,348	20.6%
Share-based payments	(2,004)	(1,320)	51.9%
Depreciation and amortisation	(18,027)	(14,903)	21.0%
Impairment of intangible assets	(1,747)	-	Large
EBIT	11,218	11,125	0.8%
Other interest expense	(670)	(712)	(5.9%)
Normalised profit before tax	10,548	10,413	1.3%
Statutory items	(292)	(5,275)	(94.5%)
Statutory profit before tax	10,256	5,138	99.6%

On a normalised basis, profit before tax increased by 1.3% to $10.5m. Whilst EBITDA increased by 20.6% to $33.0 million, the increase was partly offset by higher depreciation and amortisation reflecting spend related to the modernisation of our terminal fleet, and the impairment of certain intangible assets relating to banking software, which we reviewed in light of our agreement with a third-party banking-as-a-service partner.

At a statutory level, profit before tax increased by 99.6% to $10.3 million, from $5.1 million in H1 FY24. In H1 FY24, the delta between the normalised and statutory profit before tax largely reflects depreciation and amortisation, revaluation and impairment relating to the Bendigo Alliance. The adjusting items for the Bendigo Alliance were significantly smaller in H1 FY25.

Financial Position

With total cash and financial investments (excluding equity investments) of $155.4 million (30 June 2024: $165.0 million), the Group has sufficient liquidity in place to continue to fund its growth strategy. The movement of negative $9.6 million in cash and financial investments largely reflects the $9.0 million of free cash flow that was generated in the period, offset by a reduction in scheme and other receivables of $17.1 million.

At 31 December 2024, the Group had total assets of $436.2 million (30 June 2024: $451.5 million) of which 35.6% related to cash and financial investments, with the remainder relating primarily to an intangible asset recognised for customer relationships on the Bendigo Alliance, the right-of-use asset recognised on the office leases, receivables from card schemes, plant and equipment and loans.

The Group had total liabilities of $219.4 million (30 June 2024: $243.8 million) of which 40.6% related to bank account deposits, with the remainder relating to trade and other payables, lease liabilities and provisions. The Group's total assets exceeded its total liabilities by $216.8 million.

Regulatory Landscape, Capital and Funding

Tyro holds an authority under the *Banking Act 1959* (Cth) to carry on a banking business as an Authorised Deposit-taking Institution and is subject to prudential capital requirements set by APRA. The Group is fully compliant with the prudential capital requirements prescribed by APRA and has sufficient capital to fund on-going operations.

The Group had total capital of $143.0 million (30 June 2024: $124.9 million) at the end of the reporting period, and as such is well capitalised with a total capital ratio of 73% (30 June 2024: 65%). The total capital ratio remains well above APRA prudential capital requirements.

Risk Management

The Board is responsible for reviewing and approving the Group's risk management strategy, including determining the Group's appetite for risk. The CEO and Managing Director, and executive management team are responsible for implementing the risk management strategy and framework, and for developing policies, controls, processes and procedures for identifying and managing risk.

Matters subsequent to the end of the half-year

In the opinion of the Directors, there are no other matters or circumstances which have arisen between 31 December 2024 and the date of this report that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

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 on page 12 of the Interim Financial Report for the half-year ended 31 December 2024.

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

Fiona Pak-Poy
Chair

Jon Davey
CEO & Managing Director

Sydney, 26 February 2025

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Tyro Payments Limited

As lead auditor for the review of the half-year financial report of Tyro Payments Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

b. No contraventions of any applicable code of professional conduct in relation to the review; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tyro Payments Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Anita Kariappa

Anita Kariappa
Partner
26 February 2025

Consolidated Statement of Comprehensive Income

For the Half-Year ended 31 December 2024

	Note	Dec 2024 $000	Dec 2023 $000
Fees and terminal rental income	2	233,480	222,786
Interest income	2	13,098	13,140
Gain on financial instruments	2	1,097	17,726
Other income		635	730
Total revenue		**248,310**	**254,382**
Interchange, integration and support fees	2	(129,619)	(125,998)
Terminal accessories and other expenses		(1,339)	(1,659)
Interest expense on deposits and banking expenses		(598)	(1,099)
Total direct expenses		**(131,556)**	**(128,756)**
Gross profit		**116,754**	**125,626**
Employee benefits expense (excluding share-based payments)	2	(50,701)	(48,833)
Share-based payments expense		(2,004)	(1,320)
Licensing, hosting and communication costs		(11,295)	(9,254)
Administrative and other expenses	2	(8,099)	(8,222)
Marketing expenses		(4,815)	(4,238)
Contractor and consulting expenses		(2,359)	(5,250)
Lending and non-lending losses	2	(1,717)	(2,022)
Depreciation and amortisation	8, 11, 12	(22,382)	(20,532)
Impairment of intangible assets	12	(1,747)	(18,755)
Other interest expenses		(1,442)	(1,309)
Total operating expenses		**(106,561)**	**(119,735)**
Share of gain/(loss) from associates		63	(753)
Profit before tax expense		**10,256**	**5,138**
Income tax expense	4	-	-
Profit for the period		**10,256**	**5,138**
Other comprehensive income			
FVOCI reserve – revaluation gain, net of tax		321	436
Total comprehensive income for the period		**10,577**	**5,574**

