Cuscal

ABN 95 087 822 455; AFSL 244116

Appendix 4D

Entity and reporting period

Name of Entity:	**Cuscal Limited**
ASX code:	**CCL**
ABN:	**95 087 822 455**
Current reporting period:	**01 July 2024 – 31 December 2024**
Prior corresponding reporting period:	**01 July 2023 – 31 December 2023**

Results for announcement to the market

	Half-year ended 31 December					
		%		**2024 $m**		**2023 $m**
Revenue from ordinary activities (1)	*Up*	9%	*to*	249.0	*from*	229.2
Profit before tax	*Down*	19%	*to*	17.5	*from*	21.5
Profit from ordinary activities after tax (2)	*Down*	8%	*to*	12.2	*from*	13.3
Consolidated Profit attributable to the owners of Cuscal Limited	*Down*	11%	*to*	12.2	*from*	13.7

1) Reported as the sum of gross fee and commission revenue and interest income from the consolidated Statement of Profit or Loss.

2) Profit from ordinary activities after tax includes losses from non-controlling interests

Dividends

	Dividend per share (cents)	Dividend ($m)	Franked amount per share (%)
Final dividend – 3 October 2024	5.0	8.8	100
Special dividend – 27 November 2024	4.5	7.9	100

No interim dividend has been declared for the period ended 31 December 2024.

Net tangible assets

	As at 31 December	
	2024 $	**2023 $**
Net tangible assets (3) per ordinary share	1.31	1.13

3) Net tangible assets are calculated by deducting intangible assets and right-of-use assets from net assets per the consolidated Statement of Financial Position.

Supplementary information

On 1 July 2024, Cuscal Payment Holdings Limited acquired the remaining non-controlled interest in Braavos Corporation Limited (18.44%), through a Deed of Sale and Release with the remaining shareholder. Cuscal Payments Holdings Limited own 100% of the ordinary shares in Braavos Corporation Limited from this date. The acquisition of remaining shares did not have a material impact to Cuscal Limited's profit from ordinary activities during the period.

The Group held no material investments in associates or joint venture entities as at 31 December 2024.

This report is based on the consolidated financial statements for the half-year ended 31 December 2024 which have been reviewed by Ernst & Young. It is being provided to the ASX to comply with Rule 4.2A. The report should be read in conjunction with the 2024 Annual Report and all public announcements made in the period by the Group in accordance with the continuous disclosure requirements of the Corporations Act 2001 (Cth) and the ASX Listing Rules.

Any reference to the 'Group' is a reference to Cuscal Limited and its controlled entities. All entities within the group are compliant with International Financial Reporting Standards (IFRS).

Additional information supporting the Appendix 4D disclosure requirements can be found in the accompanying 2024 Interim financial report.

This announcement has been authorised for release by the Board on 26 February 2025.

Cuscal

Interim Financial Report

Half year ended 31 December 2024

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Directors' Report

The Directors of Cuscal Limited present their report on the consolidated entity consisting of Cuscal Limited (**'Cuscal'** or **'the Company'**) and the entities it controlled (the **'Consolidated Entity'** or **'the Group'**) at the end of, or during, the half year ended 31 December 2024.

Directors

The Directors who held office during or since the end of the financial year and up to the date of this report are:

- Elizabeth Proust AO
- Craig Kennedy
- Belinda Cooney
- Trudy Vonhoff
- Claudine Ogilvie
- Ling Hai
- Wayne Stevenson
- Daryl Johnson (resigned 31 July 2024)

Principal activities

Cuscal is an APRA regulated Authorised Deposit-taking Institution ('ADI') that provides payment and regulated data services in Australia and on a limited basis through a non-ADI subsidiary, in New Zealand.

Cuscal provides payment services to banks, Fintechs and corporates, enabling its clients to provide payment services to their customers. As a B2B provider, Cuscal operates in the infrastructure layer of the Australian payments market, connecting clients to local payments infrastructure so they can focus on where they can best create strategic advantage – at the user experience layer and improving how their end customers access their products and services.

Cuscal does not hold retail deposits or engage in retail lending. Further, Cuscal designs its payments and regulated data services for its clients to use for their end customers, whereas a typical ADI designs products (such as a retail customer bank account) which it offers directly to its end customers.

Cuscal's business model includes the provision of three core payments capabilities including issuing, acquiring and payments. These core payments capabilities enable Cuscal's clients to facilitate a range of transactions, from card-based payments to batch and real-time solutions for their end customers. These core payments offerings are enhanced through enabling foundations that support the client experience, such as the optional provision of fraud monitoring services, back-office operations that are required to deliver payments solutions, increasing the relevance of Cuscal's payment solutions and as a payments partner.

Review of operations

The financial report for the half year ended 31 December 2024 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001 (Cth).*

The Consolidated Profit attributable to the owners of Cuscal for the half year ended 31 December 2024 was **$12.2 million**, compared to $13.7 million for the half year ended 31 December 2023. The Consolidated Profit attributable to the owners of Cuscal for the half year ended 31 December 2024 was affected by the incurrence of $9.3 million (after tax) in costs associated with the listing of Cuscal on 25 November 2024.

Excluding the impact of the costs associated with the listing referred to above, the financial results for the half year period demonstrate solid growth across all our key financial metrics and, with growth in transaction volumes and net operating income, we are on track to meet or modestly exceed our FY25 Prospectus pro forma Consolidated Profit forecast.

Further detail is discussed in the Review of Operations on pages 6 to 16.

Dividends

In respect of the year ended 30 June 2024, a final dividend of 5.0 cents per ordinary share was paid on 3 October 2024. The total amount paid was $8.8 million.

In respect of the half year ended 31 December 2024, a special dividend of 4.5 cents per ordinary share was paid on 27 November 2024. The total amount paid was $7.9 million.

No interim dividend has been declared relating to the half year period ending 31 December 2024.

All dividends paid or declared above are fully franked to 100% at the 30% corporate income tax rate.

Auditor's Independence Declaration

The Auditor's Independence Declaration is included on page 5.

Share transactions

On 25 November 2024, the Company successfully completed an Initial Public Offering ("IPO") on the Australian Securities Exchange raising a total of $336.8 million from the additional issuance of 16.0 million shares at an issue price of $2.50 per share ($40.0 million) and a transfer of 118.7 million shares at an issue price of $2.50 per share ($296.8 million) from existing shareholders to new shareholders. In addition, Cuscal Limited granted 0.2 million shares ($0.5 million) to eligible employees through an employee share plan. A reconciliation of the movement in issued capital can be seen in Note 13 in the notes to the financial statements.

Cuscal expects the funds to be used:

- to support working capital requirements;
- to maintain a strong balance sheet and meet regulatory capital requirements;
- to pay for the costs of the Offer;
- for maintenance and further enhancements of Cuscal's core technology stack and its risk uplift investment program; and
- for general corporate purposes, including executing Cuscal's growth strategy.

Rounding off of Amounts

Cuscal is a company of a kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in this Directors' Report and the Financial Report has been prepared in millions, rounded off to the nearest hundred thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001 (Cth).

On behalf of the Directors

Elizabeth Proust AO Chairman 26 February 2025	Craig Kennedy Managing Director 26 February 2025

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Auditor's Independence Declaration

As lead auditor for the review of the half-year financial report of Cuscal 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 audit;

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 review.

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

Ernst & Young

Andrew Harmer
Partner
26 February 2025

Review of Operations

Cuscal Limited and its consolidated entities ('Cuscal' or 'the Group') have prepared the following information to accompany the interim financial report disclosures for the half-year ended 31 December 2024 ('Dec 2024') and compared to the half-year ended 31 December 2023 ('Dec 2023').

Overview – statutory financial results

References in the Review of Operations are presented in line with the accompanying statutory financial statements.

$m	Dec 2024	Dec 2023	YoY growth $	YoY growth %
Total net operating income ($m)	146.7	137.4	9.3	7%
Total Adjusted net operating income ($m) [(1)]	146.7	138.1	8.6	6%
Total operating expenses	(129.2)	(115.9)	(13.3)	11%
Adjusted EBITDA [(2)] ($m)	22.3	27.5	(5.2)	(19%)
Consolidated Profit [(3)] ('NPAT')	**12.2**	**13.7**	**(1.5)**	**(11%)**
Earnings per share (c/share)	6.9	7.8	(0.9)	(12%)
Dividends per share (c/share)	4.5	3.5	1.0	29%

1. **Total Adjusted Net Operating Income** is a non-IFRS, non-audited measure and is after adjusting Total net operating income per the Statement of Profit and Loss for the impact of a $0.7m option liability charge to Interest expense for Dec 2023;
2. **Adjusted EBITDA** is a non-IFRS, non-audited measure defined as 'Profit before income tax' adjusted for depreciation and amortisation (D&A) but excluding and D&A attributable to the 'right-of-use' assets lease under AASB 16 *Leases* (**AASB 16**) (which is included in 'occupancy expenses'), and the interest charge attributable to the option liability noted in (1) above.
3. Represents the **Consolidated Profit attributable to the owners of Cuscal**.

Statutory Consolidated Profit ('NPAT') attributable to the owners of Cuscal decreased $1.5m (11%) to $12.2m for Dec 2024 compared to $13.7m for Dec 2023.

Total net operating income (NOI) increased $9.3m (7%) to $146.7m for Dec 2024 compared to $137.4m for Dec 2023.

Total operating expenses increased $13.3m (11%) to $129.2m for Dec 2024 compared to $115.9m for Dec 2023. The following more detailed operating expense analysis is consistent on a statutory and pro forma basis excluding these pro forma adjusted costs.

Reconciliation of statutory NPAT to pro forma NPAT

Statutory and pro forma results differ only by the non-recurring 'Offer costs' and other costs incurred as a direct result of activities associated with the listing of Cuscal on the Australian Stock Exchange (ASX). Consistent with the methodology used to derive the pro forma results detailed in the Cuscal Prospectus dated 6 November 2024, these expenses are similarly adjusted (as outlined in the tables following).

The table below sets out the pro forma adjustments made to statutory NPAT for Dec 2024 and Dec 2023.

$m	Dec 2024	Dec 2023	Prospectus forecast FY25[(1)]
NPAT attributable to the owners of Cuscal	**12.2**	**13.7**	**27.1**
Offer costs [(2)]	13.4	3.0	13.4
Share-based payments [(3)]	0.6	-	1.0
Incremental listed public company costs [(4)]	(0.7)	(1.0)	(0.7)
Tax impact of the adjustments [(5)]	(4.0)	(0.6)	(4.2)
Pro forma NPAT attributable to the owners of Cuscal	**21.5**	**15.1**	**36.6**
YoY growth - %	42%	n/a	11%

Reconciliation of statutory NPAT to pro forma NPAT, continued

1. Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;
2. **Offer costs** impact the Statutory Income Statements for Dec 2024 and Dec 2023 by $13.4m and $3.0m respectively (a portion of total Offer costs that have been expensed). The pro forma adjustment excludes these Offer costs as they are considered non-recurring items. These costs are included in statutory results Dec 2024 in Other expenses and are added back on pro forma in the table below;
3. **Share-based payments** represent non-recurring expenditure related to Retention Grants and the granting of shares issued pursuant to the ESOP for the period from listing to 31 Dec 2024. These costs are included in Dec 2024 statutory results in Employee benefits expense and are added back on pro forma in the table below;
4. **Incremental listed public company costs** relate to costs which will occur upon Cuscal becoming a listed public company. The full year Prospectus pro forma included $0.7m of listed company costs that would otherwise have been incurred for the period 1 July 2024 to the date of listing on 25 November 2024. In relation to these costs, $0.1m has been deducted in the pro forma adjustment to Employee benefit expense for both Dec 2024 and Dec 2023; $0.6m and $0.9m have been deducted from the Other expense pro forma adjustment for Dec 2024 and Dec 2023 respectively. Note, these costs were not actually incurred and the results include listed company costs referable to the period from listing to 31 Dec 2024 only. For consistency with the full year Prospectus forecast, these costs continue to be deducted from the Statutory results on a 'pro forma' basis;
5. **Tax impact** of the adjustments represents the income tax impact associated with the pro forma adjustments outlined above.

