28 August 2024

ASX Market Announcements
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Money in Motion

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EML Payments Limited

EML executes its FY24 plan and delivers at the top end of guidance

- **Continuing business[1] delivers revenue of $217.3m ↑ 18% PCP and underlying EBITDA[2] of $49.0m ↑ 34%**
- **Total Group[3] underlying EBITDA was $57.1m, at top end of guidance**
- **Successfully executes FY24 structural enhancement program**
- **New leadership team to build for growth**

EML Payments Limited (ASX:EML) (“**EML**”) has today released its FY24 Financial Results and Annual Report.

Financial performance for the year was improved on all key metrics. For our continuing business, which excludes business in liquidation, PFS Card Services Ireland Limited (PCSIL), revenue was up 18% to $217.3m driven by both customer revenue growth and treasury yield performance. Underlying EBITDA was $49.0 million, up 34% on PCP supported by revenue growth and a tapering of overhead costs in the second half.

Underlying EBITDA for the Group (which includes PCSIL) was $57.1m, up 54%, at the top end of the guidance range of $52m - $58m. Net loss after tax from our continuing core business was $9.6 million, a solid improvement from $260.3 million in FY23 and trending towards a normalised environment, absent of the impairments which featured in both FY23 and FY24.

During FY24 the Board refocused the company’s efforts on solving the key strategic and operational challenges facing the business at that time. The team has delivered against those objectives as follows:

- Exiting EML’s loss making Irish reloadable cards business, PCSIL, which had been the subject of a longstanding and costly regulatory remediation program;
- The sale[4] of another challenged acquisition, Sentenial, to GoCardless for €32.75m (A$54.1m)[5];
- The successful conclusion of EML’s UK subsidiary Prepaid Financial Services Limited’s (PFSL) regulatory remediation program and lifting of its growth restriction;

[1] Continuing business excludes Irish entity, PCSIL which is in liquidation under appointment of external liquidators

[2] Underlying EBITDA is explained in FY24 Annual Report on page 17. These measures are non-IFRS measures and have not been audited.

[3] Total Group includes Irish entity, PCSIL

[4] Completion subject to conditions precedent and completion deliverables

[5] Subject to adjustment. Refer ASX announcement 15 March 2024

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- The settlement of PFS acquisition liabilities on a discounted basis (A$15.2m);
- A reduction of EML's cost base in H2 of $5.0m (8%), with further rationalisation planned over the next the 18 months;
- The establishment of a new syndicated loan facility to support the business over the coming years which was signed on 27 August 2024; and
- The rebuilding of the management team including the appointment of Mr Ron Hynes as Managing Director and Group Chief Executive Officer on 30 June 2024.

EML's Managing Director and Group CEO, Ron Hynes, said:

"FY24 was an inflection point for the reinvigoration of EML, with excellent progress made on the operational priorities as set by the Board in April 2023 and improved financial performance. This lays the foundations for EML2.0 being a stronger, more efficient and growth orientated organisation delivering high quality performance for our customers and shareholders over the coming years.

While I only joined EML in June, I have followed its journey closely over the course of my career in the global prepaid card industry. EML is a business of strong foundations and with the work done in FY24 to successfully address the challenges that impaired recent periods, we are now well placed to turn our full attention to building for growth with green shoots emerging. I would like to thank the EML team for their commitment and energy during FY24 which was both a challenging and fruitful year. I look forward to providing more colour on the future direction of EML at our AGM in November."

About EML Payments Limited

EML Payments is a global payments company that operates in Australia, the UK, Europe, USA and Canada. Our customers are diverse and include government, retail brands, financial services and human capital management companies. For more information: EMLPayments.com.

This announcement has been authorised for release by the Board of Directors.

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EML Payments Limited

APPENDIX 4E

Preliminary Final Report

EML PAYMENTS LIMITED
93 104 757 904

1. Details of the reporting period and the previous corresponding period	
	• Current period: 1 July 2023 to 30 June 2024 • Previous corresponding period: 1 July 2022 to 30 June 2023

2. Results for announcement to the market			
	Key information	**Percentage change**	**Year ended 30 June 2024 $'000**
2.1	Revenues from ordinary activities	18%	217,342
2.2	Loss from ordinary activities after tax attributable to members	(91%)	(26,485)
2.3	Loss for the period attributable to members	(91%)	(26,485)
	Dividends	**Amount per security**	**Franked amount per security**
2.4	Final dividend	-	-
2.5	Record date for determining entitlements to the dividend	N/A	
2.6	**Commentary on results for the financial year** Refer Annual Report Attached.		

3. Consolidated Statement of Comprehensive Income	
	Refer Annual Report Attached.

4. Consolidated Statement of Financial Position	
	Refer Annual Report Attached.

5. Consolidated Statement of Cash Flow	
	Refer Annual Report Attached.

6. Consolidated Statement of Change in Equity	
	Refer Annual Report Attached.

7. Dividend	
	It is not proposed to pay dividends.

8. Dividend reinvestment plan	
	There is no dividend reinvestment plan in operation.

9. Net tangible assets per security			
		Year ended 30 June 2024 $	Year ended 30 June 2023 $
	Ordinary shares	(0.01)	(0.05)

10. Control gained or lost over entities during the financial year		
	Name of entities where control was gained during the financial year	**Date control gained**
	EML Payments (UK Services) Limited	15 June 2024
	Name of entities where control was lost during the financial year	**Date control lost**
	PFS Card Services Limited	17 January 2024

11. Investment in associates and joint ventures	
	Not applicable.

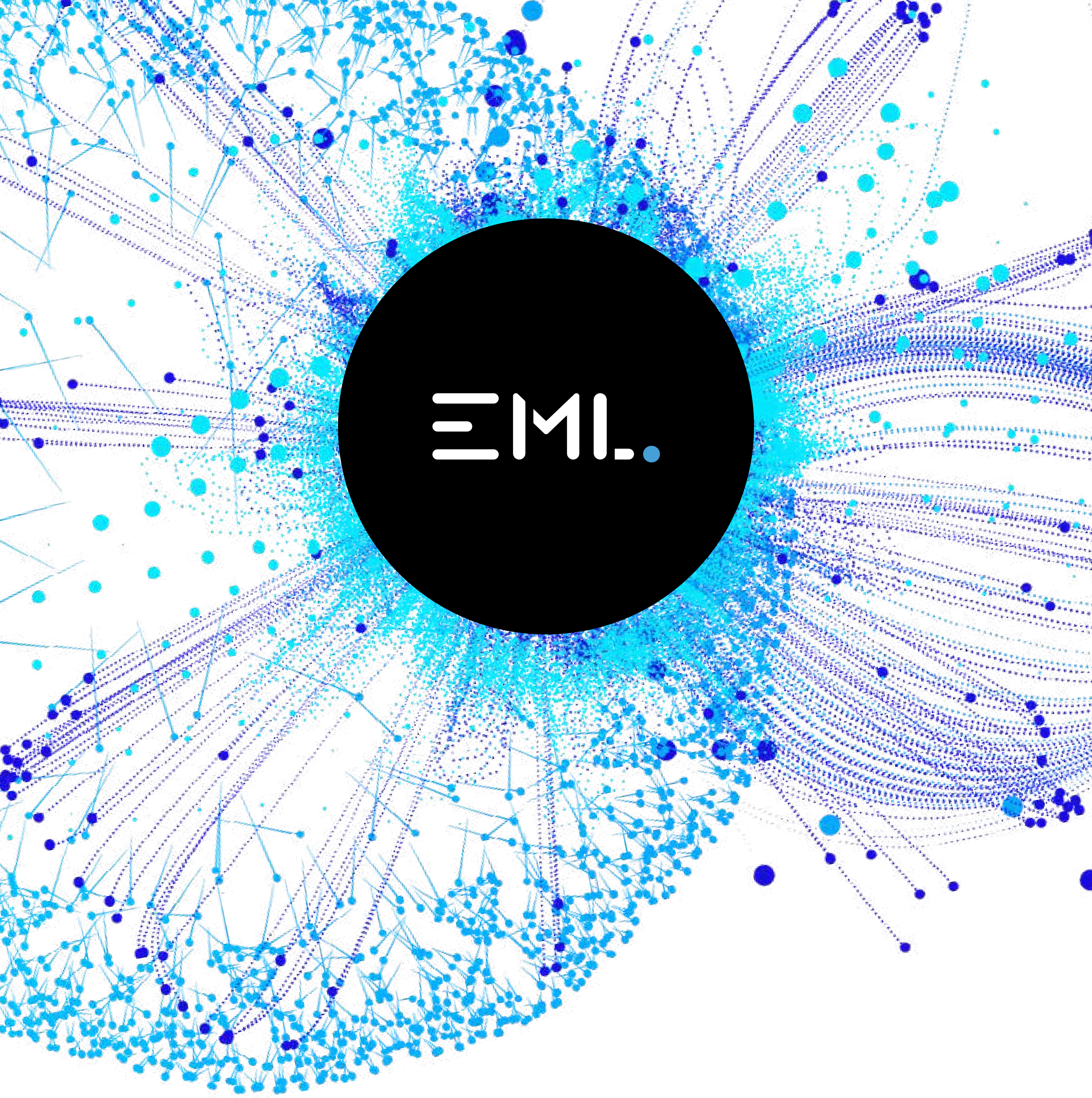
12. Other information	
	Refer Annual Report Attached.