Earnings per share for profit attributable to the Ordinary Equity Holders of Tyro Payments Limited	Note	Cents	Cents
Basic earnings per share	19	1.95	0.98
Diluted earnings per share	19	1.91	0.96

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

Consolidated Statement of Financial Position

For the Half-Year ended 31 December 2024

Assets	Note	Dec 2024 $000	Jun 2024 $000
Current assets			
Cash and cash equivalents		33,668	50,771
Due from other financial institutions	5	26,006	26,387
Trade and other receivables	6	41,695	44,179
Loans	7	38,355	36,677
Financial investments	9	19,653	24,608
Prepayments		6,155	4,802
Inventories		514	783
Total current assets		**166,046**	**188,207**
Non-current assets			
Loans	7	483	2,648
Financial investments	9	80,080	67,234
Investment in associates	10	811	748
Property, plant and equipment	11	55,851	51,334
Right-of-use assets	8	21,830	23,630
Intangible assets and goodwill	12	91,239	97,772
Net deferred tax assets	4	19,885	19,885
Total non-current assets		**270,179**	**263,251**
Total assets		**436,225**	**451,458**
Liabilities			
Current liabilities			
Deposits		89,151	88,882
Trade and other payables	14	46,149	64,769
Lease liabilities	8	3,764	3,492
Provisions	15	5,717	6,932
Total current liabilities		**144,781**	**164,075**
Non-current liabilities			
Other payables	14	46,862	49,986
Lease liabilities	8	26,145	28,049
Provisions	15	1,660	1,674
Total non-current liabilities		**74,667**	**79,709**
Total liabilities		**219,448**	**243,784**
Net assets		**216,777**	**207,674**
Equity			
Contributed equity	16	275,988	279,466
Reserves	16	65,337	62,889
Accumulated losses	16	(124,548)	(134,681)
Total equity		**216,777**	**207,674**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying Notes.

Consolidated Statement of Changes in Equity

For the Half-Year ended 31 December 2024

Attributable to equity holders of Tyro Payments Limited	Contributed equity $000	FVOCI reserve $000	Share-based payments reserve $000	General reserve for credit losses $000	Accumulated losses $000	Total $000
At 1 July 2023	**279,422**	**(407)**	**54,725**	**5,002**	**(161,058)**	**177,684**
Profit for the half-year	-	-	-	-	5,138	5,138
Other comprehensive income	-	436	-	-	-	436
Total comprehensive income	**-**	**436**	**-**	**-**	**5,138**	**5,574**
Share-based payments	-	-	1,320	-	-	1,320
Transfer to general reserve for credit losses	-	-	-	(536)	536	-
Transfer from FVOCI reserve	-	16	-	-	(16)	-
At 31 December 2023	**279,422**	**45**	**56,045**	**4,466**	**(155,400)**	**184,578**
At 1 July 2024	**279,466**	**(12)**	**58,587**	**4,314**	**(134,681)**	**207,674**
Profit for the half-year	-	-	-	-	10,256	10,256
Other comprehensive income	-	321	-	-	-	321
Total comprehensive income	**-**	**321**	**-**	**-**	**10,256**	**10,577**
Issue of share capital – from options and rights exercised	313	-	-	-	-	313
Share-based payments	-	-	2,004	-	-	2,004
Purchase of treasury shares	(3,791)	-	-	-	-	(3,791)
Transfer from general reserve for credit losses	-	-	-	123	(123)	-
At 31 December 2024	**275,988**	**309**	**60,591**	**4,437**	**(124,548)**	**216,777**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

Consolidated Statement of Cash Flows

For the Half-Year ended 31 December 2024

	Note	Dec 2024 $000	Dec 2023 $000
Cash flows from operating activities			
Fees and terminal rental and other income received		232,161	220,947
Interchange, integration and support fees paid		(132,412)	(127,284)
Interest received		13,437	12,568
Interest paid		(1,668)	(1,260)
Payments to employees and contractors		(54,111)	(56,024)
Terminals purchased		(12,993)	(10,587)
Other operating expenses paid		(28,250)	(22,961)
Movement in scheme and other receivables		(17,103)	(17,360)
Net cash flows used in operating activities excluding loans and deposits		**(939)**	**(1,961)**
Movement in loans		42	9,256
Movement in deposits		269	19,115
Net cash flows (used in)/from operating activities		**(628)**	**26,410**
Cash flows from investing activities			
Movement in term deposit investments			
Purchases		(92)	-
Proceeds on maturity		601	-
Movement in financial investments			
Purchases		(14,500)	(22,116)
Proceeds		7,000	13,500
Movements in property, plant and equipment (excluding terminals)			
Purchases		(328)	(423)
Payments for recognised intangible assets		(4,032)	(4,004)
Net cash flows used in investing activities		**(11,351)**	**(13,043)**
Cash flows from financing activities			
Proceeds from exercise of share options and rights		313	-
Purchase of treasury shares		(3,791)	-
Payment of the principal portion of leases		(1,646)	(1,435)
Net cash flows used in financing activities		**(5,124)**	**(1,435)**
Net movement in cash and cash equivalents		**(17,103)**	**11,932**
Cash and cash equivalents at beginning of period		50,771	42,603
Cash and cash equivalents at end of period		**33,668**	**54,535**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Consolidated Financial Statements

For the Half-Year ended 31 December 2024

1. Statement of accounting policies

The significant policies which have been adopted in the preparation of this financial report are set out below.