Overview – pro forma financial results

Pro forma results are non-IFRS measures and are derived from the statutory financial statements and adjusted for the impact of certain items (as noted in the table above) arising as a result of the listing of Cuscal on 25 November 2024. This presents the results consistent with the methodologies used to prepare the Cuscal Prospectus dated 6 November 2024.

Reconciliation of the Statutory Income Statements to pro forma Income Statements

Set out below is a reconciliation of the statutory Income Statements to the 'pro forma' Income Statements for Dec 2024 and Dec 2023.

$m	Statutory Dec 2024	Pro forma adjustments[1]	Pro forma Dec 2024	Statutory Dec 2023	Pro forma adjustments[1]	Pro forma Dec 2023	Prospectus pro forma forecast FY25[2]
Gross fee and commission revenue	176.3	-	176.3	166.2	-	166.2	347.4
Direct fee and commission expense	(46.8)	-	(46.8)	(41.4)	-	(41.4)	(88.0)
Net fee and commission revenue	**129.5**	**-**	**129.5**	**124.8**	**-**	**124.8**	**259.4**
Net interest income	**16.8**	**-**	**16.8**	**13.1**	**-**	**13.1**	**30.0**
Other operating income / (loss)	0.4	-	0.4	(0.5)	-	(0.5)	0.3
Total net operating income	**146.7**	**-**	**146.7**	**137.4**	**-**	**137.4**	**289.7**
Employee benefits expense [1]	(58.8)	0.6	(58.2)	(61.8)	-	(61.8)	(127.6)
Occupancy expenses	(2.3)	-	(2.3)	(2.3)	-	(2.3)	(4.6)
Depreciation and amortisation	(4.8)	-	(4.8)	(5.3)	-	(5.3)	(10.1)
Non-salary technology expenses	(34.3)	-	(34.3)	(24.9)	-	(24.9)	(65.3)
Other expenses [1]	(29.0)	12.7	(16.3)	(21.6)	2.0	(19.6)	(29.7)
Total operating expenses	**(129.2)**	**13.3**	**(115.9)**	**(115.9)**	**2.0**	**(113.9)**	**(237.3)**
Profit before income tax	**17.5**	**13.3**	**30.8**	**21.5**	**2.0**	**23.5**	**52.4**
Income tax expense	(5.3)	(4.0)	(9.3)	(8.2)	(0.6)	(8.8)	(15.8)
Profit after Tax	**12.2**	**9.3**	**21.5**	**13.3**	**1.4**	**14.7**	**36.6**
Add: Loss attributable to non-controlling interests	-	-	-	0.4	-	0.4	-
Pro forma Consolidated Profit attributable to the owners of Cuscal ('Pro forma NPAT')	**12.2**	**9.3**	**21.5**	**13.7**	**1.4**	**15.1**	**36.6**

1. Pro forma adjustments relate to the items set out in notes 2 – 5 in the Reconciliation of Statutory Income Statements to pro forma Income Statements above;
2. Pro forma income statements represent the statutory income statements excluding the impact of pro forma adjustments referable to the half-year periods outlined in the Cuscal Prospectus dated 6 November 2024.

Key Operating Metrics (pro forma)

Set out below are the key operating metrics of Cuscal derived from the pro forma Income Statements and other relevant unaudited accounting records of Cuscal, as applicable.

$m	Dec 2024	Dec 2023		YoY growth $	YoY growth %	Prospectus pro forma forecast FY25
Total Adjusted net operating income [(1)] ($m)	146.7	138.1	△	8.6	6%	289.7
Pro forma Adjusted EBITDA [(2)] ($m)	35.6	29.5	△	6.1	21%	62.5
Pro forma Net Profit after Tax (NPAT)	**21.5**	**15.1**	△	**6.4**	**42%**	**36.6**
Pro forma Adjusted EBITDA margin [(3)] %	24.3%	21.4%	△	290 bpts	14%	21.6%
Pro forma NPAT margin [(4)] %	14.7%	10.9%	△	380 bpts	35%	12.6%
Pro forma Earnings per share [(5)] (c/share)	12.1	8.5	△	3.6	42%	19.8
Dividends per share (c/share)	4.5	3.5	△	1.0	29%	10.0
Pro forma return on Equity (ROE) [(6)]	6.3%	4.9%	△	140 bpts	29%	-
Average FTE [(7)]	632	717	▽	(85)	(12%)	674
Transaction Volume [(8)] (m)	2,127	1,984	△	143	7%	4,304

1. **Total Adjusted Net Operating Income** is a non-IFRS, non-audited measure and is derived after adjusting Total net operating income per the Statement of Profit and Loss for the impact of a $0.7m option liability charge to Interest expense for Dec 2023;
2. **Pro forma Adjusted EBITDA** is a non-IFRS, non-audited measure defined as 'Pro forma Profit before income tax' adjusted for depreciation and amortisation (D&A) but excluding D&A attributable to the 'right-of-use' assets lease under AASB 16 *Leases* (**AASB 16**) which is included in 'Occupancy expenses', and the interest charge attributable to the option liability noted in (1) above;
3. **Pro forma Adjusted EBITDA margin** is pro forma Adjusted EBITDA divided by Total Adjusted net operating income;
4. **Pro forma NPAT margin** is pro forma NPAT divided by Total Adjusted net operating income;
5. **Pro forma Earnings per share** is a non-IFRS, non-audited measure and is derived by dividing the pro forma net profit after tax by the weighted average number of shares;
6. **Pro forma ROE** represents pro forma NPAT divided by pro forma average equity. Pro forma average equity has been adjusted to reflect the impact of the net capital raise in November 2024 as if it had occurred at the beginning of each half-year period i.e. the impact is consistently applied across both periods on a pro forma basis;
7. **Average FTE** is the average of FTE position at each month end for the period;
8. **Transaction volumes** represent the aggregation of the specific volumes for each core capability (i.e. Issuing, Acquiring and Payments) that Cuscal considers a reasonable proxy for the drivers of revenue.

Pro forma Results highlights

- 42% increase in pro forma NPAT; 35% increase in NPAT margin
- 21% increase in Adjusted EBITDA; 14% increase in Adjusted EBITDA margin
- 7% increase in transaction volumes
- 6% increase in Total Adjusted net operating income
- Regulatory capital ratios remain strong and well above Prudential Limits
- $14.0m non-recurring IPO-related costs are included in Dec 2024 statutory Total operating expenses ($3.0m Dec 2023)

Pro Forma Net Profit after Tax (pro forma NPAT)

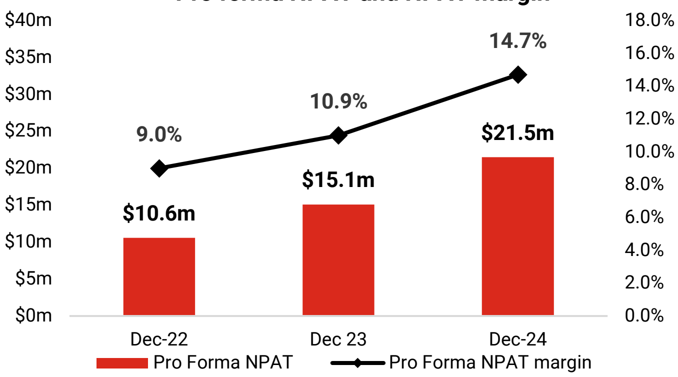
$21.5 million

[↑ $6.4 million; ↑ 42%]

Pro forma NPAT increased $6.4m (42%) to $21.5m for Dec 2024 compared to $15.1m for Dec 2023, reflecting higher Total net operating Income, the tax treatment of Basiq losses and the elimination of non-controlling interests for Dec 2024.

Pro forma NPAT margin increased 380 bpts (35%) to 14.7% for Dec 2024 compared to 10.9% for Dec 2023.

Pro forma NPAT and NPAT margin



Pro Forma Adjusted EBITDA

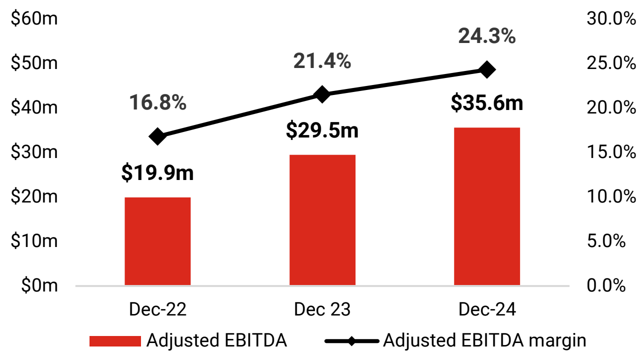
$35.6 million

[↑ $6.1 million; ↑ 21%]

Pro forma Adjusted EBITDA increased $6.1m (21%) to $35.6m for Dec 2024 compared to $29.5m for Dec 2023, essentially reflecting higher Total Adjusted net operating income and no non-controlling interest.

Pro forma Adjusted EBITDA margin increased 290 bpts (14%) to 24.3% for Dec 2024 compared to 21.4% for Dec 2023.

Adjusted EBITDA and Adjusted EBITDA margin



Reconciliation of pro forma NPAT to pro forma Adjusted EBITDA

The table below sets out a reconciliation of pro forma NPAT to pro forma Adjusted EBITDA.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[1]
Pro forma NPAT attributable to the owners of Cuscal	**21.5**	**15.1**	**36.6**
Add: Depreciation and amortisation	4.8	5.3	10.1
Add: Income tax expense	9.3	8.8	15.8
Add: Interest on put option liability	-	0.7	-
Less: Non-controlling interests	-	(0.4)	-
Pro forma Adjusted EBITDA	**35.6**	**29.5**	**62.5**

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

Shareholder Returns

Pro Forma Earnings Per Share (EPS)

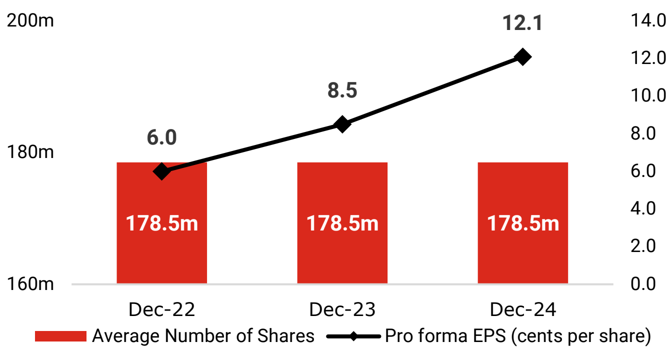
12.1 cents per share

[↑ 3.6 c/share; ↑ 42%]

Pro forma Earnings per Share ('EPS') increased 3.6 cents per share (42%) to 12.1 cents per share for Dec 2024 compared to 8.5 cents per share for Dec 2023.

Pro forma EPS for Dec 2024 reflects the 42% increase in pro forma NPAT; incorporating a slightly higher average weighted share base post listing on 25 November 2024 (across both periods for pro forma comparison purposes).

Pro forma Earnings Per Share



Cuscal

Dividends and Dividends per share (DPS)

4.5 cents per share 'pre-IPO'

[↑ 1.0 cents per share; ↑ 29%]

As part of the IPO event, the Directors declared and paid 'pre-IPO' dividend of 4.5 cents per share on completion of the IPO on 25 November 2024. This 'pre-IPO' dividend was in lieu of an interim dividend for the period ended 31 December 2024.