13. Foreign entities	
	Refer Annual Report Attached.

14. Commentary on results for the period	
	Refer Annual Report Attached.

15. Audit	
	The accounts have been audited and an unqualified opinion has been issued.

16. Attachments	
	The Annual Report of EML Payments Limited for the year ended 30 June 2024 is attached.



EML Payments Limited

2024 Annual Report.

Year in review.

EML grew top-line revenue and Underlying EBITDA while addressing key business challenges.

EML Payments Limited and its controlled subsidiaries (EML or the Group) reported strong revenue and Underlying EBITDA growth while stabilising the Company and resolving a number of challenging business issues leaving it well placed for the future.

The financial performance metrics exclude the impact of PFS Card Services Ireland Limited (PCSIL) business now in liquidation, a discontinued operation.

Gross Debit Volume (GDV) increased to $146.4 billion, up 18% predominately due to growth in Digital Payments (Sentenial) and modest organic growth in Gift & Incentive (G&I) and General Purpose Reloadable (GPR).

Revenue increased 18% on PCP to $217.3 million, largely driven by strong interest revenue growth (97%) and steady customer revenue (6%).

Underlying EBITDA[1] was up 34% on previous corresponding period (PCP); with growth in Revenue and Gross profit, 18% and 19% respectively. This was partly offset by an uplift in net cash overheads[2] of 14%.

The Group made a net loss after tax of $9.6 million (96% improvement on FY23) following an impairment adjustment of $8.8 million (FY23 $262.9 million), predominantly in relation to PFS Ireland's customer contracts and relationship assets.

Key contributors

- G&I customer revenue performance was softer in FY24 due to turnover of several accounts in 2H24. Interest revenue continued to perform well for the segment, up $5.1 million primarily due to yield optimisation actions taken through the year.
- GPR segment had strong performance in FY24, notwithstanding growth restrictions were in place in the UK business until April 2024. Human capital management, particularly salary packaging, and government sectors continued to outperform. Digital Payments growth was primarily driven by Sentenial, which reported an increase in revenue and gross profit of over 23% on PCP.
- Interest income for FY24 was up by $24.5 million with the majority of the increase from the GPR segment. Management's yield optimisation activities and improved central bank rates are the key drivers of this result.

Gross Debit Volume

$146.4 billion

▲ 18% on PCP

Revenue

$217.3 million

▲ 18% on PCP

Underlying EBITDA[1]

$49.0 million

▲ 34% on PCP

Cash at bank

$43.1 million

▼ 40% on PCP

Net loss after tax from continuing operations

$9.6 million

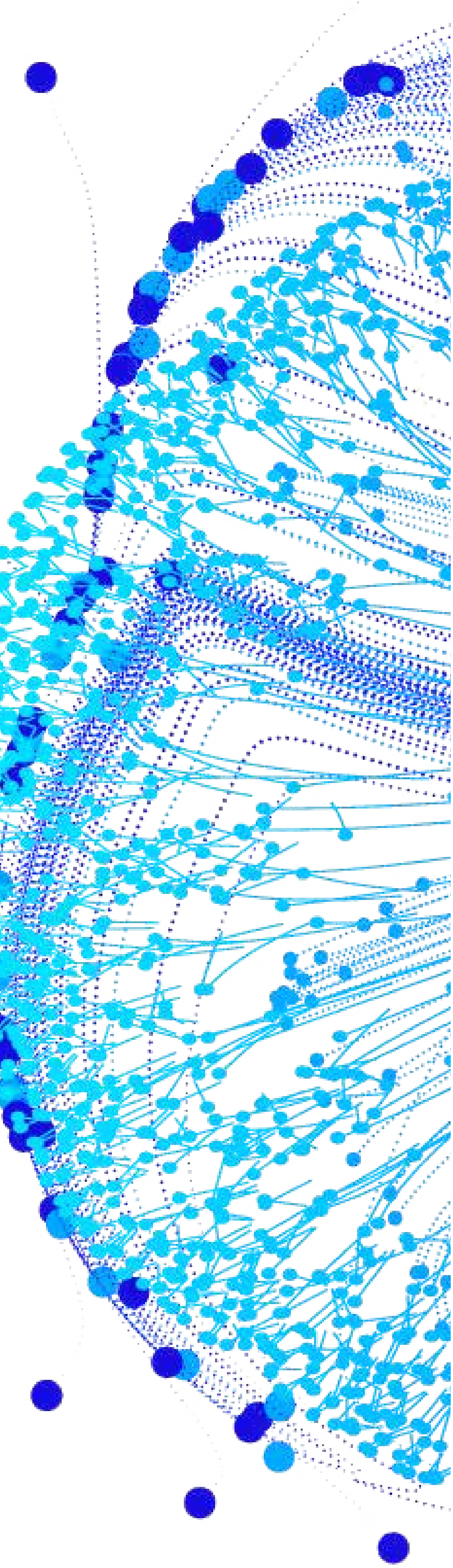
▲ 96% on PCP

Loss from discontinued operations

$16.9 million

▼ 31% on PCP

1. Underlying EBITDA is explained on page 17-18 within the Performance overview. This measure is a non-IFRS measure and has not been audited.
2. Net overheads is explained on page 19. This measure is a non-IFRS measure and has not been audited.



Chairman's Report.

Towards EML 2.0 - focused on growth and growth enablers following a year of solving structural challenges

Dear Shareholder,

Your Board and management team have worked tirelessly in FY24 to solve a number of longstanding and structurally challenging problems facing the Company. I am pleased that a number of those well documented challenges, which consumed substantial amounts of management time and Company resources, have been either solved or are well progressed towards a resolution as we enter FY25.

The year ahead will have a very different focus as we transition our energy and resources towards strengthening and extending our core operating capabilities led by new Managing Director and Group CEO, Ron Hynes.

Structural reset

Prior to the commencement of FY24, the Board set aside a long-term strategy in need of focusing management on the challenges facing the business today, which required immediate and concentrated attention. Acquisitions in Europe had not delivered their intended benefits and were consuming vast amounts of Company resource unproductively. Having not integrated those businesses, the organisational structure and related cost base was operating on an unfavourable basis and trajectory.

With concentrated effort a number of those structural challenges were pleasingly resolved during FY24 including the wind-down of our challenged Irish entity PCSIL, the sale of Sentenial[1], the successful conclusion of our UK subsidiary Prepaid Financial Services Limited's (PFSL) regulatory remediation program, settlement of PFS acquisition liabilities on a discounted basis and a reduction of our cash overheads in 2H24.