The financial report includes the consolidated financial statements of Tyro Payments Limited (the Company or Tyro) and its controlled entities (together referred to as the Group).

The Group is listed on the Australian Securities Exchange (ASX), registered and domiciled in Australia. The nature of the operations of the Group are described in the Directors' Report.

The financial report of the Group was authorised for issue in accordance with a resolution of the Directors on 26 February 2025.

(a) Basis of preparation
The interim financial report is a general purpose financial report, which has been prepared in accordance with AASB 134 Interim Financial Reporting and the requirements of the *Corporations Act 2001*. The interim financial report complies with Australian Accounting Standards, and other authoritative pronouncements of the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) and Interpretations as issued by the International Accounting Standards Board (IASB).

The interim financial report does not include all of the information required for a full annual financial report and should be read in conjunction with the financial report of the Group for the financial year ended 30 June 2024.

Similar categories of income and expenses have been grouped together. Prior year comparative information for these amounts, where necessary, have been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

The interim financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars, under the option available to the Group under ASIC Corporations Instrument 2016/191, unless otherwise stated.

(b) Going concern
The Directors consider the Group is able to pay its debts as and when they fall due, and therefore the Group is able to continue as a going concern.

(c) Material accounting policies
The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 30 June 2024, except for contributed equity.

Contributed Equity
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity net of tax from the proceeds of the issue. Where the Group purchases shares in the Company, the consideration paid is deducted from total shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, allocated on an exercise of options or cancelled. Where such shares are sold or allocated on an exercise of options, any consideration received is included in shareholders' equity.

(d) Significant accounting judgements, estimates and assumptions
In applying the Group's accounting policies, Management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group.

All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to Management. Actual results may differ from judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by Management in the preparation of the interim financial report, including the key sources of estimation uncertainty, are updated for the reporting date and consistent with those applied in the Group's financial report for the year ended 30 June 2024

2. Revenue and expenses

The profit before tax expense has been arrived at after accounting for the following items:

Fees and terminal rental income	Dec 2024 $000	Dec 2023 $000
Merchant service fee	216,240	202,916
Terminal rental income	15,859	18,039
Other fee income	1,381	1,831
	233,480	**222,786**
Interest income		
Effective interest income	6,761	6,368
Interest income on loans[1]	6,337	6,772
	13,098	**13,140**
Gain on financial instruments		
Fair value gain on loans[1]	1,097	402
Remeasurement of commission payable to Bendigo Bank[2]	-	17,324
	1,097	**17,726**
Interchange, integration and support fees		
Interchange and scheme fees	(112,806)	(111,990)
Integration, support and other fees	(16,813)	(14,008)
	(129,619)	**(125,998)**
Employee benefits expense (excluding share-based payments)		
Wages, salaries and incentives	(42,774)	(41,374)
Superannuation	(4,676)	(4,067)
Other employee benefits expense	(3,251)	(3,392)
	(50,701)	**(48,833)**
Administrative and other expenses		
Terminal management and logistics	(2,528)	(1,819)
Insurance	(1,183)	(1,022)
Professional services	(733)	(1,237)
Travel and entertainment	(493)	(553)
Other expenses	(3,162)	(3,591)
	(8,099)	**(8,222)**
Lending and non-lending losses		
Lending losses[1]	(1,542)	(1,844)
Non-lending losses	(175)	(178)
	(1,717)	**(2,022)**

1 Fair value gain on loans excludes interest income on loans and lending losses. Interest income on loans and lending losses have been disclosed as separate items within the Consolidated Statement of Comprehensive Income.

2 In December 2023 the Group has remeasured the commission payable to Bendigo Bank by $17,324,000 to reflect a decrease in future commission payable on Bendigo Alliance Merchants. There was no remeasurement of the commission payable to Bendigo Bank in December 2024.

3. Segment reporting

(a) Description of segments and principal activities
For management purposes, the Group is organised into two operating segments, comprising Payments and Banking. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, which is the Managing Director and CEO. The Group operates in one geographical segment being Australia.

The Corporate and other segment, which is not considered an operating segment of the Group, is used to reconcile the total segment results back to the consolidated results. It consists of other income and costs that fall outside the day-to-day operations of the Group. These include the Group's head office, all employee benefits expenses and other operating expenses, all of which are recorded below Gross Profit.

The Group's reportable segments under AASB 8 Operating Segments are as follows:

Reportable Segment	Principal activities
Payments	Acquires electronic payment transactions from merchants. Revenue is primarily earned from fees charged for processing acquired transactions. Revenue is also earned from other fee income, terminal rental income and the sale of terminal accessories. Direct expenses include scheme and interchange fees, integration, support and other fees and cost of terminal accessories sold.
Banking	Complementary banking services to merchants. Revenue is earned from fees charged on loans and interest income on excess deposits. Interest expense is incurred on merchant deposits.