The dividend was fully franked, payable to eligible shareholders of record at 31 October 2024 and paid on 25 November 2024.

	Payment $m		*Cents per share*	
Dividends declared	**Dec 2024**	**Dec 2023**	**Dec 2024**	**Dec 2023**
Interim dividend	-	6.1	-	3.5
'Pre-IPO' dividend	7.9	-	4.5	-
Total dividends declared	**7.9**	**6.1**	**4.5**	**3.5**

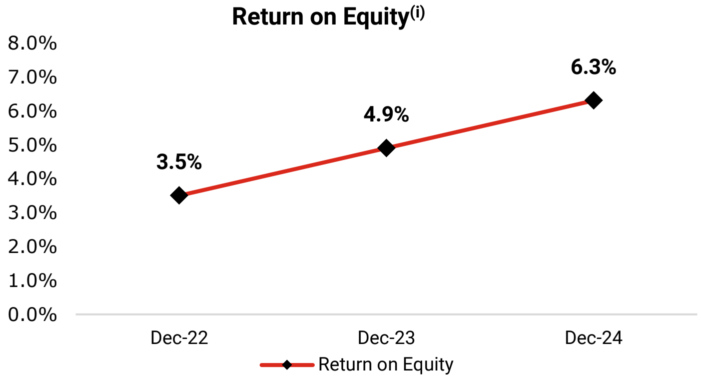
Pro forma Return on Equity (ROE)

6.3%

[↑140 bpts; ↑29%]

Pro forma Return on Equity ('pro forma ROE') for Dec 2024 increased 140 bpts (29%) to 6.3% compared to 4.9% for Dec 2023.

Return on Equity(i)



Other Information

Regulatory Capital

27.1%

[↑ 4.8%; ↑ 22%]

As an APRA regulated ADI, Cuscal is required to comply with its Prudential Capital Standards. As determined by APRA Prudential Capital Standards, regulatory capital can be held in the form of Common Equity Tier 1 (CET1) capital, Additional Tier 1 capital or Tier 2 capital.

APRA requires that each reporting entity maintain a minimum ratio of capital to risk-weighted assets determined based on an assessment of whether a licensee has enough regulatory capital relative to the risks in its business activities.

APRA has designated Cuscal as a 'non-significant financial institution'. This designation provides Cuscal with a simplified bespoke methodology to calculating operational risk under APS 115 Capital Adequacy.

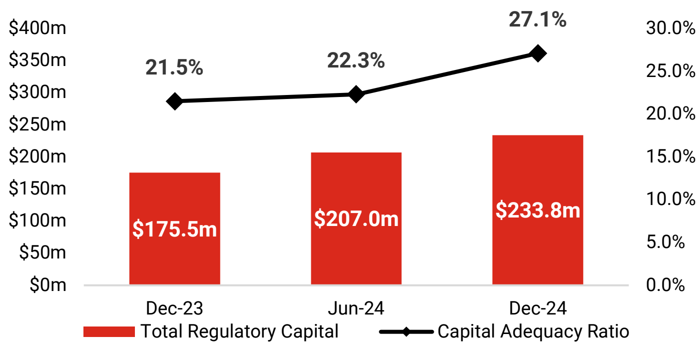
Cuscal Group's Total Capital Ratio at Dec 2024 was 27.1%, up 480 bpts (22%) on 22.3% at June 2024.

Capital Adequacy	**Dec 2024**	**Jun 2024**
Common Equity Tier 1 Capital	233.8	204.5
Tier 2 capital	-	2.5
Total capital	**233.8**	**207.0**
Total risk weighted assets (RWA)	864.2	927.1
Total capital ratio (%)	**27.1%**	**22.3%**

The movement reflects a 13% increase in regulatory capital against a 7% reduction in risk-weighted Assets. The reduction in RWA primarily reflects the timing of daily settlement flows at June 2024.

The Group's Total Capital Ratio remains strong and well above minimum prudential requirements.

Regulatory Capital and Capital Adequacy Ratio



Total Adjusted net operating income (1) (Total Adjusted NOI)

$146.7 million

[↑ $8.6 million; ↑ 6%]

No pro forma adjustments affect the Statutory Total net operating income or Total Adjusted net operating income. Accordingly, the following more detailed analysis is referable to both statutory NOI, pro forma NOI and pro forma Adjusted NOI.

Total Adjusted NOI increased $8.6m (6%) to $146.7m for Dec 2024 compared to $138.1m for Dec 2023.

Net fee and commission revenue increased $4.7m (4%) to $129.5m for Dec 2024 compared to $124.8m for Dec 2023.

Net Interest income (excluding any option liability interest charge noted below) increased $3.0m (22%) to $16.8m for Dec 2024 compared to $13.8m for Dec 2023; primarily reflecting higher average interest rates and an increase in average client deposits.

Set out below is the composition of the Total Adjusted NOI contribution by capability.

Capability	Dec 2024	Dec 2023	YoY growth %	Prospectus pro forma forecast FY25[2]
Issuing	85.8	80.4	7%	164.4
Acquiring	15.0	14.4	4%	31.1
Payments	35.0	33.8	4%	71.0
Financial Crimes	8.0	7.4	8%	15.8
Regulated Data Services	2.6	2.6	-	6.8
Corporate [1]	0.3	(0.5)	>100%	0.6
Total Adjusted net operating income	**146.7**	**138.1**	6%	**289.7**

1 Adjusted NOI represents net operating income per the statutory Statement of Profit and Loss excluding a $0.7m interest charge attributable to an option liability affecting Dec 2023. Corporate NOI for Dec 2023 similarly excludes the foregoing interest expense charge;
2 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024.

Issuing core capability ('Issuing')

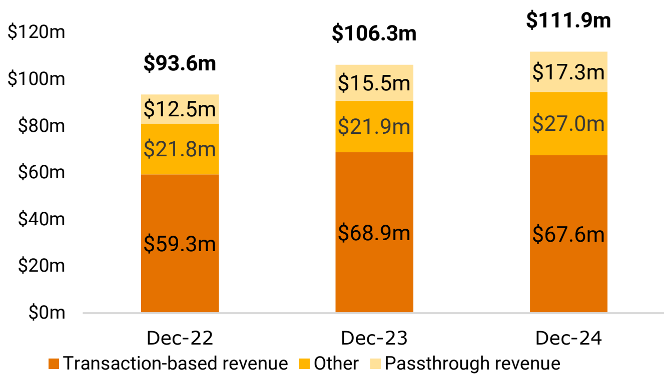
Issuing contributed 58% of Total Adjusted NOI for Dec 2024 (Dec 2023: 58%). Set out below is a summary of the Issuing NOI components.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[1]
Gross fee and commission revenue	111.9	106.3	213.4
Direct fee and commission expense	(33.5)	(32.1)	(61.8)
Net fee and commission revenue	**78.4**	**74.2**	**151.6**
Net interest income	**7.3**	**6.2**	**12.8**
Other operating income	0.1	-	-
Issuing net operating income	**85.8**	**80.4**	**164.4**
YoY growth %	*7%*	*12%*	3%

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

Gross fee and commission revenue

The graph below sets out the composition of Issuing gross fee and commission revenue.



Gross fee and commission revenue (excluding passthrough revenue) increased $3.8m (4%) to $94.6m for Dec 2024.

Transaction-based revenue decreased $1.3m (2%) to $67.6m for Dec 2024. The decrease primarily reflects transaction volume-based growth (transaction volume-based processing revenues increased 6% for Dec 2024); offset by lower scheme incentives related to international transaction volume growth for Dec 2024 and the impact of changes in contractual arrangements with a major payment scheme, the non-recurring revenue growth benefit positively benefited the Dec 2023 revenue result, diluting the Dec 2024 relative growth rate.

Issuing transaction volumes and Issuing transaction value increased 6% and 5% respectively for Dec 2024.

***Total Adjusted Net Operating Income (NOI)** continued*

Issuing core capability ('Issuing') continued

Other revenue increased $5.1m (23%) to $27.0m for Dec 2024. The increase primarily reflects increased card management services revenue (up $1.8m (73%) to $4.2m), increased card production revenue (up $1.1m (20%) to $6.6m) and increased other revenue (up $2.3m (16%) to $16.3m) across higher digital enablement revenue on increased volumes, disputes services and projects for clients related to implementation of new services.

Passthrough revenue (primarily offset by Passthrough expenses) increased $1.8m (12%) to $17.3m for Dec 2024; reflecting increased scheme fees charged to Cuscal with the underlying driver being higher scheme-related transaction processing volumes.

Direct fee and commission expense

Direct fee and commission expense increased $1.4m (4%) to $33.5m for Dec 2024 compared to $32.1m for Dec 2023. The increase primarily reflects higher Scheme (predominantly passthrough) and tokenisation related costs, higher card production costs; offset by lower client renewal expenses as a significant number of client contracts were renewed onto long-term contracts in the Dec 2023 period.

Acquiring core capability ('Acquiring')

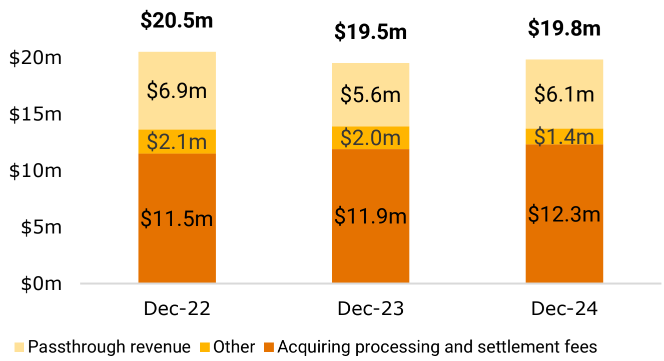
Acquiring contributed 10% of Total Adjusted NOI for Dec 2024 (Dec 2023: 10%). Set out below is a summary of the Acquiring NOI components.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[(1)]
Gross fee and commission revenue	19.8	19.5	40.9
Direct fee and commission expense	(6.3)	(6.2)	(12.3)
Net fee and commission revenue	**13.5**	**13.3**	**28.6**
Net interest income	**1.5**	**1.1**	**2.5**
Acquiring net operating income	**15.0**	**14.4**	**31.1**
YoY growth %	*4%*	*3%*	*15%*

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

Gross fee and commission revenue

The graph below sets out the composition of Acquiring gross fee and commission revenue.



Gross fee and commission revenue (excluding passthrough revenue) decreased $0.2m (1%) to $13.7m for Dec 2024.

Processing & settlement fees increased $0.4m (4%) to $12.3m for Dec 2024. The increase primarily reflects transaction volume growth (including recovery in volume decline due to two client specific transitioning events impacting Dec 2023 together with the outperformance of specific existing clients for Dec 2024).

Acquiring transaction volumes increased 6% for Dec 2024.

Other revenue decreased $0.6m (30%) to $1.4m for Dec 2024; primarily reflecting lower implementation activities.

Passthrough revenue (primarily offset by Passthrough expenses) increased $0.5m (9%) to $6.1m for Dec 2024; reflecting increased scheme fees charged to Cuscal with the underlying driver being higher scheme-related transaction processing volumes.

Direct fee and commission expense

Direct fee and commission expense (which includes both passthrough expenses correlated with passthrough revenue and other direct fee and commission expenses incurred from third parties) increased $0.1m (2%) to $6.3m for Dec 2024. The increase reflects higher Scheme-related costs recoverable via passthrough revenue.