We have also welcomed new leadership talent to the business and Ron is very focused on ensuring that our leadership capabilities are aligned to our strategic and operational ambitions.

Revitalisation

We are pleased to have delivered Underlying EBITDA at the upper end of our guidance range in FY24, pointing to attractive underlying economic drivers which have served the business well in a period of challenge. It is also right to say that through that period of challenge our resources were not wholly pointed at ensuring that our operational activity was fully optimised. To that end, free of the structural priorities noted above, the management team is now energetically prosecuting a revitalisation plan to recapture our old DNA particularly around product innovation and operating efficiency balanced with a sustainable growth discipline – EML 2.0.

FY24 results

Pleasingly the financial performance of the business has improved considerably over the last 12 months, delivering on our key guidance measure, which is Underlying EBITDA. Underlying EBTIDA was A$57.1 million, at the top end of the market guidance range of A$52 million – A$58 million.

Continuing businesses, which excludes the Irish entity PCSIL, performed well, with revenues up 18% to A$217.3 million and Underlying EBITDA up 34% to A$49 million.

Furthermore, our statutory net profit after tax improved significantly, as the impairments that impacted FY23 were reduced in FY24.

Thank you and our commitment

Whilst much has been achieved in FY24 there remains much to do in our core operations. Ron and the team are particularly focused on rebuilding our go-to-market functions and breathing new life and priority into business and product development.

Technology will play a role here as it does in helping the business run more efficiently. The Company will make some targeted investments in core infrastructure and is advancing well on defining technology and related investments to propel the business forward.

We are grateful for the continued support of our customers and other stakeholders. Moving forward our attention will be more focused on our customers where growth opportunities abound.

We are committed to continuing to improve the business for the benefit of our shareholders, customers, partners, and team members. I thank the hardworking and passionate EML team who tirelessly take up every challenge and have positively embraced the journey we are on.

Thank you for your ongoing support of EML.

Luke Bortoli
Non-executive Chair
27 August 2024

1. Pending satisfaction of conditions precedent, including regulatory approval in the UK and France.

CEO's Report.

Warmly welcomed, down to work.

It has certainly been exciting since joining as Managing Director and Group CEO on 30 June 2024. Whilst I am new to the business, I have known EML for quite some time, given my professional history in the prepaid card industry. I have admired the Company's accomplishments, from humble beginnings to global success.

We now have an opportunity to leverage the hard work over the past year to reshape a great payments company, using and augmenting our underlying assets to exploit the secular growth of electronic payments around the world and certainly in the markets we serve. It is my pleasure to lead your Company and I look forward to hard work and bright times as we reinvigorate the Company and deliver EML 2.0.

To recap, for our newer shareholders, EML provides instant and secure electronic payment solutions for enterprises, corporations and governments across Australia, Europe and North America. Our white label services encompass a wide range of established gift, incentive and reloadable card programs as well as e-wallet and digital payment solutions. Our objective is to target large inefficient money flows to help our customers create seamless and immersive payment experiences. In many markets we act as Program Manager, Issuer and Processor, providing a unique capability to design and deliver end to end solutions.

FY24 results

Pleasingly, the financial performance of the business has improved over the last 12 months. The business delivered at the top end of the Underlying EBITDA guidance range, our core measure of business performance, achieving Underlying EBITDA of $57.1 million. Our continuing businesses EBITDA (which excludes the Irish entity in liquidation, PCSIL) increased 54% to $49.0 million year on year. Furthermore, our statutory net profit after tax improved significantly, aided by the fact that the impairments that impacted FY23 were not present to the same level in FY24.

Our performance was underpinned by customer revenue growth of 6% and growth in interest revenue of 97%, combining to produce overall revenue increase of 18%. Cash overheads were lower in 2H24 by approximately 8% when compared to 1H24. Overall cash overheads increased year on year by 14% as we introduced key talent into leadership and build out our go-to-market capabilities.

Progress on operational priorities

The Company made sound progress on a number of operational priorities that were established by the Board in April 2023. This progress lays the foundation for business-as-usual orientated enhancement programs.

I commend the Board, and the Company, for its ability to make hard decisions and for the achievements in FY24 including the appointment of liquidators and the wind-down of the challenged Irish entity PCSIL, the sale of Sentenial[1], the successful conclusion of our UK subsidiary PFSL's regulatory remediation program and the settlement of PFS acquisition liabilities on a discounted basis.

Our teams remained focused on optimisation activities, some of which will be used to invest in talent and operational capability to lift performance.

I hope you will all agree that we have a good body of work behind us which sets us up nicely for the work ahead.

The year ahead

I am working through a structured induction program and have committed, via a 100-day plan to the Board and the EML team, that we will have a full leadership team in place, clarity on technology, product and other related investments, as well as a clear go-to-market structure and rhythm within that 100-day window. The management team has Board mandate to move at a high velocity to reshape the business and create value for our customers and our shareholders.

FY25 will be a year of rebuilding a strong foundation from which we can deliver on our growth ambitions. I share the Board's determination to maximise shareholder value and I look forward to sharing a further update at November's AGM.

In closing, it has been a fantastic start to my time with EML. I have had the chance to meet our team around the world, as well as to spend time with our customers. These visits reinforced my view of the tremendous opportunity before us and that with passion, speed, resilience, collaboration and action we can create a bright future for EML. I thank our passionate team, our loyal customers and our shareholders for their support and dedication over the last year and I am excited to be working together as we create EML 2.0.

Ron Hynes
Managing Director and Group CEO
27 August 2024

1. Pending satisfaction of conditions precedent, including regulatory approval in the UK and France.

Strategy update.

FY24 saw EML reshape the business, exit loss-making European businesses not delivering their intended benefits, successfully complete UK remediation efforts and remove our growth cap, and return to a focus on the core parts of the business. EML has successfully delivered our FY24 operational objectives and has established a platform for the next phase of the Company's transition towards sustainable growth.

In FY25 the Company's focus will be on building for growth with both existing and new customers, optimising the operating model, and investing in future-fit products and technology.

FY24 achievements – Reset of EML

1. Remediation and separation

- Successful completion of UK subsidiary PFSL's regulatory remediation program and removal of growth cap
- Closure of challenged Irish entity PCSIL via appointment of external liquidators
- Settlement of PFS acquisition liabilities on a discounted basis

2. Cost optimisation

- Arrested the growth in overhead costs in 2H24 through cost out in technology, professional fees, and non-revenue driving roles

3. Restarting growth

- Appointment of permanent Managing Director and Group CEO
- Business development green shoots emerging
- Treasury management optimisation actions uplifting interest yield from 1.6% to 2.9%
- Customer revenue growth of 6%

4. Strategic review

- Sale of Sentenial announced in March 2024, with completion expected in 1H25

Gifting.

EML's G&I business manages over 1,000 gift and incentive card programs for clients across Australia, Europe, and North America via white label solutions and our EML and Perx brands. The business includes consumer gift cards available at multi-national and local shopping malls and towns, corporate-funded incentive cards for consumer promotions, and corporate-funded employee rewards cards.

FY24 in Review

G&I business delivered solid results in FY24, with revenue $81.5m (up 9% on PCP) and underlying gross profit of $64.2m (up 6% on PCP).

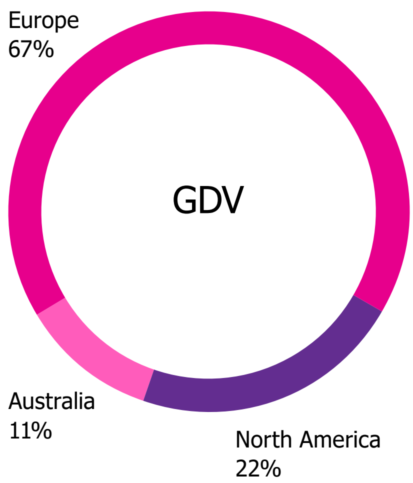
Overall, our G&I business had a strong year. Our European based employee reward and incentive product, Perx, remained a strong performer (up 2% on PCP).