(b) Revenue and gross profit by segment

	Payments[1]	Banking[2]	Corporate and other[3]	Total
	$000	$000	$000	$000
December 2024				
Revenue	233,946	8,382	5,982	248,310
Gross profit	102,988	7,784	5,982	116,754
December 2023				
Revenue	240,789	8,232	5,361	254,382
Gross profit	113,132	7,133	5,361	125,626

Reconciliation of gross profit to profit before tax:

	Dec 2024 $000	Dec 2023 $000
Gross profit	116,754	125,626
Operating expenses (excl. depreciation and amortisation and other interest expenses)	(82,737)	(97,894)
Depreciation and amortisation	(22,382)	(20,532)
Other interest expenses	(1,442)	(1,309)
Share of gain/(loss) from associates	63	(753)
Profit before tax	**10,256**	**5,138**

1 Gross profit of the Payments segment is payments revenue and income less direct expenses.
2 Gross profit of the Banking segment is income from merchant lending adjusted for the fair value movement on loans, interest income on excess deposits and interest expense on merchant deposits.
3 Gross profit of Corporate and other includes income from investments and other revenue and income.

3. Segment reporting (continued)

(c) Assets and liabilities by segment

	Payments $000	Banking $000	Corporate and other $000	Total $000
December 2024				
Segment assets	236,509	96,110	103,606	436,225
Segment liabilities	91,133	89,243	39,072	219,448
June 2024				
Segment assets	255,729	97,184	98,545	451,458
Segment liabilities	113,103	89,398	41,283	243,784

4. Income tax

(a) Income tax expense:

Major components of income tax expense for the period ended 31 December 2024.

	Dec 2024 $000	Dec 2023 $000
Current income tax		
Current income tax charge	-	-
Deferred income tax		
Relating to origination and reversal of temporary differences	4,452	4,980
Derecognition of deferred tax on temporary differences	(4,452)	(4,980)
Income tax expense in the statement of comprehensive income	**-**	**-**
Amount reported directly in other comprehensive income and equity		
Deferred tax related to items recognised in equity during the period	-	-
Income tax expense reported in equity	**-**	**-**

(b) Reconciliation of income tax expense and prima facie tax:

	Dec 2024 $000	Dec 2023 $000
Operating profit before tax	**10,256**	**5,138**
At the statutory income tax rate of 30%	(3,077)	(1,541)
Purchase of treasury shares	1,140	-
Share-based payment remuneration	(601)	(396)
Share of gain/(loss) from associates	19	(226)
Entertainment and other non-deductible expenses	(67)	(49)
Recoupment of prior year losses not brought to account	4,452	4,980
Derecognition of deferred tax on previously unrecognised tax losses	(1,866)	(1,963)
Recognition of deferred tax on previously unrecognised temporary differences	-	(805)
Total income tax expense	**-**	**-**

Net deferred tax assets relate to temporary differences and recognised tax losses of $19,885,000 (tax effected) as at 31 December 2024 (June 2024: $19,885,000). In addition, approximately $6,753,000 (tax effected) (June 2024: $10,458,000) of unused tax losses, R&D credits and temporary differences have not been recognised as an asset at balance sheet date.

5. Due from other financial institutions

	Dec 2024 $000	Jun 2024 $000
Deposits pledged as collateral	16,006	16,286
Term deposits	10,000	10,101
	26,006	**26,387**

Includes term deposits with maturities greater than three months from the date of acquisition and deposits pledged to counterparties as collateral. Refer to Note 18 for details of deposits pledged as collateral.

6. Trade and other receivables

	Dec 2024 $000	Jun 2024 $000
Scheme and other receivables[1]	24,082	28,314
Merchant acquiring fees	17,613	15,865
	41,695	**44,179**

[1] Scheme receivables are presented net of merchant payables in line with the Group's accounting policy.

The Group's ageing of trade and other receivables are as follows:

	Total $000	Not past due $000	1-30 days $000	31-60 days $000	61-90 days $000	> 90 days $000	Expected credit losses $000
Carrying value - Dec 24	41,695	41,625	-	21	-	70	(21)
Carrying value – Jun 24	44,179	44,223	-	-	-	-	(44)

7. Loans

	Dec 2024 $000	Jun 2024 $000
Current		
Loans (net of unearned fees)	38,355	36,677
Non-current		
Loans (net of unearned fees)	483	2,648
	38,838	**39,325**

Income from loans comprises interest income of $6,337,000 (December 2023: $6,772,000), fair value gain of $1,097,000 (December 2023: gain of $402,000) and net lending loss of $1,542,000 (December 2023: net lending loss of $1,844,000).

8. Leases

Group as lessee – property lease
Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities in the Consolidated Statement of Financial Position and the movements during the period:

	Right-of-use assets $000	Lease liabilities $000
As at 1 July 2024	23,630	31,541
Depreciation expense	(1,800)	-
Interest expense	-	660
Payments	-	(2,292)
As at 31 December 2024	**21,830**	**29,909**

	Dec 2024 $000	Jun 2024 $000
Current		
Lease liability	3,764	3,492
Non-current		
Lease liability	26,145	28,049
Total lease liabilities	**29,909**	**31,541**

Lease liabilities – Maturity analysis Contractual undiscounted cash flows	Dec 2024 $000	Jun 2024 $000
Within one year	4,976	4,782
After one year but not more than five years	22,692	22,238
More than five years	6,545	9,485
Total undiscounted lease liabilities	**34,213**	**36,505**

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

	Dec 2024 $000	Dec 2023 $000
Depreciation expense of right-of-use assets	(1,800)	(1,737)
Interest expense on lease liabilities	(660)	(704)
Rent expense on short-term leases	(44)	(179)
Total amount recognised in Consolidated Statement of Comprehensive Income	**(2,504)**	**(2,620)**

9. Financial investments

	Dec 2024 $000	Jun 2024 $000
Current		
Bonds	19,653	24,608
	19,653	**24,608**
Non-current		
Bonds	76,122	63,276
Equity investment	3,958	3,958
	80,080	**67,234**

Bonds have been classified between current and non-current based on maturity date. The bonds are held for liquidity purposes and qualify as eligible collateral for repurchase agreements with the Reserve Bank of Australia.