Total Adjusted Net Operating Income (NOI) *continued*

Payments core capability ('Payments')

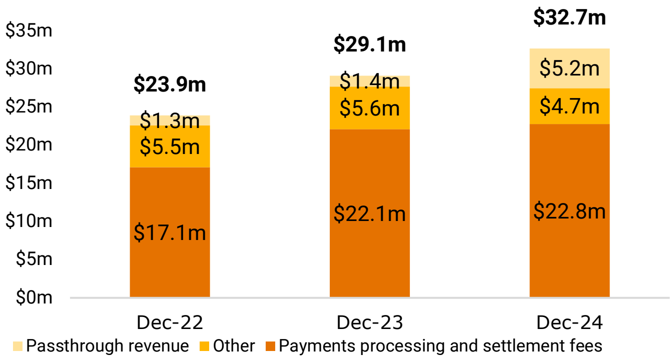
Payments contributed 24% of total NOI for Dec 2024 (Dec 2023: 24%). Set out below is a summary of the Payments NOI components.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25(1)
Gross fee and commission revenue	32.7	29.1	68.0
Direct fee and commission expense	(5.7)	(1.8)	(11.4)
Net fee and commission revenue	**27.0**	**27.3**	**56.6**
Net interest income	**8.0**	**6.5**	**14.4**
Payments net operating income	**35.0**	**33.8**	**71.0**
YoY growth %	*4%*	*30%*	*6%*

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

Gross fee and commission revenue

The graph below sets out the composition of Payments gross fee and commission revenue.



Gross fee and commission revenue (excluding passthrough revenue) was largely flat at $27.5m for Dec 2024.

Processing & settlement fees increased $0.7m (3%) to $22.8m for Dec 2024. The increase primarily reflects transaction volume growth in NPP and in Batch volumes, offset by other repricing initiatives as clients continue to move from batch payments to the NPP. Addition, Dec 2023 included a non-recurring amount that positively benefiting the revenue result but diluting the Dec 2024 relative growth rate.

NPP transaction-based processing & settlement fees increased 12% for Dec 2024. Batch transaction-based processing & settlement fees decreased 4% for Dec 2024.

Payments NPP and Batch transaction volumes increased 17% and 3% respectively for Dec 2024.

NPP and Batch transaction-based processing & settlement fees as a proportion of total transaction-based processing & settlement fees increased to 46% from 43% for NPP and declined to 54% from 57% for Batch in Dec 2024. The lower Batch volume growth and declining contribution to total transaction-based revenue reflects a trend in the ongoing substitution of Batch payments with NPP payments.

Passthrough revenue (primarily offset by Passthrough expenses) increased $3.8m (275%) to $5.2m for Dec 2024; primarily reflecting a change in the method of charging NPP access fee (now transitioned to transaction volume based).

Other revenue decreased $0.9m (16%) to $4.7m for Dec 2024. The decrease reflects fewer new clients on-boarded, relative to Dec 2023 (therefore lower non-recurring onboarding and implementation fees) following Cuscal's initial launch and connection to PayTo.

Direct fee and commission expense

Direct fee and commission expense increased $3.9m (213%) to $5.7m for Dec 2024. The substantial increase reflects a change in the method of charging NPP access fees noted above. Previously, the NPP charged a flat fee for every transaction, whereas from 1 July 2024, participants are charged depending on transactional volumes with greater volumes rewarded with lower access fees. However, this has no direct financial impact to Cuscal as these costs are recovered at nil margin via passthrough revenue, although Cuscal is able to access the NPP at sufficient scale so that its clients benefit from the lowest rate of access fees.

Financial Crimes enabling foundation ('Financial Crimes')

Financial Crimes contributed 5% of total NOI for Dec 2024 (Dec 2023: 5%). Set out below is a summary of the Financial Crimes NOI components.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25(1)
Gross fee and commission revenue	9.3	8.5	18.3
Direct fee and commission expense	(1.3)	(1.1)	(2.5)
Net fee and commission revenue	**8.0**	**7.4**	15.8
Financial Crimes net operating income	**8.0**	**7.4**	15.8
YoY growth %	*8%*	*45%*	5%

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

Total Adjusted Net Operating Income (NOI) *continued*

Financial Crimes enabling foundation ('Financial Crimes') continued

Gross fee and commission revenue

Gross fee and commission revenue increased $0.8m (9%) to $9.3m for Dec 2024; reflecting higher levels of fraud activity experienced across financial services and increased numbers of transactions.

Direct fee and commission expenses

Direct fee and commission expenses increased $0.2m (18%) to $1.3m for Dec 2024; largely reflecting higher platform hosting fees and client compensation.

Regulated Data Services reinforcing adjacency ('Regulated Data Services')

Regulated Data Services Crimes contributed 2% of total NOI for Dec 2024 (Dec 2023: 2%). Set out below is a summary of the Regulated Data NOI components.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[1]
Gross fee and commission revenue	2.6	2.6	6.8
Net fee and commission revenue	**2.6**	**2.6**	6.8
Regulated Data Services net operating income	**2.6**	**2.6**	**6.8**
YoY growth %	-	*(21%)*	*36%*

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

Gross fee and commission revenue

Gross fee and commission revenue of $2.6m for Dec 2024 was flat to Dec 2023.

Corporate

The table below sets out a summary of Corporate NOI components.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[1]
Net fee and commission revenue	-	-	-
Net interest income	-	-	**0.3**
Net other adjustments	0.3	(0.5)	0.3
Corporate net operating income	**0.3**	**(0.5)**	**0.6**

1 Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;

2 Net interest income for Dec 2023 excludes a $0.7m interest charge attributable to an option liability affecting Dec 2023.

Pro Forma Total operating expenses[(1)]

$115.9 million

[↑ $2.0 million; ↑ 2%]

Pro forma Total operating expenses increased $2.0 million (2%) to $115.9 million for Dec 2024 compared to $113.9 million for Dec 2023. The table below sets out provides a breakdown of pro forma Total operating expenses.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[(2)]
Employee benefits expense [(3) (4)]	(58.2)	(61.8)	(127.6)
Occupancy expenses	(2.3)	(2.3)	(4.6)
Non-salary technology expenses	(34.3)	(24.9)	(65.3)
Other expenses [(3) (4)]	(16.3)	(19.6)	(29.7)
Pro forma operating expenses (ex D&A)	**(111.1)**	**(108.6)**	**(227.2)**
Depreciation & amortisation (D&A)	(4.8)	(5.3)	(10.1)
Pro forma Total operating expenses[(1)]	**(115.9)**	**(113.9)**	**(237.3)**
YoY growth (%)	2%	17%	(1%)

1. Pro forma total operating expenses is a Non-IFRS, non-audited measure, derived by adjusting for amounts noted in (3) and (4) below;
2. Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024;
3. Consistent with the Prospectus and on a pro forma basis, certain non-recurring costs associated with the listing of Cuscal on the ASX on 25 November 2024 are excluded from Operating expenses (i.e. Employee benefits expense excludes costs related to the establishment of an Employee Share Scheme and certain management retentions granted as part of the IPO ($0.6m in Dec 2024), and Other expenses excludes Offer costs associated with the listing ($13.4m for Dec 2024 and $3.0m for Dec 2023). Similarly, for consistency with the Prospectus methodology, Other Expenses does include estimated incremental 'listed company' costs that would otherwise have been incurred for the period 1 July 2024 to the date of listing on 25 November 2024 ($0.7m for Dec 2024 and $1.0m for Dec 2023).
4. Management retention grants and shares offered under the employee share ownership plan as part of the IPO ($0.6m in Dec 2024), and Other expenses excluded Offer costs associated with the listing ($13.4m for Dec 2024 and $3.0m for Dec 2023).

Pro forma Total operating expenses *continued*

Employee benefits expense (2)

Employee benefits expense decreased $3.6m (6%) to $58.2m for Dec 2024 compared to $61.8m for Dec 2023.

Total employee benefits costs decreased $4.4m (7%) to $61.4m for Dec 2024 compared to $65.8m for Dec 2023.

$m	Dec 2024	Dec 2023	Prospectus pro forma forecast FY25[1]
Employee benefits expense[2]	(58.2)	(61.8)	(127.6)
Employee benefits capitalised	(3.2)	(4.0)	(6.7)
Total Employee benefits costs	**(61.4)**	**(65.8)**	**(134.3)**
Total FTE	**631.6**	**683.1**	**711.4**
Average FTE	**631.7**	**716.6**	**674.0**
YoY movements (%) – Total FTE	*(8%)*	*11%*	3%
YoY movements (%) – Average FTE	*(12%)*	*16%*	(4%)

1. Refers to the full year FY25 forecast set out in the Cuscal Prospectus dated 6 November 2024
2. Employee benefits expense exclude 'pro forma' cost related to the establishment of an Employee Share Scheme and certain management retention granted as part of the IPO ($0.6m in Dec 2024)

Total FTEs decreased by 51.5 (8%) and Average FTEs decreased by 84.9 (12%) for Dec 2024.

The decrease in total FTE and average FTE primarily reflects reductions in non-permanent FTE as investment programs completed or neared completion by Dec 2024 (primarily Switch Upgrade, Card Management System and Enable Bank programs), somewhat offset by additional non-permanent FTE and incremental permanent FTEs relating to Cuscal's broader risk and technology uplift programs and general business growth.

In addition, the lower Total FTE, Average FTE and employee benefits expense for Dec 2024 also reflect a slower than planned on-boarding of additional FTE in support for Cuscal's investment and overall business growth (particularly across Cuscal's current regulatory and risk focus areas).

Occupancy expenses

Occupancy expenses of $2.3m for Dec 2024 were flat to Dec 2023.

Non-salary technology expenses

Non-salary technology expenses increased $9.4m (38%) to $34.3m for Dec 2024 compared to $24.9m for Dec 2023. The increase primarily reflects:

- increases in technology specific non-recurring outsourced service investment for Dec 2024 in relation to Cuscal's broader risk and technology uplift programs; further addressing technology reliance and control environments, data risk management, as well as frauds and scam detection or monitoring capability;
- increases in volume-driven licence fee expenses, mainly due to increased transactions across the cloud platform underpinning Cuscal's fraud services, and incremental software-related repairs and maintenance costs primarily as a result of prior period system investment; offset by
- a reduction in investment spend due to the completion of the Switch Upgrade and Operating model programs in FY24.

Other expenses

Other expenses decreased $3.3m (17%) to $16.3m for Dec 2024 compared to $19.6m for Dec 2023.

The net decrease primarily reflects lower 3rd party consulting costs incurred during Dec 2024; lower costs associated with operating model, other corporate costs, regulatory compliance costs and investment program costs upon completion of certain programs. In addition, for pro forma purposes, Other expenses include estimated incremental 'listed company' costs across both periods.

Depreciation & amortisation

Depreciation & amortisation decreased $0.5m (9%) to $4.8m for Dec 2024 compared to $5.3m for Dec 2023; primarily reflecting the impact of the reassessment of the useful life of a Regulated Data Services intangible asset in FY24.

Investment spend and capital expenditure

This specific investment spend is included in operating expenses above (in employee benefits expense, non-salary technology expense and other expenses).

The table below sets out a breakdown of expenditure and capitalisation profile for these key initiatives:

Total investment spend $m	Expensed	Capitalised	Total spend
Dec 2024	17.9	4.2	**22.1**
Dec 2023	15.4	5.3	**20.7**

***Pro forma Total operating expenses** continued*

Investment spend and capital expenditure continued

Investment expense increased $2.5m (16%) to $17.9m for Dec 2024 compared to $15.4m_for Dec 2023. The movement reflects:

- increased expense due to the primarily non-capitalisable nature of activity around the Risk & Technology Uplift Programs (including new APRA standards CPS 230 and CPS 234) and Financial Crimes investment activity which do not meet requirements for capitalisation under Australian Accounting Standards;
- increased expense due to the later stage maturity of the Card Management System and Enable Bank programs;
- lower investment expense in Dec 2024 on completion of the Switch Upgrade and Operating model programs in FY24;

Investment spend capitalised was $5.3m for Dec 2023 and decreased $1.1m (21%) to $4.2m for Dec 2024. The decrease in capitalised investment primarily reflects the later stage maturity of the Card Management System and Enable Bank programs.