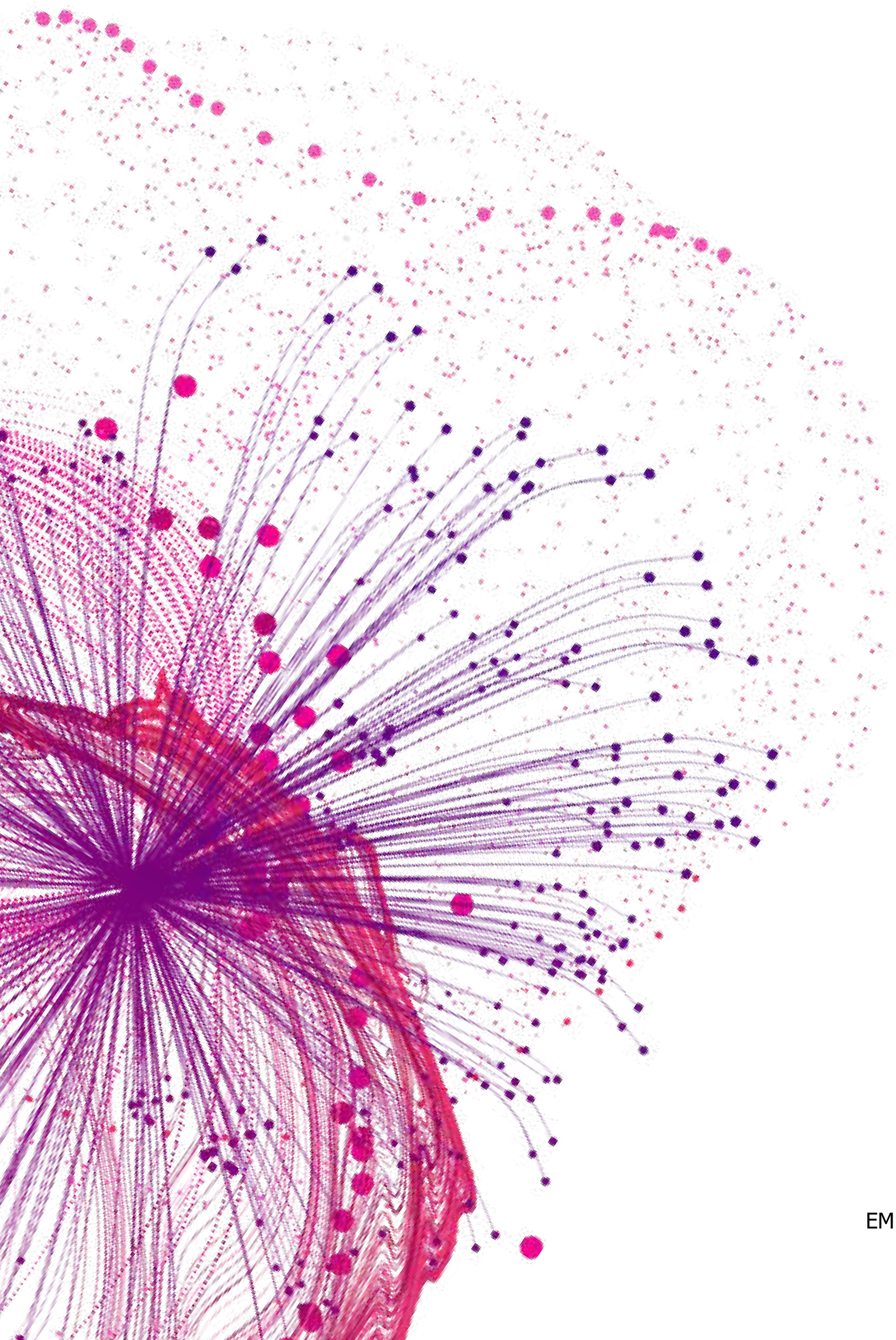
In Q424 the business experienced some customer attrition that has impacted the FY24 results.

Customer Verticals

1. Retail
2. Employee Benefits
3. Corporate Incentives

Regional Split





GPR.

EML's GPR segment provides clients across Australia, Europe, and North America with faster and easier ways to transact with tailored card and wallet solutions. Globally, we offer businesses and governments reloadable cards designed for consumer disbursements, employee benefits and rewards, digital wallets and gaming. Features include sub accounts, real time digital payments, restricted access, spend controls, multi-currency functionality and Apple and Google Pay capability.

FY24 in Review

EML's GPR segment performed well in FY24, with revenue of $111.5m (up 27% on PCP) and underlying gross profit of $81.3m (up 33% on PCP).

Customer revenue rose 7% on PCP while interest revenue of $39.1m was up 99% on PCP.

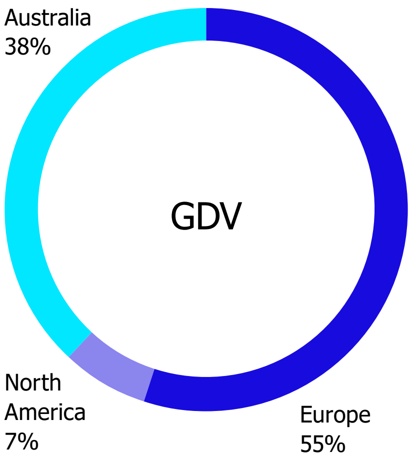
The GPR segment saw strong performance in FY24, largely driven by growth in the Government and human capital management verticals. In April 2024, the UK business completed a comprehensive remediation program which resulted in the previously imposed growth cap being lifted.

The Australian business deepened its partnership with Mastercard and now supports 14 prepaid programs which include a number of iconic and trusted Australian brands.

Customer Verticals

1. Human Capital Management
2. Embedded Finance
3. Government

Regional Split



Digital Payments.

EML provides digital payments solutions to customers both through the EML and Nuapay brands. Core products include account-to-account payments (such as direct debit), open banking and issuance of virtual account numbers. We provide these fully white-labelled embedded payment solutions for direct to corporate, independent software providers, payment service providers, as well as other aggregator resellers globally.

FY24 in Review

EML's Digital Payments delivered revenue of $24.2m (up 12% on PCP) and Underlying gross profit of $20.4m (up 13% on PCP). The financial result was primarily driven by the Sentenial business (which includes the Nuapay brand), with revenue of $15.2m and gross profit of $13.5m, both up 23% on PCP. Non Sentenial revenue from Australia and North America contributed $9.0m, 4% down on PCP following the loss of a key customer. Gross profit was flat year on year at $6.9m, demonstrating robust cost control.

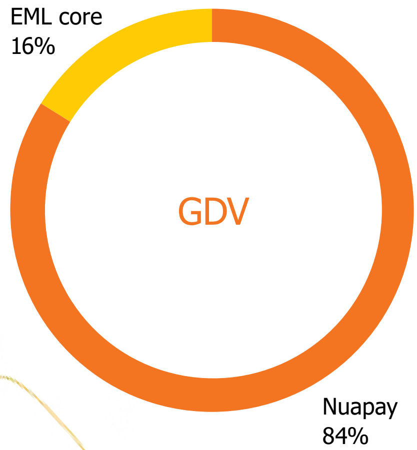
The Digital Payments product portfolio performed strongly in FY24 largely due to the growth in the Nuapay disbursements product. This was supported by the geographical expansion of open banking cross Europe.

The remainder of the digital payments product portfolio residing predominantly in Australia and North America remained flat year on year. Non-Sentenial programs include solutions for credit as a service/buy now pay later payments support as well as bill payment consolidation.

Customer Verticals

1. Independent Software Vendors
2. Banks & Fintech
3. B2B Payments

Business Split



Our People.