The Group holds an equity investment in Mr Yum Holdings Pty Ltd (Mr Yum). Mr Yum is a mobile menu ordering and payment platform used by leading hospitality and entertainment venues for dine-in, pick-up and delivery.

10. Investment in associate

	Dec 2024 $000	Jun 2024 $000
Investment in associate		
Axis IP Pty Ltd (Paypa Plane)	811	748
	811	**748**

Paypa Plane is a payments technology business transforming scheduled payments. The investment in associate is initially recognised at cost and subsequently increased or decreased by the Group's share of Paypa Plane of net profit or loss after the acquisition date.

11. Property, plant and equipment

Reconciliation of net carrying amounts at the beginning and end of the half-year:

	Terminals $000	Furniture and office equipment $000	Computer equipment $000	Leasehold improvements $000	Total $000
Half-year ended 31 December 2024					
At 1 July 2024 net of accumulated depreciation	41,345	99	2,050	7,840	51,334
Additions	16,036	35	467	-	16,538
Disposals	(247)	-	(10)	-	(257)
Depreciation for the half-year	(10,492)	(54)	(615)	(603)	(11,764)
At 31 December 2024 net of accumulated depreciation	**46,642**	**80**	**1,892**	**7,237**	**55,851**
At 30 June 2024					
Cost	114,125	2,724	12,689	10,409	139,947
Accumulated depreciation	(72,780)	(2,625)	(10,639)	(2,569)	(88,613)
Net carrying amount	**41,345**	**99**	**2,050**	**7,840**	**51,334**
At 31 December 2024					
Cost	120,989	2,759	13,084	10,409	147,241
Accumulated depreciation	(74,347)	(2,679)	(11,192)	(3,172)	(91,390)
Net carrying amount	**46,642**	**80**	**1,892**	**7,237**	**55,851**

12. Intangible assets and goodwill

Reconciliation of net carrying amounts at the beginning and end of the half-year:

	Software $000	Customer relationships $000	Goodwill $000	Total $000
Half-year ended 31 December 2024				
At 1 July 2024 net of accumulated amortisation and impairment	22,676	61,409	13,687	97,772
Additions	4,032	-	-	4,032
Impairment expense	(1,747)	-	-	(1,747)
Amortisation for the half-year	(4,254)	(4,564)	-	(8,818)
At 31 December 2024 net of accumulated amortisation and impairment	**20,707**	**56,845**	**13,687**	**91,239**
At 30 June 2024				
Cost	42,153	114,913	13,687	170,753
Accumulated amortisation and impairment	(19,477)	(53,504)	-	(72,981)
Net carrying amount	**22,676**	**61,409**	**13,687**	**97,772**
At 31 December 2024				
Cost	44,438	114,913	13,687	173,038
Accumulated amortisation and impairment	(23,731)	(58,068)	-	(81,799)
Net carrying amount	**20,707**	**56,845**	**13,687**	**91,239**

Impairment considerations
At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group is required to make a formal estimate of the recoverable amount. If the carrying value of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

During the period an impairment of software was recognised within 'impairment of intangible assets' in the Consolidated Statement of Comprehensive Income. There were no indicators of impairment present on any other assets in the current period. In prior period, based on an impairment assessment of the Bendigo Alliance cash-generating unit (CGU) an impairment expense of $18,755,000 was recognised within 'Impairment of intangible assets' in the Consolidated Statement of Comprehensive Income.

Key assumptions and sensitivity
The cash flow projections require Management to make significant estimates and judgements. Each of the assumptions is subject to significant judgement about future economic conditions and the ongoing development of the industries in which the CGUs operate. Forecasted cash flows are risk-adjusted allowing for estimated changes in the business and the competitive trading environment.

Cash flow projections are based on forecast revenue growth arising from forecast TV for the Bendigo Alliance. The weighted average cost of capital (WACC) applied to the cash flow projections in prior year was 12.5% which reflects the current market assessment of the time value of money and the risks specific to the relevant segments in which the CGU operates.

13. Share based payments

The Group provides benefits to employees (including Key Management Personnel (KMP)) from time to time including share-based payments as remuneration for service.