Pro forma FY25 forecast Prospectus Outlook

Cuscal is on track to meet or modestly exceed the pro forma Prospectus profit and margin forecasts for FY25.

The pro forma NPAT result for H1 FY25 is positively skewed against the full year FY25 pro forma NPAT result; primarily as a result of lower than expected operating expenses (specifically slower on-boarding of forecast FTE in support of our risk and technology capability uplift focus areas during the half-year period).

We expect the H1 FY25 pro forma NPAT result to represent 55% of the FY25 pro forma result.

Statement of Profit and Loss

For the half year ended 31 December 2024

Cuscal Limited and its controlled entities

	Notes	Consolidated 31 Dec 2024 $m	31 Dec 2023 $m
Gross fee and commission revenue	4	**176.3**	166.2
Direct fee and commission expense	4	**(46.8)**	(41.4)
Net fee and commission revenue		**129.5**	124.8
Interest income	5	**72.7**	63.0
Interest expense	5	**(55.9)**	(49.9)
Net interest income		**16.8**	13.1
Other operating income / (loss)		**0.4**	(0.5)
Total net operating income		**146.7**	137.4
Employee benefits expense	6	**(58.8)**	(61.8)
Occupancy expenses	6	**(2.3)**	(2.3)
Depreciation and amortisation	6	**(4.8)**	(5.3)
Non-salary technology expenses	6	**(34.3)**	(24.9)
Other expenses	6	**(29.0)**	(21.6)
Total operating expenses		**(129.2)**	(115.9)
Profit before income tax		**17.5**	21.5
Income tax expense	7	**(5.3)**	(8.2)
Profit after tax		**12.2**	13.3
Add: Loss attributable to non-controlling interests		**-**	0.4
Consolidated Profit attributable to the owners of Cuscal		**12.2**	13.7
Earnings per ordinary share ('EPS')			
Basic earnings per share (cents per share)	18	**6.9**	7.8
Diluted earnings per share (cents per share)	18	**6.8**	7.8

The above statement of profit and loss should be read in conjunction with the accompanying notes.

Statement of Other Comprehensive Income

For the half year ended 31 December 2024

Cuscal Limited and its controlled entities

		Consolidated	
		31 Dec 2024	31 Dec 2023
	Notes	$m	$m
Profit after tax		**12.2**	13.3
Other comprehensive income			
Items that may be reclassified to the Statement of Profit and Loss:			
Unrealised gains on Fair Value through OCI debt instruments		**1.1**	3.6
Income tax expense relating to these items		**(0.4)**	(1.1)
Other comprehensive income, net of tax		**0.7**	2.5
Total comprehensive income for the year, net of tax		**12.9**	15.8
Total comprehensive loss attributable to non-controlling interests		**-**	0.4
Total comprehensive income attributable to owners of Cuscal		**12.9**	16.2

The above statement of other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2024

Cuscal Limited and its controlled entities

	Notes	Consolidated 31 Dec 2024 $m	30 June 2024 $m
ASSETS			
Cash and cash equivalents		**2,308.1**	2,069.1
Receivables due from financial institutions	8	**10.6**	106.3
Investment securities	9	**1,107.5**	1,096.4
Other assets		**64.4**	75.9
Equity investments		**4.0**	4.0
Derivative financial assets		**0.2**	-
Deferred tax assets		**15.3**	5.4
Property, plant and equipment and right-of-use assets		**11.0**	14.2
Intangible assets	10	**106.1**	105.8
Total assets		**3,627.2**	3,477.1
LIABILITIES			
Payables due to financial institutions	8	**144.0**	32.5
Client deposits	11	**3,010.9**	2,701.6
Securities sold under agreement to repurchase		**-**	302.1
Discount securities issued		**3.5**	1.0
Current tax liabilities		**9.2**	10.0
Derivative financial liabilities		**-**	0.2
Other liabilities		**69.9**	68.7
Provisions		**30.5**	36.8
Total liabilities		**3,268.0**	3,152.9
Net assets		**359.2**	324.2
EQUITY			
Issued capital	13	**158.6**	119.3
Reserves		**2.8**	(9.4)
Retained earnings		**197.8**	212.3
Equity attributable to the owners of Cuscal		**359.2**	322.2
Non-controlling interests		**-**	2.0
Total equity		**359.2**	324.2

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

Statement of Changes in Equity

For the half year ended 31 December 2024

Cuscal Limited and its controlled entities

31 December 2024	Notes	Issued capital $m	Reserves $m	Retained earnings $m	Total $m	Non-controlling interests $m	Total equity $m
As at 1 July 2024		**119.3**	**(9.4)**	**212.3**	**322.2**	**2.0**	**324.2**
Total comprehensive income		**-**	**0.7**	**12.2**	**12.9**	**-**	**12.9**
Contributions of equity, net of transaction costs	13	**39.3**	**-**	**-**	**39.3**	**-**	**39.3**
Acquisition of remaining interest in Braavos Corporation Pty Ltd		**-**	**0.7**	**0.7**	**1.4**	**(2.0)**	**(0.6)**
Transfer of reserves		**-**	**10.7**	**(10.7)**	**-**	**-**	**-**
Equity settled performance shares and retention grants		**-**	**0.1**	**-**	**0.1**	**-**	**0.1**
Dividends paid	12	**-**	**-**	**(16.7)**	**(16.7)**	**-**	**(16.7)**
As at 31 December 2024		**158.6**	**2.8**	**197.8**	**359.2**	**-**	**359.2**

31 December 2023	Notes	Issued capital $m	Reserves $m	Retained earnings $m	Total $m	Non-controlling interests $m	Total equity $m
As at 1 July 2023		119.3	(14.2)	193.8	298.9	3.2	302.1
Total comprehensive income		-	2.5	13.7	16.2	(0.4)	15.8
Dividends paid	12	-	-	(7.0)	(7.0)	-	(7.0)
As at 31 December 2023		119.3	(11.7)	200.5	308.1	2.8	310.9

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

Cash Flow Statement
For the half year ended 31 December 2024

Cuscal Limited and its controlled entities

	Notes	Consolidated 31 Dec 2024 $m	31 Dec 2023 $m
Fees, commissions and other income received		**181.7**	170.9
Fees and commissions paid		**(49.2)**	(41.8)
Payments to other suppliers and employees		**(99.1)**	(97.9)
Interest received		**72.5**	58.4
Interest paid		**(56.1)**	(48.3)
Net income tax paid, net of research and development incentives		**(16.0)**	(2.7)
Net repayment of loans from other organisations		**-**	0.4
Net receipts from / (payments to) settlement market participants		**207.1**	(73.4)
Net (payments for) / proceeds from securities		**(9.6)**	87.3
Net repayments of repurchase agreements		**(301.1)**	-
Net proceeds / (repayments) of discount securities issued		**2.5**	(1.0)
Net proceeds of deposits		**308.6**	553.9
Net payments to prepaid cardholders		**(0.1)**	-
IPO Offer costs paid		**(12.4)**	-
Net cash provided by operating activities	14	**228.8**	605.8
Repayment or sale of loans by the Securitisation Trust		**-**	0.1
Payment for acquisition of subsidiary		**(4.8)**	-
Payment for intangible assets		**(3.4)**	(4.0)
Payment for property, plant and equipment		**-**	(3.8)
Net cash used in investing activities		**(8.2)**	(7.7)
Proceeds from issue of shares, net of transaction costs		**38.3**	-
Dividends paid	12	**(16.7)**	(7.0)
Settlement of employee share options		**(0.6)**	-
Cash payments for funding principal portion of lease liability		**(2.6)**	(2.5)
Net cash provided by / (used in) financing activities		**18.4**	(9.5)
Net increase in cash and cash equivalents		**239.0**	588.6
Cash and cash equivalents at the beginning of the half year		**2,069.1**	1,616.9
Cash and cash equivalents at the end of the half year		**2,308.1**	2,205.5

The above cash flow statement should be read in conjunction with the accompanying notes.

The effects of exchange rate changes on cash and cash equivalents during the period was not material.

Notes to the Financial Statements
For the half year ended 31 December 2024

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1	Accounting policies
2	Segment reporting
3	Acquisition accounting

Notes to the Statement of Profit and Loss

4	Net fee and commission revenue
5	Net interest income
6	Operating expenses
7	Income tax expense

Notes to the Statement of Financial Position

8	Receivables and payables due from/to financial institutions
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10	Intangible assets
11	Client deposits
12	Dividends paid
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Notes to the Cash Flow Statement

14	Reconciliation of net cash flows from operating activities

Unrecognised items

15	Subsequent events

Other information

16	Fair value measurement
17	Related party disclosures
18	Earnings per share
19	Net assets per share

Note 1 – Accounting policies

(a) Corporate information

The interim condensed consolidated financial statements of Cuscal Limited and its subsidiaries (collectively, the Group) for the six months ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 26 February 2025.

Cuscal Limited (the Company) is a listed public company, incorporated and domiciled in Australia. The registered office is located at 1 Margaret Street, in Sydney Australia. The Group is principally engaged in the provision of payment and regulated data related products and services for the benefit of Australian financial and consumer centric institutions.

(b) Basis of Preparation

This general purpose interim financial report for the half-year reporting period ended 31 December 2024 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting (AASB 134).

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors considered 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 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.

This interim financial report comprises the consolidated financial report of Cuscal Limited and the entities it controlled at the end of or during the period ended 31 December 2024 (the Consolidated Entity).

This half-year financial report does not include all the disclosures of the type that are normally included in the Consolidated Entity's annual financial report. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 30 June 2024. The 2024 annual financial report is available on Cuscal's website:

https://www.cuscal.com/annual-reports/

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the annual financial report for Cuscal Limited for the year ended 30 June 2024.

Any significant changes to Australian Accounting Standards that have affected the financial performance and financial position of the Consolidated Entity are summarised in part (e) of this note.

The financial report has been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities (including derivative instruments) that are measured at fair value through profit and loss or other comprehensive income. Historical cost is generally based on the fair values of the consideration given in exchange for assets, goods and services.

Unless otherwise indicated, all amounts are presented in Australian dollars.

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, amounts in the Directors' Report and the interim financial report have been rounded to the nearest million Australian dollars ($) unless otherwise stated.

(c) Critical accounting judgements and estimates

The preparation of this interim financial report requires the use of critical accounting estimates, judgements and assumptions that effect the reported amounts of assets, liabilities, revenues and expenses. The only significant change to the accounting estimates, judgements and assumptions used in preparing the interim financial report compared to those applied in the preparation of the 2024 annual financial report is the allocation basis of equity in IPO Offer Costs incurred as detailed below in part (d).

(d) IPO Offer Costs incurred

In line with *AASB 132 Financial instruments: Presentation*, transaction costs have been split between the statement of profit or loss and equity, where incremental costs that are directly attributable to the issuing of new shares are directly deducted from equity, net of the income tax benefit.

Transaction costs that relate jointly to more than one transaction (e.g. costs of a concurrent offering of some shares and a stock exchange listing of other shares) are allocated to those transactions using a basis of allocation that is rational and consistent with similar transactions.