At EML, our people are fundamental to our success. Our aim is to create an environment where everyone feels a sense of belonging and can engage in fulfilling, challenging work. Even with a year marked by significant challenge and change, our team members across the business remained committed to EML's success and delivering on our strategic objectives. EML will continue to invest in our workforce to support the company's growth, upholding our commitment to fostering an owner's mindset, and developing a dynamic, inclusive culture.

Turnover rates have significantly declined from 23% to 12%

Key Highlights:

- 10% internal promotions and career moves as part of our investment in developing and growing our people
- Achieving a decline in turnover rates of ~50% compared to the previous year
- Progressing toward our goal of 50% or greater gender representation in senior management teams.

Simplification of our organisational design, improved technology capability and medium-term strategy definition will support employee engagement over the coming year.

We will focus on talent development while overhauling our recognition and reward systems to better align with the team's contributions. These actions will foster a more inclusive culture, motivate employees, and ensure alignment with our strategic goals.

82%
Employees feel supported with flexible/remote working

78%
Employees know what they need to do to be successful in their role

10%
Internal promotions

People Report	As at June 30 2024	2023	2022	2021
Headcount[1]	458	659	642	540
Employee engagement score	46%	50%	60%	66%
Employee participation in engagement survey	71%	79%	80%	76%
Annual Regrettable employee turnover[2]	12%	23%	26%	16%
Female representation on Board	-	0%	33%	29%
Female representation in Executive	50%	75%	44%	50%
Female representation in senior management	45%	39%	29%	36%
Female representation in all employees	49%	52%	47%	49%

EML collects data in a couple of different ways, depending on which data set is most complete and/or accurate at the time of the data collection.

1. Headcount includes fixed-term employees but excludes contractors.
2. Regrettable turnover refers to the voluntary departure of performing or valuable employees whose exit negatively impacts the organisation.

Board of Directors.

Luke Bortoli
Independent Non-executive Chair

Appointed on 22 February 2023

Luke Bortoli is EML's Chair, the Chair of the Remuneration and Nominations Committee, and a member of the Audit and Risk Committee. Luke is the Chief Financial Officer (CFO) at Pilbara Minerals Limited (ASX: PIL) and was previously CFO for the international payments platform, Afterpay, before it was acquired by Block (formerly Square) in 2021. Prior to Afterpay, Luke held several executive positions encompassing corporate strategy, treasury, and investor relations at Aristocrat Leisure. He was also previously at UBS providing advisory services on various domestic and international corporate transactions for ASX-listed companies.

Luke holds a Bachelor of Commerce (First Class Hons) from the University of Sydney and a Doctor of Philosophy (PhD) in Economics from the University of Sydney.

Other Listed Company Directorships (past three years):

Director of Beforepay Group Limited (ASX: B4P) between Jan 2022 – Nov 2023.

Luke does not have a beneficial interest in ordinary shares.

Ron Hynes
Managing Director and Group CEO

Appointed on 30 June 2024

Ron Hynes is a highly credentialed global payments executive with experience in both public and private enterprises. Formerly the Executive Vice President for Global Prepaid Card Solutions at Mastercard, Ron has substantial expertise in scaling global businesses and delivering growth for shareholders. Throughout his career, Ron has successfully addressed complex stakeholder needs, recognised and capitalised on hidden opportunities, and led high-performing teams to deliver results through turnaround initiatives and growth strategies across various markets.

Ron holds a Bachelor of Business Administration from the University of South Maine, Portland and a Master of Business Administration (MBA) from Northeastern University in Boston.

Ron does not have a beneficial interest in ordinary shares.

Petrina Coventry
Independent Non-executive Director

Appointed 19 August 2024

Petrina Coventry is an Independent Non-executive Director. Effective 28 August 2024 Petrina will be the Chair of the Remuneration and Nomination Committee and the interim Chair of the Audit and Risk Committee.

Petrina has spent over twenty years working in Asia, the United States and Europe performing global leadership roles with The General Electric Company, The Coca Cola Company and Proctor and Gamble. She has worked across multiple industry sectors including financial services, healthcare, energy, education, fintech, fast moving consumer goods and private equity. In her previous role she was Industry Professor with Adelaide University as well as a senior partner with Asia based COI Capital Pte Ltd.

Petrina holds a Bachelor of Education from University of Technology Sydney, Masters of Ethics (Phil) from University of New South Wales, MBA from University of South Australia, Global EMBA from Sydney University, MA Buddhist Studies from International Buddhist College and PhD from Adelaide University.

Petrina is a Fellow of the Australian Institute of Company Directors, (FAICD), A Fellow of the Australian Institute of Health & Safety College of Fellows (FAIHS), a Vincent Fairfax Fellow (VFF), and a Fellow of the Australian Human Resource Institute (FAHRI).

Petrina does not have a beneficial interest in ordinary shares.

Board of Directors.

Anthony Hynes
Independent Non-executive Director

Appointed 30 June 2024

Anthony is an independent Non-executive Director. Effective 28 August 2024 Anthony will take on the role as Chair of the Board and a member of the Remuneration and Nomination Committee and Audit and Risk Committee.

Anthony is a successful B2B payments industry entrepreneur, Managing Director and advisor. He was the founder and Managing Director of global payments business eNett International. eNett International and associated entity Optal Ltd were sold for AUD $940m in 2020. Most recently Anthony was President of Travel and subsequently Executive Advisor at Wex Inc (NYSE:WEX, marketcap ~A$11b).

Anthony holds a Bachelor of Commerce from Deakin University and a Master of Business Administration (MBA) from Swinburne University.

Anthony has a beneficial interest of 50,000 ordinary shares via indirect holdings.

Manoj Kheerbat
Independent Non-executive Director

Appointed on 5 December 2022

Manoj Kheerbat is an Independent Non-executive Director, the Chair of regulated subsidiary Prepaid Financial Services Limited (PFSL), and is a member of the Audit and Risk, Remuneration and Nomination Committees. Manoj has over 30 years' experience and offers EML valuable insights from his extensive background in the UK and European payment ecosystem. Based in Europe, Manoj's expertise encompasses managing regulatory relationships, risk, and compliance frameworks, and developing structured, resilient, scalable operational infrastructures that foster growth.

Manoj holds a Bachelor of Science (Information and Technology) from Macquarie University and a Master of Business Administration (MBA) from the University of Technology, Sydney.

Manoj does not have a beneficial interest in ordinary shares.

Peter Lang
Executive Director

Appointed on 22 February 2023 as an Independent Non-executive Director and transitioned to an Executive Director effective 1 September 2023.

Peter was Group Executive for the ASX-listed company McMillan Shakespeare Ltd (MMS) and contributed significantly to the successful IPO of MMS, which subsequently delivered a 30%+ CAGR during his 14-year tenure, ultimately securing the company's entry into the ASX200. Prior to MMS Peter held various positions with Colonial Ltd in its funds management division. In 2017, Peter provided advisory services to EML, which resulted in the development of EML's Salary Packaging proposition, which is still a key vertical today.

Peter holds a Master of Business Administration (MBA) from the University of Sydney

Peter has a beneficial interest of 861,427 ordinary shares via indirect holdings

Former Directors

Brent Cubis
Independent Non-executive Director

Ceased to be a Director
4 March 2024

Connor Haley
Non-executive Director
(Nominee Director)

Ceased to be a Director
3 April 2024

Board of Directors.

Company Secretary.

Kevin Murphy
Non-executive Director

Appointed Managing Director on 3 April 2024 and transitioned to a Non-executive Director position effective 30 June 2024.

Kevin Murphy has extensive knowledge of the global payments industry. Former Managing Director of Bank of Ireland's cards business, Kevin has substantial European payments regulatory experience. Throughout his career, Kevin has spearheaded growth, restructuring, and business turnaround initiatives across Ireland, the UK, Europe, and North America for private equity firms and large public and privately-owned companies.