(a) Fair value of options under the Employee Share Option Plan (ESOP)

The following table illustrates the number of outstanding options, weighted average exercise prices (WAEP) in cents and movements of share options during the half-year:

	Dec 2024 Number	Dec 2024 WAEP (cents)	Dec 2023 Number	Dec 2023 WAEP (cents)
Monthly linear and annual linear vesting				
Opening	724,739	61	5,796,693	140
Granted	-	-	-	-
Exercised	(244,552)	-	(143,475)	-
Forfeited or expired	(597)	-	(2,954,169)	149
Total outstanding at the end of the period	**479,590**	**92**	**2,699,049**	**137**
Total exercisable at the end of the period	**479,590**	**92**	**2,593,014**	**142**
Performance based vesting				
Opening	1,581,050	179	3,318,746	165
Granted	-	-	-	-
Exercised	-	-	-	-
Forfeited or expired	(114,900)	179	(1,737,696)	154
Total outstanding at the end of the period	**1,466,150**	**179**	**1,581,050**	**179**
Total exercisable at the end of the period	**1,466,150**	**179**	**-**	**-**
Total outstanding at the end of the period	**1,945,740**		**4,280,099**	
Total exercisable at the end of the period	**1,945,740**		**2,593,014**	

(b) Performance rights, service rights, remuneration sacrifice rights and rights to shares under other contractual arrangements

The following table illustrates the number of outstanding rights, weighted average exercise prices (WAEP) in cents and movements of rights during the half-year:

	Dec 2024 Number	Dec 2024 WAEP (cents)	Dec 2023 Number	Dec 2023 WAEP (cents)
Opening	16,883,794	-	13,113,235	-
Granted	6,263,795	-	8,598,398	-
Exercised	(3,256,209)	-	(2,431,272)	-
Forfeited or expired	(1,505,049)	-	(1,056,661)	-
Total outstanding at the end of the period	**18,386,331**	**-**	**18,223,700**	**-**
Total exercisable at the end of the period	**4,448,223**	**-**	**2,168,678**	**-**

14. Trade and other payables

	Dec 2024 $000	Jun 2024 $000
Current		
Scheme fees, commissions and other accruals	23,762	23,655
Commissions payable to Bendigo Bank	8,169	9,045
Accounts payable	3,180	1,015
Clearing account and other liabilities	11,038	31,054
	46,149	**64,769**

Non-current		
Commissions payable to Bendigo Bank	46,862	49,986
	46,862	**49,986**

Commissions payable to Bendigo Bank
The Group has an alliance with Bendigo and Adelaide Bank Limited (Bendigo Bank) for merchant acquiring services, known as the Bendigo Alliance. As part of the Bendigo Alliance, Bendigo Bank agreed to transfer existing and refer potential customers to the Group for the provision of a co-branded merchant acquiring service. In return, Bendigo Bank received upfront consideration and ongoing commission from existing and newly referred Bendigo Bank business customers who use the Group's merchant acquiring services.

The present value of commission payable on existing customer network and future rollouts includes an amount guaranteed by the Group and an additional variable amount based on revenue achieved as follows:

	Dec 2024 $000	Jun 2024 $000
Guaranteed amount	4,393	9,045
Variable amount	50,638	49,986
	55,031	**59,031**

15. Provisions

	Annual Leave $000	Long Service Leave $000	Make good provision[1] $000	Other Provision[2] $000	Total $000
Balance at 1 July 2024	4,910	2,552	623	521	8,606
Amounts provided/(utilised or released) during the period	(727)	(90)	10	(422)	(1,229)
Balance at 31 December 2024	**4,183**	**2,462**	**633**	**99**	**7,377**
Current	4,183	1,435	-	99	5,717
Non-current	-	1,027	633	-	1,660
	4,183	**2,462**	**633**	**99**	**7,377**

1 The make good provision is for the expected costs of restoring the lease to its original condition at the conclusion of the lease.
2 Other provisions relate to amounts payable to suppliers and merchants based on expected costs to be incurred.

16. Contributed equity and reserves

(a) Movement in ordinary shares on issue

	Number of shares	$000
At 1 July 2023	520,857,650	279,422
Share options and rights exercised	3,666,616	-
Proceeds relating to options exercised[1]	-	44
At 30 June 2024	**524,524,266**	**279,466**
Shares options and rights exercised	3,500,761	-
Proceeds relating to options exercised[1]	-	313
At 31 December 2024	**528,025,027**	**279,779**
Less: treasury shares purchased[2]	(4,087,412)	(3,791)
At 31 December 2024 excluding treasury shares	**523,937,615**	**275,988**

1 Proceeds from repayment of limited recourse loans from former Medipass option holders relating to Tyro's acquisition of Medipass on 31 May 2021.

2 On 4 July 2024, the Group established the Tyro Employee Share Trust. The purpose of the Tyro Employee Share Trust is to acquire Tyro Payments Limited shares on-market to be held within the trust for satisfying the Group's share-based payments compensation obligations for employee share plans from FY24 onwards. Share options and rights exercised may be settled using the shares held in the trust. During the period, the trust acquired 4,087,412 shares for the cost of $3,791,000 at an average cost of $0.93 per share. The consideration paid is deducted from total shareholders' equity and the shares are treated as treasury shares until they are subsequently sold, allocated on an exercise of options or rights or cancelled.

Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends when declared and in the event of winding up of the Company to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on ordinary shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. All issued share capital is paid up in full and recognised at the fair value of the consideration received by the Group, less transaction costs.