(e) New standards, interpretations and amendments adopted by Cuscal

Cuscal has reviewed all accounting standards and interpretations that have been issued but are not yet effective. At the date of authorisation of the half-year financial report, there are no new accounting standards, amendments to Accounting Standards and interpretations that have been issued and were relevant to the preparation of the financial statements of the Consolidated Entity.

(f) New standards, interpretations and amendments not adopted by Cuscal

The Consolidated Entity has not early adopted any standard, interpretation or amendment that has been issued but not yet effective.

(g) Comparatives

Where necessary, comparative information has been re-presented to conform to changes in presentation in the current period.

Note 2 – Segment reporting

AASB 8 Operating Segments requires information to be disclosed about the Groups reportable segments. Management has identified one reportable operating segment of the business, 'Payments'. The Group's Chief Operating Decision Maker ('CODM') in this regard is the Managing Director, who monitors the performance of this segment, as well as deciding on the allocation of resources to them.

Segmental performance is primarily monitored using a measure of adjusted earnings before tax, and depreciation and amortisation (referred to as 'Adjusted EBITDA'). Information is also received and reviewed on a monthly basis and the accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The reportable segment 'Payments' provides the provision of payment related products and services for the benefit of Australian financial and consumer centric institutions. This includes Electronic and paper payment processing, card products, card platform services, digital applications development, liquidity management and settlement services, specialised finance facilities, network communication services, fraud management services, real-time payments and open data services.

The 'Corporate' segment, which is not considered a reportable operating segment of the Group in line with *AASB 8 Operating Segments*, is used to reconcile the total segment results back to the consolidated Group results. It consists of:

- Fair value gains or losses associated with Cuscal's equity investments (reflected in Other Operating Income in the Statement of Profit and Loss); and
- Net contribution of the Securitisation business (effectively closed during the 2024 financial year);

The CODM does not regularly review segment assets and segment liabilities. Refer to the statement of financial position for total assets and liabilities.

Segment information for the reporting period is as follows:

Consolidated – 31 December 2024	Payments $m	All Other Segments(i) $m	Total $m
Net fee and commission revenue	**129.5**	-	**129.5**
Net interest income	**16.8**	-	**16.8**
Other operating income	**0.4**	-	**0.4**
Total net operating income	**146.7**	-	**146.7**
Employee benefits expense	**(58.8)**	-	**(58.8)**
Occupancy expenses	**(2.3)**	-	**(2.3)**
Non-salary technology expenses	**(34.3)**	-	**(34.3)**
Other expenses	**(29.0)**	-	**(29.0)**
Operating expenses	**(124.4)**	-	**(124.4)**
Adjusted EBITDA (ii)	**22.3**	-	**22.3**
Depreciation and amortisation	**(4.8)**	-	**(4.8)**
Profit before income tax	**17.5**	-	**17.5**
Income tax expense	**(5.3)**	-	**(5.3)**
Profit after tax	**12.2**	-	**12.2**
Add: Loss attributable to non-controlling interests	-	-	-
Consolidated Profit attributable to the owners of Cuscal	**12.2**	-	**12.2**

(i) All other segments are non-reportable segment under AASB 8 Operating Segments.

(ii) Adjusted EBITDA is a non-IFRS, non-audited measure defined as 'Profit before income tax' adjusted for depreciation and amortisation (D&A) but excluding D&A attributable to the 'right-of-use' assets under AASB 16 Leases (AASB 16) (which is included in 'occupancy expenses'), and the interest charge attributable to the option liability.

Note 2 – Segment reporting, continued

Consolidated – 31 December 2023	Payments $m	All Other Segments(i) $m	Total $m
Net fee and commission revenue	124.8	-	124.8
Adjusted net interest income(ii)	13.8	-	13.8
Other operating loss	(0.5)	-	(0.5)
Adjusted total net operating income(ii)	138.1	-	138.1
Employee benefits expense	(61.8)	-	(61.8)
Occupancy expenses	(2.3)	-	(2.3)
Non-salary technology expenses	(24.9)	-	(24.9)
Other expenses	(21.6)	-	(21.6)
Operating expenses	(110.6)	-	(110.6)
Adjusted EBITDA (iii)	27.5	-	27.5
Depreciation and amortisation	(5.3)	-	(5.3)
Option liability	(0.7)	-	(0.7)
Profit before income tax	21.5	-	21.5
Income tax expense	(8.2)	-	(8.2)
Profit after tax	13.3	-	13.3
Add: Loss attributable to non-controlling interests	0.4	-	0.4
Consolidated Profit attributable to the owners of Cuscal	13.7	-	13.7

(i) All other segments are non-reportable segment under AASB 8 Operating Segments.

(ii) Adjusted total net operating income is a non-IFRS, non-audited measure and arrived at after adjusting for the impact of interest expense on the option liability of $0.7m

(iii) Adjusted EBITDA is a non-IFRS, non-audited measure defined as 'Profit before income tax' adjusted for depreciation and amortisation (D&A) but excluding and D&A attributable to the 'right-of-use' assets under AASB 16 Leases (AASB 16) (which is included in 'occupancy expenses'), and the interest charge attributable to the option liability

Note 3 – Acquisition accounting

Acquisition of remaining non-controlled interest

On 1 July 2024, Cuscal Payment Holdings Limited acquired the remaining non-controlled interest in Braavos Corporation Pty Limited ('Braavos Corporation'), through a Deed of Sale and Release with the remaining shareholder. The agreement specified a $4.8 million cash payment to acquire the remaining shares, as well as a $0.6 million deferred component, payable on the completion of certain agreed objectives by the remaining shareholder.

Employee share option Plan (ESOP) cancellation

On acquisition in March 2023, Cuscal agreed to honour the existing share plan in place with employees of Braavos Corporation. The existing share options issued dilute the controlling interest of Cuscal Limited. Within the acquisition agreement, it was determined that the options would only become exercisable in the instance that 100% of Braavos was acquired, and as such on full acquisition, the share options to employees must also be considered for acquisition.

An agreement was made between Cuscal and Braavos (and employees) that the original ESOP arrangement be cancelled and replaced with a new shareholder agreement, which specified settlement amounts with employees amounting to $584,530.

Note 3 – Acquisition accounting, continued

Employee share option Plan (ESOP) cancellation, continued

It was deemed that in substance this was a reduction in the payout of the ESOP reserve by $0.6 million, with the reserve at 30 June 2024 being $1.3 million. With the agreed settlement of the options, the remaining ESOP reserve of $0.7 million was transferred to retained earnings.

Treatment of non-controlling interest and option liability

The effect of the Deed of Sale and Release is that the Put and Call Option liability relating to the acquisition of remaining interest in Braavos was extinguished. There was no impact to the statement of profit or loss as a result of the resolution.

The difference between the amount of non-controlling interest, that has been adjusted following the ESOP settlement, and the fair value of the consideration paid was recognised directly in reserves.

Impacts on the tax consolidation group

From the date of acquisition of the remaining interest (1 July 2024), Braavos Corporation and its wholly owned subsidiaries became a part of Cuscal's tax consolidated group.

Notes to the Statement of Profit and Loss

Note 4 – Net fee and commission revenue

	Consolidated	
	31 Dec 2024 $m	31 Dec 2023 $m
Gross fee and commission revenue		
Transactional product related revenue[(i)]	**171.6**	160.8
Project revenue	**4.7**	5.4
Total gross fee and commission revenue	**176.3**	166.2
Direct fee and commission expense		
Transactional product related direct expenses[(ii)]	**(46.7)**	(41.3)
Treasury and securitisation direct expenses	**(0.1)**	(0.1)
Total direct fee and commission expense	**(46.8)**	(41.4)
Net fee and commission revenue	**129.5**	124.8
Analysis of Gross Fee and Commission revenue		
Recognised at a point in time[(iii)]	**170.7**	159.9
Recognised over time	**5.6**	6.3
Total gross fee and commission revenue	**176.3**	166.2

(i) Transactional product related revenue includes transactional volume fees, fixed monthly fees and Payment and other Scheme related revenue, including any volume related incentives provided by payment schemes.

(ii) Transactional product related direct expenses include Payment Scheme fees and other direct processing costs.

(iii) Includes transactional volume fees recognised at the time of transaction processing.

Note 5 – Net interest income

	Consolidated 31 Dec 2024 $m	31 Dec 2023 $m
Interest income		
Cash and receivable due from financial institutions	**44.0**	36.1
Investment securities	**28.4**	26.7
Loans	**0.3**	0.2
Total interest income	**72.7**	63.0
Interest expense		
Payables due to financial institutions	**(2.3)**	(0.1)
Client deposits	**(52.4)**	(48.9)
Discount securities	**(0.1)**	(0.1)
Repurchase agreements	**(1.1)**	-
Lease liabilities	**-**	(0.1)
Put option liability	**-**	(0.7)
Total interest expense	**(55.9)**	(49.9)
Net interest income	**16.8**	13.1
Analysis of Interest Income by category of financial assets		
At amortised cost	**44.3**	36.3
At fair value through other comprehensive income	**28.4**	26.7
	72.7	63.0
Analysis of Interest Expense by category of financial liabilities		
At amortised cost	**(55.9)**	(49.8)
Lease interest	**-**	(0.1)
	(55.9)	(49.9)

Note 6 - Operating expenses

	Consolidated	
	31 Dec 2024 $m	31 Dec 2023 $m
Employee benefits expense		
Salary and salary related costs	**56.7**	59.9
Employee share-based payments	**0.6**	-
Other employment expenses	**1.5**	1.9
Total employee benefits expense	**58.8**	61.8
Occupancy expenses		
Depreciation: right-of-use assets	**2.2**	2.2
Other occupancy expenses	**0.1**	0.1
Total occupancy expenses	**2.3**	2.3
Depreciation and Amortisation		
Depreciation: computer equipment and software	**1.0**	0.5
Amortisation of intangible assets (i)	**3.8**	4.8
Total depreciation and amortisation	**4.8**	5.3
Non-salary technology expenses		
Communication	**2.1**	2.2
Software maintenance, license and access fees	**13.1**	12.1
Outsourced Services	**14.1**	7.7
Other non-salary technology expenses	**5.0**	2.9
Total non-salary technology expenses	**34.3**	24.9
Other expenses		
Auditors' remuneration (ii)	**0.8**	0.8
Consulting	**7.9**	7.9
Travel, conferences and related expenses	**1.0**	0.6
Legal and insurance	**2.2**	5.9
Taxes	**0.2**	0.6
Marketing	**1.5**	0.8
Internal audit services	**0.7**	0.6
IPO Offer costs (iii)	**13.4**	3.0
Other	**1.3**	1.4
Total other expenses	**29.0**	21.6
Total operating expenses	**129.2**	115.9

(i) Amortisation for the period has been reduced by $0.1 million R&D concessions claimed (Dec 2023: $0.3 million).

(ii) Excludes any non-audit services relating to Cuscal's IPO, these are included in 'IPO Offer costs'.

(iii) Included in 'IPO Offer costs' is one-off amounts relating to Cuscal's auditors, Ernst & Young, of $0.7 million (Dec 2023: $1.3 million), relating to due diligence fees associated with the Prospectus.

Note 6 - Operating expenses, continued

IPO Offer Costs

Offer costs refer to costs incurred as a direct result of activities associated with listing Cuscal on the ASX, inclusive of non-recoverable GST costs.

In line with *AASB 132 Financial instruments: Presentation*, transaction costs have been split between the statement of profit or loss and equity, where incremental costs that are directly attributable to the issuing of new shares are directly deducted from equity.

