

Cuscal Limited 2025 AGM

Managing Director's Address: Craig Kennedy

Thanks and Introduction

Thank you, Elizabeth, and good afternoon. I echo Elizabeth's thanks to our shareholders and our people, and I want to acknowledge that your support and engagement underpin our success.

The past 12 months have been among the most significant in our history. We listed on the ASX in November 2024, a milestone that reflected the strength of our business, the support of our clients and shareholders, and the dedication of our people.

The listing was critical to position us to grow, remain strong and to invest and innovate for the benefit of our clients.

Delivered a Strong FY25 Financial Result

I'll touch on our strong FY25 financial result, and note that consistent with our Prospectus, I'll discuss pro forma figures which normalise for \$9M in after tax costs associated with the IPO. I encourage you to review the full year earnings pack on our website.

Our full-year results exceeded pro forma Prospectus forecasts on Net Operating Income, EBITDA, and NPAT, and we delivered growth across all key metrics. This strong performance is testament to the commitment and expertise of our people, and to the trust placed in us by our clients and partners.

Total transaction volumes were up 8% in FY25 - Issuing up 6%, Acquiring up 11% and Payments (a blend of NPP & Batch) up 12%. Net Operating Income was \$290M, up 6% on the prior year.

Importantly, top line growth was achieved alongside disciplined cost management. This delivered a pro forma NPAT of \$38M, up 17% on the prior year.

Robust Balance Sheet and Capital Position

Our balance sheet remains strong. As of 30 June 2025, our tier 1 capital ratio stood at 27.3%, providing us with the flexibility to pursue growth opportunities while maintaining a Stable AA- credit rating from S&P. This strong capital position enables us to fully cash fund the strategic acquisition of Indue without compromising our financial stability. Following completion of the Indue acquisition, we expect tier 1 capital to return to our target of 18-19%.

Indue Acquisition to Generate Significant Accretion

Turning to the Indue acquisition, Cuscal has entered into a conditional agreement to acquire Indue for \$75M (headline). The consideration amount is subject to a number of adjustments, including Indue's transaction related expenses.

And last week, we welcomed the positive announcement from the ACCC that it will not oppose the acquisition, which we expect to complete by the end of the calendar year, subject to remaining conditions precedent.

The Indue acquisition is expected to be significantly accretive, with anticipated earnings per share uplift of more than 25% by FY29, and a projected return on invested capital of over 20%. There are three big wins that come with this acquisition: it delivers value to our shareholders; it enhances outcomes for clients; and creates opportunities for our people as we maximise our combined talent and assets.

We're approaching integration in a structured and prudent way, and the process will be managed by a dedicated, standalone team, to ensure we minimise any potential disruption to our clients and our operations. We anticipate one-off integration costs of \$25-30 million after tax, and we are confident in our ability to deliver \$15-20 million in annual, after-tax run-rate cost synergies. We have substantial experience with large-scale client migrations, which enables us to estimate the cost to execute with a high degree of assurance and provides confidence in realising anticipated benefits within the targeted timeframe.

Investing in Capabilities

Beyond the Indue acquisition, we continue to invest in our core capabilities to deliver market-leading solutions.

Over the past year, we've enhanced our product suite and improved customer protection in scams and frauds. We've onboarded our first client to our new card management system and, over time, functionality will extend to debit and prepaid cards. We're also making the ecosystem safer and more transparent, implementing Confirmation of Payee, and our mule detection service, which uses machine learning to help our clients detect accounts set up using false or stolen identities.

Our Strategic Partnerships capability has helped drive some sales wins for our clients while also benefitting our bottom line – underscoring the fact that when we help our clients win, we win with them. For example, we're proud to power and partner with Monoova – which was recently named 2025 Global Fintech Company of the Year at the Global FinTech Awards. Together, we're enabling the next wave of transformation in payments for innovative brands like CarSales and Payroo.

As Elizabeth discussed, we've delivered a broad-based uplift program that's strengthened our risk culture across the organisation. As a regulated ADI, we've built out capabilities to meet CPS230 operational resilience and CPS234 cyber resilience standards. We've been building these structures and processes into our operations, and we're now progressing to embedment. We're pleased with the progress to date, but as Elizabeth has noted, this will continue to be an area of focus and investment.

We're also investing in our people. We've moved into a new Sydney office, designed to support hybrid work, collaboration, and innovation, and reflects our commitment to creating a positive and engaging workplace. As part of this transition, we have also enhanced our employee experience programs and initiatives to ensure Cuscal remains a destination for the best talent to grow and thrive.

FY26 Outlook

Looking ahead, we anticipate steady market growth, underpinned by continued industry innovation and ongoing conversion to digital transactions, with the progressive retirement of batch transactions continuing to contribute to the growth in real-time payments.

We're attentive to industry trends, including consolidation in the banking and broader payments sector. The Indue acquisition positions us with increased scale and diversity to capture new business and better serve a wider client base.

We support the industry changes towards increasing emphasis on resilience, scam and fraud prevention, and operational risk management. While we don't have direct exposure to the RBA's proposed changes on surcharging and interchange, we are working with our clients to support their ability to continue to compete and remain actively engaged in industry advocacy. We are part of the AusPayNet Industry Resilience Initiative, working alongside the RBA, APRA and the four major banks, to steer how the Australian payments system tackles resilience. And longer term, we believe that a stronger, more resilient system supports better outcomes for our clients and their customers.

Against that backdrop, we're focused on executing our strategic priorities. FY26 is already off to a strong start, and we are on track to deliver mid to high single digit transaction volume growth, translating to low double digit underlying NPAT growth, which specifically excludes the impacts of the Indue acquisition.

We will keep the market updated as appropriate on our progress as we move through the first and second halves of the financial year.

CFO Transition

I'd like to take a moment to acknowledge Sean O'Donoghue, who has been Cuscal's CFO for 11 years. Sean has played a pivotal role in shaping our growth and success, including navigating us through our successful IPO last year. Please join me in thanking him for his significant contributions.

Jennifer Brice, our new CFO, officially joined the company this week. Jennifer's impressive background, including her significant experience with ASX-listed companies and in the payments sector, ensures a seamless transition. We're confident her expertise will be invaluable as we begin this next chapter.

Thank you and I'll now hand back to Elizabeth.