Kevin holds a Bachelor of Financial Services (Hons) from University College Dublin, is a Chartered Management Accountant (CIMA) and a Fellow of the Institute of Bankers in Ireland (FIB)

Kevin has a beneficial interest of 237,146 unlisted Performance Rights.

Jim Pollock
Independent Non-executive Director

Appointed on 29 February 2024

Jim is an Independent Non-executive Director, the Chair of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee. Jim Pollock is a highly experienced Risk and Financial Services Executive with deep expertise in AML and KYC. With over 30 years' experience, Jim's track record spans leadership roles at Merrill Lynch, Westpac and most recently Eqonex, and he currently serves on the Advisory Board of European based fintech startup wCard.

Jim holds a Bachelor of Commerce from the University of Western Australia, completed a Certified Chair Program at the Advisory Board Centre and is a Graduate of the Australian Institute of Company Directors (GAICD).

Jim does not have a beneficial interest in ordinary shares.

Sonya Tissera-Isaacs
Appointed on 26 November 2019

Sonya Tissera-Isaacs has a broad range of experience in corporate administration, corporate governance and finance having worked with listed and unlisted public, and other companies within the financial services, Superannuation and not for profit sectors. Sonya is a Chartered Secretary/Chartered Governance Professional, a Fellow of the Chartered Governance Institute and a Fellow of the Governance Institute of Australia.

Sonya holds a Bachelor of Accounting and Banking and Finance from Victoria University and a Graduate Diploma in Applied Corporate Governance from the Governance Institute of Australia.

Executive Leadership.

Ron Hynes
Managing Director and Group CEO
Appointed 30 June 2024

James Georgeson
Group CFO
Appointed 1 September 2023

Peter Lang
Chief Corporate Development Officer
Appointed 1 September 2023

Sarah Bowles
Group Executive Strategy and Communications

Martin Ivanov
Group Chief Risk and Compliance Officer

Paul Wenk
Group General Counsel

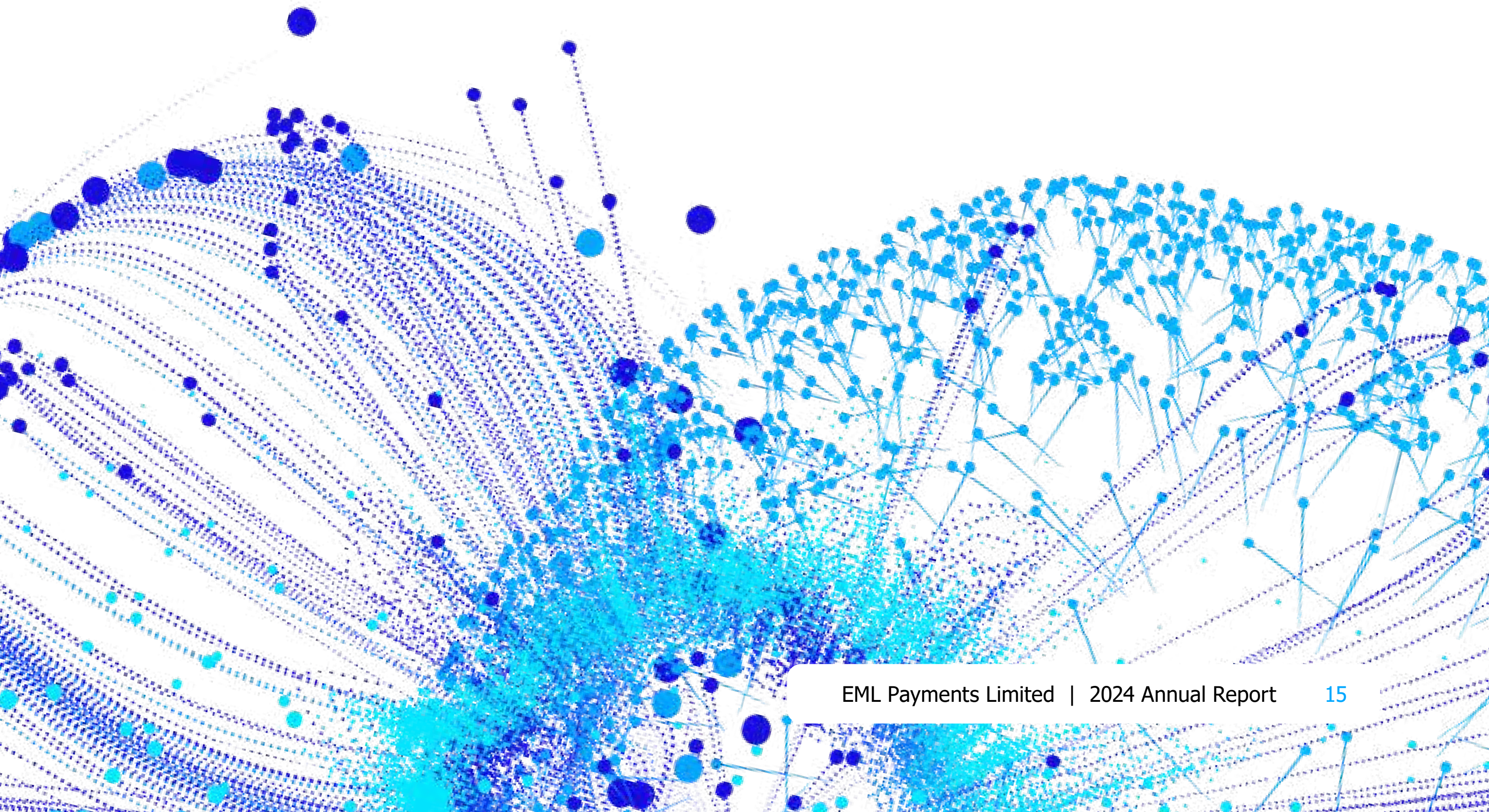
Executive Leadership.

Rachelle St. Ledger
CEO Australia

Brian Hanrahan
CEO Nuapay

Lorraine Buhagiar
CEO Prepaid Financial Services (PFSL) UK

Tessa Unsworth
Group Executive
Program Management Office



Performance overview.

Financial performance highlights

Gross Debit Volume

$146.4 billion

▲ 18% on PCP

Gross Debit Volume (GDV) growth of 18% to $146.4 billion (PCP: $124.4 billion), predominantly attributable to Sentenial (FY24: $123.4 billion, PCP: $104.1 billion).

Revenue

$217.3 million

▲ 18% on PCP

Revenue uplift to $217.3 million, $33.4 million or 18% up on PCP, driven primarily by a material increase in interest revenue from yield optimisation initiatives and rates staying higher for longer. Customer revenue also performed well, increasing 6%, with each segment up on PCP.

EML Payments Limited | 2024 Annual Report

Underlying EBITDA[1]

$49.0 million

▲ 34% on PCP

Underlying EBITDA[1] of $49.0 million, up 34% on PCP, is attributable to strong growth in gross profit (19%) which offset an increase in net overheads[2] (up 14%). Underlying EBITDA excludes PCSIL as it is a discontinued operation. Including PCSIL Group underlying EBITDA was $57.1 million.

Cash at bank

$43.1 million

▼ 40% on PCP

The Group's closing cash balance of $43.1 million decreased compared to PCP (40%). Net operating cash inflow of $14.1 million for the year was impacted by $40.8 million of one-off outflows relating to PCSIL, paydown of investor loan notes, Sentenial earn out payment, and remediation and restructuring costs.

Net loss after tax from continuing operations

$9.6 million

▲ 96% on PCP

Loss after tax of $9.6 million reflecting an increase in underlying EBITDA offset by expenses including share-based payments ($9.9 million), depreciation and amortisation ($24.9 million), impairment charges ($8.8 million) and income tax expense ($12.0 million).

Loss from discontinued operations

$16.9 million

▼ 31% on PCP

Loss from discontinued operations decreasing from $24.5 million in PCP to $16.9 million with PCSIL being placed into liquidation.