The following table presents a breakdown of Offer Costs incurred for each period, and the amount taken to the statement of profit and loss or equity (see note 13 for reconciliation of issued capital):

	31 Dec 2024 $m			31 Dec 2023 $m		
	Total incurred	Deduction to equity	Net P&L impact	Total incurred	Deduction to equity	Net P&L impact
Bookrunner fees	**12.0**	**1.4**	**10.6**	-	-	-
Investigating accountant(i)	**0.8**	**0.1**	**0.7**	1.3	-	1.3
Legal expenses	**1.0**	**0.1**	**0.9**	0.6	-	0.6
Other costs incurred	**1.3**	**0.1**	**1.2**	1.1	-	1.1
Total IPO Offer Costs	**15.1**	**1.7**	**13.4**	3.0	-	3.0
Tax benefit		**(0.5)**			-	
Net impact to equity (Note 13)		**1.2**			-	

(i) Investigating accountant fees are one-off amounts relating to due diligence fees associated with the Prospectus, performed by Cuscal's auditors, Ernst & Young.

Note 7 – Income tax expense

The income tax expense for the half-year is the tax payable on the current year's taxable income based on the company income tax rate, adjusted for changes in deferred tax assets and liabilities and unused tax losses.

	Consolidated 31 Dec 2024 $m	31 Dec 2023 $m
Income tax expense comprises:		
Current income tax charge	**15.2**	15.9
Adjustments in respect of income tax of current and previous years	**-**	(0.3)
Relating to origination and reversal of temporary differences	**(9.9)**	(7.4)
Income tax expense reported in income statement	**5.3**	8.2
Reconciliation of income tax expense at the Consolidated Entity's effective income tax rate is as follows:		
Group operating profit before income tax expense	**17.5**	21.5
Income tax expense at 30% thereon	**5.3**	6.4
Group losses not recognised – controlling and non-controlling interests	**-**	1.1
Non-taxable income	**-**	(0.1)
Adjustments in respect of tax expense of previous years	**-**	0.8
Income tax expense	**5.3**	8.2

Notes to the Statement of Financial Position

Note 8 – Receivables and payables due from/to financial institutions

	Consolidated	
	31 Dec 2024 $m	30 June 2024 $m
Receivables due from financial institutions, at amortised cost:		
Prepaid cardholder balances (i)	**4.1**	4.2
Other amounts due from other financial institutions	**6.5**	102.1
Total receivables due from financial institutions	**10.6**	106.3
Payables due to financial institutions, at amortised cost:		
Settlement balances due to other financial institutions, unsecured	**144.0**	32.5
Total payables due to financial institutions	**144.0**	32.5

(i) Prepaid cardholder balances are held in respect of stored value cards issued by Cuscal Limited.

Cuscal's prepaid cardholder balances relate to Prepaid Card programs that are progressing through stages of closure. Whilst these amounts are expected to be recovered within 12 months of the balance date, the balances as at the end of the current reporting period represent unclaimed monies which under statutory requirements must be held by Cuscal for at least 7 years.

'Other amounts due from financial institutions' and 'Settlement balances due to other financial institutions, unsecured' are expected to be recovered within 12 months of the balance date.

Note 9 – Investment securities

	Consolidated	
	31 Dec 2024 $m	30 June 2024 $m
At fair value through other comprehensive income:		
Negotiable certificates of deposit	**79.4**	69.6
Medium term floating rate notes	**1,028.1**	1,026.8
Total investment securities	**1,107.5**	1,096.4
Cuscal group has determined the following risk concentrations:		
With Banks, Mutual Banks and Credit Union issuers	**1,107.5**	1,096.4
Total investment securities	**1,107.5**	1,096.4

Investment Securities expected to mature within 12 months of the balance date are $395.4 million (June 2024: $341.3 million).

In the current financial period, there were no investment securities pledged to the Reserve Bank of Australia as collateral for the liability for Securities sold under agreement to repurchase (June 2024: $302.1 million).

Note 10 – Intangible assets

	Consolidated 31 Dec 2024 $m	30 June 2024 $m
Payments infrastructure		
At cost	**89.1**	84.9
Accumulated amortisation	**(49.9)**	(46.2)
Total Payments infrastructure	**39.2**	38.7
Software		
At cost	**-**	-
Provision for impairment	**-**	-
Accumulated amortisation	**-**	-
Total Software	**-**	-
Investment in Australian Payments Plus Ltd (AP+)		
At cost	**4.0**	4.0
Accumulated amortisation	**(2.7)**	(2.5)
Total Investment in AP+	**1.3**	1.5
Goodwill	**65.6**	65.6
Total Intangible assets	**106.1**	105.8

At December 2024, there are no intangible assets with remaining expected useful lives less than 12 months after the balance date (June 2024: $Nil). Remaining items of Intangible assets have expected useful lives longer than 12 months after the balance date for both current and comparable period.

Note 10 – Intangible assets, continued

	Consolidated	
	31 Dec 2024 $m	30 June 2024 $m
Payments infrastructure		
Carrying value at the beginning of the period	**38.7**	52.0
Additions	**4.2**	10.7
Disposals - cost	**-**	(5.7)
Disposals - accumulated depreciation	**-**	5.7
Amortisation for the period	**(3.7)**	(24.0)
Balance at the end of the period	**39.2**	38.7
Software		
Carrying value at the beginning of the period	**-**	-
Disposals - cost	**-**	(1.4)
Disposals - accumulated depreciation	**-**	1.4
Amortisation for the period [(i)]	**-**	-
Balance at the end of the period	**-**	-
Investment in AP+		
Carrying value at the beginning of the period	**1.5**	1.9
Amortisation for the period	**(0.2)**	(0.4)
Balance at the end of the period	**1.3**	1.5
Goodwill		
Carrying value at the beginning of the period	**65.6**	65.6
Balance at the end of the period	**65.6**	65.6
Total Intangible assets	**106.1**	105.8

[(i)] The carrying value of software as at 31 Dec 2024 is $Nil (30 June 2024: $Nil).

The comparative period covers the full 12 months to 30 June 2024.

Impairment of intangible assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

For the period ended 31 December 2024, the Consolidated Entity divided its activities into the following Cash Generating Units (hereafter 'CGU'), with separately identifiable corporate activities:

- **Payments**, the main CGU, which covers the processing, and settlement of financial transactions on behalf of clients, generally for their customers. Payments includes Cuscal's card issuance activities, fraud monitoring, data analytics and Cuscal's acquiring switching and driving activities. All goodwill is attributable to the Payments Business;
- **Corporate**, this CGU covers the Consolidated Entity's investment and securitisation activities; including the funding of those activities.

Note 10 – Intangible assets, continued

Impairment of intangible assets, continued

At balance date, all of the Consolidated Entity's net intangible assets including goodwill of $65.6 million (June 2024: $65.6 million) are allocated to the Payments CGU.

Payments CGU – process and assumptions

The Consolidated Entity has assessed the recoverable amount of the Payments CGU (and thus the recoverable amount of the intangible assets allocated to the CGU) on the basis of fair value less costs of disposal ('FVLCD').

This assessment has been carried out on the following basis:

- It is assumed that the Payments CGU is subject to the same level of prudential regulation as the Australian Prudential Regulation Authority ('APRA') applies to the Consolidated Entity. Accordingly, the returns from the Payments CGU included in the recoverable amount are only after allowing for the maintenance of capital as required under APRA Prudential Standards and applicable internal capital overlays.
- The returns from the Payments CGU are based on the projections for the Payments CGU in the Consolidated Entity's FY25 Corporate Plan and Budget covering the period to 30 June 2029. The FY25 Corporate Plan and Budget was approved by the Cuscal Board on 14 June 2024. The assumptions in the Plan are based on recent past experience adjusted for management expectations for pricing on contract renewals, new contracts and relevant product development. Further, the Plan allows for the level of investment required to ensure the Payments CGU continues to provide high-level functionality to customers.
- The recoverable amount of the Payments CGU has been determined by discounting the net cash flows of the Payments CGU.
- A terminal value growth rate of 3% (June 2024: 3%) has been applied at the end of the five-year period in the FY25 Corporate Plan and Budget.
- The cash flows have been discounted at the Consolidated Entity's weighted average cost of capital ('WACC'), which has been assessed on the basis that the ongoing activities of the Consolidated Entity will be focused on the Payments CGU.
- Discount rates of 10.0% (High), 9.5% (Mid) and 9.1% (Low) have been applied to the Net Cash Flows (June 2024: 10.0% High; 9.5% Mid; 9.1% Low). The WACC is that assessed by an independent expert advisor as being the Consolidated Entity's WACC as at March 2023.
- The inputs used in determining the recoverable amount of the Payments CGU are Level 3 inputs under the fair value hierarchy set out in accounting standard AASB 13 Fair Value Measurement.

The result of the assessment of the recoverable amount of the Payments CGU is that it is significantly above its carrying value.

The valuation of the Payments CGU has been stress tested. Firstly, the terminal value growth rate was reduced from 3% to 2% (June 2024: 3% to 2%). Secondly, the discount rates were increased, with the mid-rate being increased by approximately 25% (June 2024: 25%). Thirdly, the breakeven point where recoverable amount equals the carrying value of the Payments CGU was determined. This point arises when the Consolidated Profit of the Payments CGU in each of the next 5 years declines by 33% (June 2024: 29%).

In the first two stress test scenarios, the recoverable amount of the Payments CGU continues to exceed its carrying value.

Corporate CGU – Process and Assumptions

This CGU comprises investment and securitisation activities whose financial assets largely fall within the scope of AASB 9 Financial Instruments.

Intangible assets not in use testing

The Consolidated Entity continues to capitalise enhancements to its existing Payments Infrastructure relating to the upgrade of its Core Banking System. These assets are considered a fundamental part of the Payments CGU once bought in production. The recoverable amount of the Payments CGU continues to exceed the amounts capitalised and not yet in use at the end of the financial year. Whilst there is inherent uncertainty around the future contribution that the above investment will deliver, the future predicated cash flows and market value of the assets to be created mean the expected recoverable amount of the assets on completion of the individual investment programs are greater than the carrying value of the current capitalised costs.

Note 11 – Client deposits

	Consolidated	
	31 Dec 2024 $m	30 June 2024 $m
At amortised cost		
Deposits at call, unsecured	**2,153.5**	1,771.0
Security deposits	**857.4**	930.6
Total deposits	**3,010.9**	2,701.6
Concentration		
Banks, credit unions and mutual banks	**2,063.0**	1,628.7
Other organisations	**947.9**	1,072.9
Total deposits by concentration	**3,010.9**	2,701.6

All Client Deposits are expected to mature within 12 months of the balance date, except for $384.5 million, which will mature after 12 months (June 2024: $306.3 million).

Note 12 – Dividends paid

	31 Dec 2024		31 Dec 2023	
	Cents per Share	Total $m	Cents per Share	Total $m
Dividends paid from retained earnings during the period				
Fully paid ordinary shares				
Final dividend, franked to 30%	**5.0**	**8.8**	4.0	7.0
Special dividend, franked to 30%	**4.5**	**7.9**	-	-
Total dividends paid	**9.5**	**16.7**	4.0	7.0
Dividend franking account				
Adjusted franking account balance (tax paid basis)		**79.1**		69.1

Note 13 – Issued capital

Cuscal has 191,562,253 ordinary shares on issue as at 31 December 2024 (June 2024: 175,356,653). Each ordinary share is fully paid, carries one voting right and ranks equally for ordinary dividends with all other shareholders.

	Consolidated		Consolidated	
	31 Dec 2024 Shares	30 June 2024 Shares	31 Dec 2024 $m	30 June 2024 $m
Issued and fully paid ordinary shares	**191,562,253**	175,356,653	**158.6**	119.3
Total issued capital at end of financial period	**191,562,253**	175,356,653	**158.6**	119.3

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.