(b) FVOCI reserve

	Dec 2024 $000	Jun 2024 $000
Balance at the beginning of the period	(12)	(407)
Revaluation gain, net of tax	321	379
Transfer to accumulated losses	-	16
Balance at the end of the period	**309**	**(12)**

(c) Share-based payments reserve

	Dec 2024 $000	Jun 2024 $000
Balance at the beginning of the period	58,587	54,725
Share-based payments expenses	2,004	3,862
Balance at the end of the period	**60,591**	**58,587**

The share-based payments reserve is used to record the value of share-based payments or benefits provided to any Directors, employees as part of their remuneration or compensation, and share-based payments provided to other stakeholders as part of contractual agreements.

16. Contributed equity and reserves (continued)

(d) General reserve for credit losses

	Dec 2024 $000	Jun 2024 $000
Balance at the beginning of the period	4,314	5,002
Transfer from/(to) accumulated losses:		
Movement for chargeback losses reserve	136	(559)
Movement for lending losses reserve	(13)	(129)
Balance at the end of the period	**4,437**	**4,314**
Total reserves at the end of the period	**65,337**	**62,889**

(e) Accumulated losses

	Dec 2024 $000	Jun 2024 $000
Balance at the beginning of the period	(134,681)	(161,058)
Profit attributable to shareholders of the Group	10,256	25,705
Transfer (from)/to general reserve for credit losses	(123)	688
Transfer from FVOCI Reserve	-	(16)
Balance at the end of the period	**(124,548)**	**(134,681)**

17. Fair values (including financial risk management)

(a) Fair values

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1	The fair value is calculated using quoted prices in active markets.
Level 2	The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3	The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

Quoted market price represents the fair value determined based on quoted prices in active markets as at the reporting date without any deduction for transaction costs.

The table below shows the Group's financial assets that are measured at fair value, or where not measured at fair value, their fair value equivalent. Management has assessed that for other financial assets and liabilities not disclosed in the table below, that due to their short-term maturity or repricing profile, the carrying amount is an approximation of fair value.

17. Fair values (including financial risk management) (continued)

(a) Fair values (continued)

				31 December 2024 ($000)	
Financial Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bonds	9	95,775	-	-	95,775
Loans	7	-	-	38,838	38,838
Equity investment	9	-	-	3,958	3,958
		95,775	**-**	**42,796**	**138,571**

				30 June 2024 ($000)	
Financial Assets	**Note**	**Level 1**	**Level 2**	**Level 3**	**Total**
Bonds	9	87,884	-	-	87,884
Loans	7	-	-	39,325	39,325
Equity investment	9	-	-	3,958	3,958
		87,884	**-**	**43,283**	**131,167**

Bonds
The bonds invested in by the Group are of high credit quality. Bonds held by the Group have floating and fixed interest rates and have up to five years maturity. The fair value of these bonds are obtained from an independent third-party pricing service that uses tradeable prices and quotes from active markets.

Loans
Loans are included in Level 3 due to one or more of the significant inputs used in determining the fair value being based on unobservable inputs. To determine the fair value, an income valuation approach is used. This technique converts forecasted cash flows to a present value amount (also known as a discounted cash flow method). Forecast cash flows are actuarially determined using predictive models based partly on evidenced historical performance and expected repayment profiles.

The fair value model will be periodically reviewed, tested and refined as needed.

The fair value of loans requires estimation of:

- the expected future cash flows;
- the expected timing of receipt of those cash flows; and
- discount rates derived from similar observed rates for comparable assets that are traded in the market.

The main inputs used in measuring the fair value of loans are as follows:

- loan balance – accepted principal and fee, outstanding principal and fee, and date of acceptance;
- annual settlement amount – forecasted total annual settlements for loan customers;
- current repayment percentage – percentage of daily settlements through the loan customers' terminals that go towards loan repayments;
- historical default and recovery information; and
- discount rates – market benchmarked discount rate which allows for a market level of default risk.

The unobservable pricing inputs which determine fair value are based on:

- the pricing of loans including adjustments for credit risk with the risk adjustments ranging between 31% and 36%;
- historical data with respect to behavioural repayment patterns – generally ranging between 3 to 12 months; and
- default experience for loans deemed uncollectable and are valued at Nil.

These inputs directly affect the fair value of the loans. A change of 10% in the value ascribed to credit risk for loans to merchants that are not trading completely will have an impact of between negative $116,000 (December 2023: $221,000) and positive $116,000 (December 2023: $221,000) to profit and loss.

17. Fair values (including financial risk management) (continued)

(a) Fair values (continued)

Equity investments
The Group holds an investment in Mr Yum which is held as a financial instrument as noted in Note 9. The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, the fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; and discounted cash flow analysis, making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

Transfer between categories
There were no transfers between Level 1, Level 2 or Level 3 during the period.

(b) Financial risk management
During the ordinary course of business, the Group is exposed to credit risk, operational risk, market risk (including interest rate risk and foreign exchange risk) and liquidity risk. For details on the management of these risks, refer to the financial report for the year ended 30 June 2024.

18. Commitments, contingencies and contingent liabilities

(a) Commitments relating to BECS
The Group pays merchants through the Bulk Electronic Clearing System (BECS). As a result of BECS intra-day settlements which went live in November 2013, all merchant settlements committed are processed on the same day.