1. Underlying EBITDA is explained on page 18 within the Performance overview. This is a non-IFRS measure and has not been audited.
2. Net overheads is explained on page 19. This is a non-IFRS measure and has not been audited.

Performance overview.

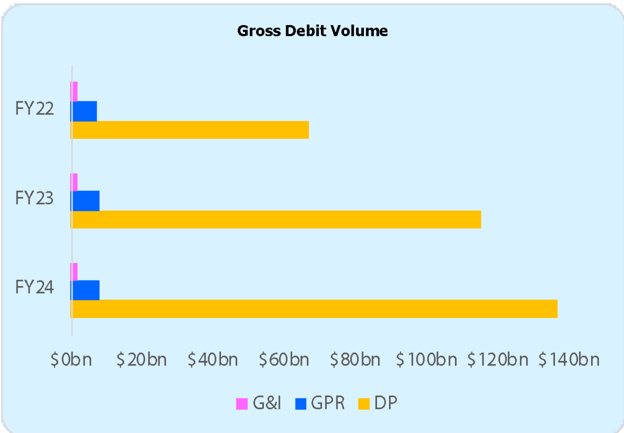
Summary of Financial Performance

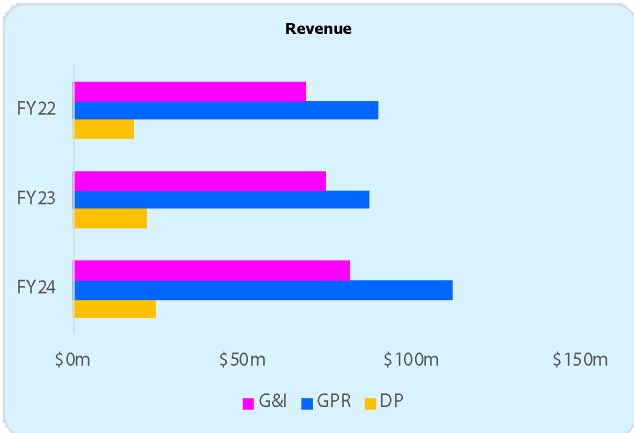
	FY24 $'000	Restated[1] FY23 $'000	% Growth
Total Gross Debit Volume			
Gift & Incentive	1,751,406	1,671,192	5%
General Purpose Reloadable	7,831,216	7,631,647	3%
Digital Payments	136,782,022	115,122,934	19%
Total Gross Debit Volume	**146,364,644**	**124,425,773**	**18%**
Continuing operations			
Revenue	217,342	183,906	18%
Gross profit	**165,909**	**132,934**	**25%**
Gross profit margin	76%	72%	4%
Other income[2]	8,673	5,127	69%
Employee and employee related expense	(77,672)	(64,971)	(20%)
Professional fees	(18,329)	(25,363)	28%
Information technology related costs	(25,277)	(20,024)	(26%)
Other expenses[3]	(15,195)	(18,792)	19%
Research and development tax incentive offset	-	(284)	100%
Operating EBITDA[4]	**38,109**	**8,627**	**342%**
Less			
Other income[2]	16,722	5,250	219%
Depreciation and amortisation expense	(24,862)	(33,100)	25%
Share-based payments	(9,864)	(1,599)	(517%)
Disposal related costs	(3,714)	(364)	(920%)
Finance costs	(5,197)	(3,582)	(45%)
Impairment expense	(8,766)	(259,632)	97%
Fair value gain on financial assets and liabilities	2,405	23,868	(90%)
Other non-operating (expense)/benefits	(2,399)	1,480	(262%)
Less: Loss on disposal of plant, equipment and right of use assets	-	(192)	100%
Add back Research and development tax incentive offset	-	284	(100%)
Loss before tax	**2,434**	**(258,960)**	**101%**
Income tax expense	(12,045)	(1,369)	(780%)
Net loss for the year from continuing operations	**(9,611)**	**(260,329)**	**94%**
Loss from discontinued operations, net of tax	(16,874)	(24,495)	31%
Loss for the year	**(26,485)**	**(284,824)**	**91%**

1. The comparative information has been restated on account of a discontinued operation in Note D4.
2. Other income included in Operating EBITDA reflects management fee and licence fee charges to PFS Card Services (Ireland) Limited (refer to Note A2 of the Annual Report).
3. Includes Other expense – operating and Impairment loss on trade receivables.
4. EBITDA is a non-statutory measure and has not been audited.

Performance overview.

	FY24 Gross profit $'000	FY24 EBITDA $'000	FY23 Gross profit $'000	FY23 EBITDA $'000
As reported above	165,909	38,109	132,934	8,627
Add back: AASB 3 Fair value adjustment	171	171	677	677
Add back: Non-recurring regulatory remediation and class action costs[1]	-	630	-	14,009
Add back: Non-recurring fraud losses[2]	-	-	6,125	6,125
Add back: PCSIL separation provision[4]	-	6,682	-	-
Non-recurring restructuring and strategy establishment costs[4]	-	3,408	-	7,260
Underlying GP, EBITDA[1,2,3,4]	**166,080**	**49,000**	**139,735**	**36,697**





Gross profit

The underlying gross profit of $166.1 million[1,2,3,4,5] increased $26.3 million (19%) on PCP, primarily due to a material increase in interest revenue which rose $24.5 million in the year. Active yield optimisation activities by management along with global rates staying higher for longer drove this increase.

Customer revenue increased across each of the segments and was up 6% on PCP. GPR and Digital Payments delivered a robust performance while G&I was marginally softer, particularly in the second half of FY24. EML's underlying gross profit margin was stable at 76% (2023: 76%). The GPR segment, excludes PCSIL which is discontinued, now contributes around half of the Group's gross profit.

Within the GPR segment, where customer revenue was up 7% on PCP, the Human capital management vertical performed well with active benefit accounts increasing by 11% in Australia. GPR's solid performance was notwithstanding growth restrictions in place in the UK business, these restrictions were lifted in April 2024.

G&I segment performance was impacted by several lost accounts and reported a slight reduction in gross profit margin to 79% (2023: 81%). Selling costs were adversely impacted in FY24 by fraud events ($1.7m[2]), normalising for this gross profit margin would have been in line with PCP at 81%. Digital Payments customer revenue up 12% and gross profit 13% on PCP, with growth largely driven by Sentenial in FY24.

1. The regulatory remediation and litigation costs includes Professional fees $0.6 million (refer Note A4 of the Financial Statements) and Risk and Compliance costs $0.1 million (refer note A5 of the Financial Statements).
2. Please refer to Note A3 for details of Group fraud related costs. G&I fraud related costs relates to $1.7 million of that balance.
3. The restructuring and strategy establishment costs includes amounts within Employee and employee-related expenses $1.4 million and Professional fees $1.9 million.
4. The PCSIL separation provision includes amounts within Employee and employee-related expenses $3.3 million, Professional fees $0.1 million, Risk and compliance costs $0.3 million, and Information technology related costs (ICT) $3.1 million.
5. These measures are non-IFRS measures and have not been audited.

Performance overview.

Operating overheads

Net overheads[1]

$117.3 million

▲ 14%

Net overheads grew to $117.3 million, a 14% increase on PCP. Period on period historical increases in overheads has been arrested, as 2H24 net overheads decreased 8% on 1H24, a marked slowdown from prior periods (14% growth 1H24 vs 2H23). Savings are being balanced against critical investment needs.

Employee costs[1]

▲ $68.9 million

Costs relating to employees increased by $11.0 million (+19%) compared to FY23. Employment related expenses make up 59% of net overheads. This reflects investments to secure and retain talent, plus rebuilding the go to market strategy and leadership team. Underlying employee costs excludes one-off business restructuring and PCSIL separation provision expenses of $4.7 million and is net of $4.1 million recovery from PCSIL/Interpath.