Changes in Issued Capital during the current period

Cuscal Limited listed its shares on the ASX on 25 November 2024. As part of this process, Cuscal Limited initially purchased 118.7 million of its own shares off existing shareholders. It then issued 134.7 million shares to new shareholders under Initial Public Offering (IPO) of shares to the market.

In addition, Cuscal Limited granted shares to eligible employees through a Tax Exempt Employee Share Plan on completion of the IPO. The total number of shares granted was 205,600.

In accordance with *AASB 132 Financial Instruments: Presentation*, an allocation of the equity component of transaction costs incurred through the IPO process has been recognised as a direct deduction from issued capital, net of any tax benefit. As per the breakdown of Offer Costs incurred in Note 6, $1.7m of total Offer Costs incurred were initially allocated to equity. Subsequently, a tax benefit of $0.5m has also been recognised in equity, resulting in a net deduction of $1.2m from issued capital.

	Date	Shares	Issue price	$m
Issued and fully paid ordinary shares				
Opening balance	1 July 2024	175,356,653		119.3
Shares returned pre-IPO	25 November 2024	(118,718,671)	$2.50	(296.8)
Shares issued through IPO	25 November 2024	134,718,671	$2.50	336.8
Shares issued to employees through Tax Exempt Employee Share Plan	25 November 2024	205,600	$2.50	0.5
Transaction costs, net of tax (Note 6)		-		(1.2)
Total issued capital at end of financial period		**191,562,253**		**158.6**

Notes to the Cash Flow Statement

Note 14 – Reconciliation of net cash flows from operating activities

	Consolidated	
	31 Dec 2024 $m	31 Dec 2023 $m
Profit after tax	**12.2**	13.3
Depreciation: computer equipment and software	**1.0**	0.5
Amortisation of intangible assets	**3.8**	4.8
Depreciation: right-of-use assets	**2.2**	2.2
Interest expense on put option liability	**-**	0.7
Increase in provision for ECL	**0.1**	-
Employee share-based payments	**0.6**	-
Foreign exchange (gain) / loss	**(0.4)**	0.5
(Decrease) / increase in income tax liabilities	**(0.8)**	12.6
Increase in deferred tax assets	**(9.9)**	(6.2)
Net decrease in other assets and liabilities	**14.6**	16.8
Decrease in loans and advances	**-**	0.4
Decrease in receivables from financial institutions	**95.7**	53.4
Increase / (decrease) in payables due to financial institutions	**111.5**	(126.8)
(Increase) / decrease in investment securities	**(11.1)**	79.3
Decrease in repurchase agreements	**(302.1)**	-
Increase / (decrease) in discount securities issued	**2.5**	(1.0)
(Increase) / decrease in derivative financial assets	**(0.4)**	0.6
Increase in client deposits	**309.3**	554.7
Net cash provided by operating activities	**228.8**	605.8

Unrecognised Items

Note 15 – Subsequent events

There has not been any matter or circumstance that has arisen since the end of the financial half-year, that has significantly affected, or may significantly affect, the operations of Cuscal or the Consolidated Entity, the results of those operations, or the state of affairs of Cuscal or the Consolidated Entity in future financial periods.

Other Information

Note 16 – Fair value measurement

The methods and valuation techniques for the purpose of measuring fair value remain unchanged compared to the previous reporting period.

Methods applied in determining fair values of financial assets and liabilities

- Level 1 – Reference to published price quotations in active markets

  This category includes financial instruments whose fair value is determined directly by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

- Level 2 – Valuation techniques supported by market inputs

  This category includes financial instruments whose fair value is determined using a valuation technique (model), where inputs in the model are taken from an active market or are market observable. If certain inputs in the model are not market observable, but all significant inputs are, the instrument is still classified in this category, provided that the impact of those elements on the overall valuation is insignificant.

  Included in this category are items whose value is derived from quoted prices of similar instruments, but for which the prices are (more than insignificantly) modified based on other market observable external data.

- Level 3 – Valuation technique not supported by market inputs

  This category includes financial assets and liabilities whose fair value is determined using a valuation technique (model) for which more than an insignificant level of input in terms of the overall valuation are not market observable. This category also includes financial assets and liabilities whose fair value is determined by reference to price quotes but for which the market is considered inactive. The Consolidated Entity classes its equity investments as Level 3 where valuation techniques are not supported by market inputs.

Valuation technique used to determine level 3 fair values

The Consolidated Entity values its interests in other unlisted entities by reference to its estimated share value. This is derived through outcomes of recent or expected capital raising activities, and in some instances on a 'look-through' basis to the results of expected corporate restructures.

The following table presents the estimated fair values of the Consolidated Entity's financial assets and liabilities by fair value hierarchy. Certain items from the Statement of Financial Position are not included, as they do not meet the definition of a financial asset or liability. The aggregation of the fair values presented below does not represent and should not be construed as representing the underlying value of the Consolidated Entity.

Note 16 – Fair value measurement, continued

Consolidated - 31 December 2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Investment securities	-	1,107.5	-	1,107.5
Equity investments	-	-	4.0	4.0
Derivative financial assets	-	0.2	-	0.2
Total financial assets	-	1,107.7	4.0	1,111.7
Financial liabilities				
Client deposits	-	3,019.7	-	3,019.7
Discount securities issued	-	3.5	-	3.5
Total financial liabilities	-	3,023.2	-	3,023.2

Consolidated – 30 June 2024	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Investment securities	-	1,096.4	-	1,096.4
Loans	-	-	-	-
Equity investments	-	-	4.0	4.0
Total financial assets	-	1,096.4	4.0	1,100.4
Financial liabilities				
Client deposits	-	2,707.0	-	2,707.0
Securities sold under agreement to repurchase	-	302.1	-	302.1
Discount securities issued	-	1.0	-	1.0
Derivative financial liabilities	-	0.2	-	0.2
Option liability (in Other Liabilities)	-	-	5.5	5.5
Total financial liabilities	-	3,010.3	5.5	3,015.8

The estimated fair values correspond with amounts at which the financial instruments at the Consolidated Entity's best estimate could have been traded at the balance date between knowledgeable, willing parties in arm's length transactions.

Note 16 – Fair value measurement, continued

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 30 June 2024 and 31 December 2024.

Consolidated – 31 December 2024	Unlisted equity securities $m	Put option Liability $m	Total $m
Opening balance 1 July 2023	4.4	(16.7)	(12.3)
Gains / (losses) recognised in other income	(0.4)	12.5	12.1
Gains / (losses) recognised in interest income / (expense)	-	(1.3)	(1.3)
Closing Balance 30 June 2024	4.0	(5.5)	(1.5)
Extinguishment of option liability	-	5.5	5.5
Closing Balance 31 December 2024	4.0	-	4.0

Expected Credit Losses ('ECL')

At the reporting date the Consolidated Entity has presented the ECL allowances in its statement of financial position as follows:

- For financial assets measured at amortised cost – a deduction against the gross carrying amount;
- For financial assets measured at fair value through other comprehensive income – a deduction against the revaluation reserve in other comprehensive income;

The table below presents the gross exposure and related ECL allowance for assets measured at amortised cost or FVOCI and off-Balance Sheet exposures subjected to impairment requirements of AASB 9.

All ECL amounts fall under stage 1. Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, entities are required to recognise 12-month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

Note 16 – Fair value measurement, continued

Consolidated	Gross exposure for Financial asset carried at Amortised cost $m	Gross exposure for Financial asset carried at FVOCI $m	Total exposure $m	ECL allowance on Financial assets carried at Amortised cost $m	ECL allowance on Financial assets carried at FVOCI $m	Total ECL allowance
31 December 2024						
Cash and cash equivalents	**2,308.1**	**-**	**2,308.1**	**-**	**-**	**-**
Receivables due from financial institutions	**10.6**	**-**	**10.6**	**-**	**-**	**-**
Investment securities	**-**	**1,107.5**	**1,107.5**	**-**	**0.5**	**0.5**
Trade debtors (Other assets)	**11.3**	**-**	**11.3**	**0.2**	**-**	**0.2**
Contract assets (Other assets)	**37.3**	**-**	**37.3**	**-**	**-**	**-**
Undrawn commitments	**218.0**	**-**	**218.0**	**-**	**-**	**-**
Total	**2,585.3**	**1,107.5**	**3,692.8**	**0.2**	**0.5**	**0.7**
30 June 2024						
Cash and cash equivalents	2,069.1	-	2,069.1	-	-	-
Receivables due from financial institutions	106.3	-	106.3	-	-	-
Investment securities	-	1,096.4	1,096.4	-	0.5	0.5
Trade debtors (Other assets)	7.8	-	7.8	0.1	-	0.1
Contract assets (Other assets)	47.6	-	47.6	-	-	-
Undrawn commitments	219.0	-	219.0	-	-	-
Total	2,449.8	1,096.4	3,546.2	0.1	0.5	0.6

Note 17 - Related party disclosures

(a) Loans to directors

As at 31 December 2024 the outstanding balance of loans to directors was $Nil (June 2024: $Nil).

(b) Directors' interests in contracts

As required by the Corporations Act 2001, some Directors have given notice that they hold office in specified credit unions, mutual banks and other companies and as such are regarded as having an interest in any contract or proposed contract, which may be between Cuscal and its controlled entities and those credit unions, mutual banks and companies. All transactions between credit unions and other companies in which a Director is an officer or a member and Cuscal and its controlled entities are transacted in the normal course of business and on commercial terms and conditions.

(c) Controlled entities

Cuscal's controlled entities receive administrative support services from Cuscal. These transactions are in the normal course of business and on commercial terms and conditions. Transactions between Cuscal and its controlled entities include the provision of financial facilities on commercial terms and conditions. These amounts are eliminated on consolidation of the Group.

Note 18 – Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The weighted average number of ordinary shares outstanding during the period was 178.5 million (December 2023: 175.4 million).

The weighted average number of ordinary shares and potential ordinary shares used in calculating diluted earnings per share was 178.9 million (December 2023: 175.4 million).

	Consolidated	
	31 Dec 2024 Cents	31 Dec 2023 Cents
Basi and diluted earnings per ordinary share ('EPS')		
Basic earnings per share (cents per share)	**6.9**	7.8
Diluted earnings per share (cents per share)	**6.8**	7.8

Note 19 – Net assets per share

Net assets per share is calculated by dividing total net assets for the period attributable to ordinary equity holders of the parent by the number of ordinary shares outstanding during the period.

	Consolidated	
	31 Dec 2024 $	30 June 2024 $
Net Assets per ordinary share		
Basic net assets per ordinary share at period end	**$1.87**	$1.85

Directors’ Declaration

The Directors declare that, in their opinion:

- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- The attached financial statements are in compliance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, as stated in Note 1 to the financial statements; and
- The attached financial statements and notes thereto are in accordance with the Corporations Act, including compliance with accounting standards and give a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to section 295 (5) of the Corporations Act 2001 (Cth).

On behalf of the Directors

Elizabeth Proust AO Chairman	Craig Kennedy Managing Director

Sydney, 26 February 2025

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Conclusion

We have reviewed the accompanying half-year financial report of Cuscal Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 anything has come to our attention that causes us to believe that the half-year financial 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*.

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

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Independent Auditor's Review Report, continued

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

Andrew Harmer
Partner
Sydney
26 February 2025

Corporate information

Directors	Ms Elizabeth Proust AO, Independent Chairman Mr Craig Kennedy, Managing Director Ms Belinda Cooney, Independent Non-Executive Director Ms Trudy Vonhoff, Independent Non-Executive Director Ms Claudine Ogilvie, Independent Non-Executive Director Mr Ling Hai, Non-Executive Director Mr Wayne Stevenson, Non-Executive Director
Company Secretaries	Ms Freya Smith Mr Sean O'Donoghue
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