(b) Contingent liabilities arising from commitments
Contingent liabilities arising from commitments are secured by way of standby letters of credit or bank guarantees as follows:

	Dec 2024 $000	Jun 2024 $000
Contingent liabilities - secured		
(i) Irrevocable standby letters of credit in favour of:		
Mastercard International[1]	3,491	3,363
Visa International[1]	1,549	1,549
	5,040	**4,912**
(ii) Bank Guarantee in favour of:		
Bendigo and Adelaide Bank Limited[2]	6,000	6,000
Guarantees in relation to office leases[3]	4,966	4,874
National Australia Bank Limited (NAB) - Tyro Health[4]	-	500
	10,966	**11,374**
Contingent liabilities - unsecured		
NAB - Letter of Guarantee and Indemnity[4]	5,000	2,000
	5,000	**2,000**

18. Commitments, contingencies and contingent liabilities (continued)

(b) Contingent liabilities arising from commitments (continued)

1. The Group has provided irrevocable standby letters of credit of $5,040,000 (30 June 2024: $4,912,000) secured through fixed charges over term deposits with the Commonwealth Bank of Australia and Westpac Banking Corporation, to Mastercard International and Visa International. These are one-year arrangements that are subject to automatic annual renewal. Mastercard International and Visa International, at their discretion, may increase the required amounts of the standby letters of credit upon written request to the Group. The required amounts of the standby letters of credit are dependent on Mastercard International's and Visa International's view of their risk exposure to the Group.

2. A bank guarantee in favour of Bendigo and Adelaide Bank Limited is held with Westpac Banking Corporation to mitigate the default risk created by Bendigo settling funds to Alliance merchants that hold a settlement account with Bendigo Bank ahead of funds receipt from Tyro.

3. The bank guarantee in relation to office leases disclosed in Note 8. The amount represents 6 months rent, outgoings and GST and is refundable on expiry of the lease agreement, subject to satisfactory vacation of the leased premises.

4. A Letter of Guarantee and Indemnity of $5,000,000 (30 June 2024: $2,000,000) and nil collateral (30 June 2024: $500,000) in favour of National Australia Bank Limited to enable early settlements for health claims processed by Tyro Health Pty Ltd.

19. Earnings per share

Basic earnings per share shows the earnings attributable to each ordinary share. It is calculated as the net earnings attributable to ordinary shareholders divided by the weighted average number of ordinary shares in each period.

Diluted earnings per share shows the earnings attributable to each ordinary share if all the dilutive potential ordinary shares had been ordinary shares. There are no discontinued operations within the Group.

Earnings	**Dec 2024 $000**	**Dec 2023 $000**
Net profit attributable to ordinary shareholders used to calculate basic and diluted earnings per share	10,256	5,138

	Dec 2024 Number	**Dec 2023 Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	524,814,735	521,896,727
Weighted average number of potentially dilutive ordinary shares	**536,136,188**	**534,532,472**

Earnings per share	**Dec 2024 Cents**	**Dec 2023 Cents**
Basic	1.95	0.98
Diluted	1.91	0.96

20. Matters subsequent to the end of the half-year

In the opinion of the Directors, there are no matters or circumstances which have arisen between 31 December 2024 and the date of this report that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations and the state of affairs of the Group in subsequent financial periods.

Directors' declaration

For the Half-Year ended 31 December 2024

In the opinion of the Directors:

(a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the six month period ended on that date; and

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

(b) the consolidated financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

FIONA PAK-POY
Chair

JON DAVEY
CEO and Managing Director

Sydney, 26 February 2025

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of Tyro Payments Limited

Conclusion

We have reviewed the accompanying half-year financial report of Tyro Payments Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and

b. 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* (ASRE 2410). 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

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 2024 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*.

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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.

Ernst & Young

Ernst & Young

Anita Kariappa

Anita Kariappa
Partner
Sydney
26 February 2025

CORPORATE DIRECTORY

Directors

Fiona Pak-Poy – Non-executive Director & Chair of the Board

Jon Davey – CEO & Managing Director

Claire Hatton – Non-executive Director & Chair of People Committee

Aliza Knox – Non-executive Director

Shefali Roy – Non-executive Director & Chair of Risk Committee

Paul Rickard – Non-executive Director & Chair of Audit Committee

Company Secretary

Jairan Amigh: cosec@tyro.com

Investor Relations

Martyn Adlam: investorrelations@tyro.com

Media

Gemma Garkut: media@tyro.com

Auditor

Ernst & Young; 200 George Street, Sydney NSW, 2000, Australia

Registered and Principal Administrative Office in Australia

Tyro Payments Limited; Level 18, 55 Market Street, Sydney NSW, 2000, Australia

Phone: 1300 966 639 ABN: 49 103 575 042

Share Registry

MUFG Corporate Markets, a division of MUFG Pension & Market Services

Level 12, 680 George Street, Sydney NSW, 2000, Australia

Email: support@cm.mpms.mufg.com

Phone: 1300 554 474 Fax: +61 2 9287 0303

To maintain or update your details online and enjoy full access to all your holdings and other valuable information, simply visit au.investorcentre.mpms.mufg.com

Australian Securities Exchange (ASX) Listing

Tyro Payments Limited shares are listed on the ASX under the code TYR.

Details of all announcements released by Tyro Payments Limited can be found on our Investors page at https://investors.tyro.com/investor-centre/

Tyro website and investor centre

https://www.tyro.com/

https://investors.tyro.com/investor-centre/