Professional fees[1]

▲ $15.5 million

Professional fees have increased by $6.5 million to $15.5 million. Non-recurring professional fees were incurred to stabilise and improve key operational areas through a period of transition. Underlying professional fees excludes one-off restructuring, remediation and PCSIL separation provision expenses of $2.5 million (2023: $15.7 million), and is net of $0.3 million income from PCSIL/Interpath.

ICT costs[1]

▼ $18.8 million

ICT costs have decreased $0.1 million compared to PCP. The business continues to invest in stabilising and improving performance of the technology platforms. Underlying ICT expenses excludes PCSIL separation provision expenses of $3.1 million, and is net of $3.4 million income from PCSIL/Interpath.

Other expenses[1,2]

▼ $14.1 million

Other expenses decreased by $3.3 million on PCP. The decline is attributed to improved recoverability of debts provisioned for in Europe and North America ($3.6 million), and travel costs decreasing $0.6 million on PCP, offset by investments in risk and compliance function. Underlying Other expenses excludes $0.4 million in one-off remediation and PCSIL separation provision expenses, and is net of $0.6 million recovery from PCSIL/Interpath

1. Net overheads exclude one off items and is net of income received from PCSIL/Interpath for costs incurred by EML.
2. Includes bank fees and other tax costs, risk and compliance, travel (refer to Note A5(a)) and Impairment loss on trade receivables excluding loss on disposal of plant, equipment and right of use assets.

Performance overview.

Non-operating overheads

Share-based payments expense

$9.9 million

Share-based payments expense is $9.9 million (PCP: $1.6 million). The increased expense in the current period arises from remediation activity, special incentive and sign on rights granted during the year.

Depreciation and amortisation

$24.9 million

Depreciation and amortisation costs have reduced $8.2 million reflecting reductions in amortisation following impairments of customer contracts and software in PCP.

Impairment losses

$8.8 million

The impairment in the first half of the current year arises in relation to customer contracts for the PFS Ireland business. Refer to Note D3 for further details.

Fair value gain on contingent consideration

$2.4 million

Fair value gain on contingent consideration of $2.4 million relates to downward adjustment to the Sentenial acquisition earnout reflecting lower growth in Nuapay revenues. This liability was settled to the vendors in March 2024.

Summary of Financial Position

	As at 30 June 2024 $'000	As at 30 June 2023 $'000	% Growth
Total Current assets	1,832,537	2,413,220	(24%)
Total Non-current assets	651,352	581,309	120%
Total assets	**2,483,889**	**2,994,529**	**(17%)**
Total Current liabilities	2,297,109	2,709,866	(15%)
Total Non-current liabilities	27,758	110,110	(75%)
Total liabilities	**2,324,867**	**2,819,976**	**(18%)**
Net assets	**159,022**	**174,553**	**(9%)**
Equity	**159,022**	**174,553**	**(9%)**

Performance overview.

Assets

Cash and cash equivalents

- The Group has cash reserves at the reporting date of $43.1 million (down 40% on PCP) reflecting positive net operating cash flows in the year $14.1 million, with non-recurring cashflow outlays being the main reason for the net reduction in cash (i.e. cash impact from discontinued operation, remediation and restructuring activities and net repayments of interest-bearing borrowings).

Segregated funds

- The segregated funds and bond investments total $2,147.9 million (2023: $2,576.2 million) offset by liabilities to stored value account holders of $2,130.0 million (2023: $2,566.5 million). The residual in the segregated funds, not offset by liabilities to stored value account holders reflects the premium paid to purchase bond investments and will convert into cash in a future period.

Intangible assets

- EML has significant intangible assets of $163.5 million (2023: $192.5 million) which is comprised of acquired and internally generated software, customer relationships, customer contracts and goodwill. During the year the Group invested $7.9 million in software and work in progress.
- An impairment loss of $8.6 million against acquired customer contract assets relating to PFS Ireland was taken during the first half of the year. Refer to Note D3 for details.

Liabilities

Provision

- During the year EML continued to progress the resolution of the regulatory matters in Europe. Those matters are now closed. EML has a closing provision of $nil (2023: $14.5 million) in relation to the regulatory remediation requirements.
- A separation provision for committed costs arising to the Group following the liquidation of PCSIL has been taken of $6.7 million relating to technology management and supplier related costs.
- EML continues to defend Class Action proceedings in the Supreme Court of Victoria. The proceedings allege that EML did not comply with its disclosure obligations and engaged in misleading and deceptive conduct regarding disclosure. EML has a closing provision of $9.6 million to reflect estimated legal costs associated with defending this action.
- Please refer to Notes B8 Provisions and F2 Contingent liabilities for further details of developments for the above remediation and litigation related matters during the year.

Contingent consideration

- This liability of $0.2 million (2023: $7.0 million) reflects the fair value of amounts owing in relation to the key employee portion of contingent consideration on the Sentenial acquisition and has reduced due to the timing delay in realising revenue growth post-acquisition and the payment in cash of vendor portions of $5.0 million in March 2024.

Interest-bearing borrowings

- Total interest-bearing borrowings of $90.6 million (2023: $98.5 million) reflecting external bank debt drawn in relation to the Sentenial Group acquisition in the prior year, bank debt working capital drawn in the current year, remaining loan notes relating to the PFS Group in 2021 following repayment of £10 million in June 2024 and net settlement of legal claims by EML and lease liabilities.

Risks and risk management.

The Group categorises its key risk exposures as operational, financial, compliance, strategic and environmental. The Group seeks to manage these risks through its risk management framework overseen by the Board at a Group level, and subsidiary level Boards where relevant. The process of risk management is operationalised through a framework of policies, procedures and internal controls at the Group and subsidiary level.

At a Group level the Board has formed the Audit and Risk Committee, the purpose of which is to oversee financial reporting, business policies and practices, legal and regulatory compliance, internal controls and risk reporting and oversee the Group's risk management framework. Relevant regulated subsidiaries also have their own Management Business Risk and Compliance Committees or equivalents.

We recognise and manage a variety of risks that could affect our operations and financial results. The main risks affecting the Group and the steps we take to manage or mitigate these risks are described below.

Operational

The Group is subject to operational risk in the form of adverse financial, reputational or customer impacts arising from inadequate or ineffective business control processes, an insufficient number of, or inadequately skilled people, deficiencies in technology systems or processes and costs or liabilities emanating from external events. Operational risk impacts may include disruption to EML's processes and systems, damage to the Group's reputation, and financial losses arising from events such as fraud and deficiencies in business processes.

The Group recognises this risk and is focused on developing and maintaining a comprehensive control environment to ensure it is managed effectively. This includes the proactive identification and treatment of operational risks, active Board and management co-ordination and oversight of risk management activities, incidents, regulatory and compliance oversight, as well as training and awareness.

Technology and security, including information and cyber security, are considered key operational risks for the Group. These risks are most likely to materialise through performance, reliability and availability issues within our technology platform (or platforms provided by third parties), payment processors, and the availability of communication systems (including servers, internet hosting services and cloud environment), data corruption or unavailability, cyber-attacks, hardware and software failure. We mitigate these risks by continuing to invest in our IT systems, and our employee training including carrying out regular phishing and penetration tests. We also work closely with our partners to minimise the risk of cyber-attacks and damage from cyber-attacks. Not all attacks are directed against the Group itself, and attacks on our partners may have an impact on the Group.

Financial

The Group is subject to financial risks, including liquidity, credit, market and capital which may give rise to adverse financial performance and business value. EML mitigates its financial risks by various means including regular monitoring of cash balances and cashflows, debt covenant ratios, monitoring and forecasting of capital resources for business and regulatory capital purposes, litigation, monitoring capital markets from a liquidity and pricing perspective and maintaining close relationships with its banking partners.

Risks and risk management.

Compliance

The Group considers its core compliance risks to include conduct, financial crime, safeguarding of client assets, and regulatory risk. The materialisation of compliance risk may impact on operational performance, financial performance, reputation and business value. The Group's businesses are subject to the oversight of regulators in a number of jurisdictions in which it operates and depending on the nature of the business, are variously required to comply with regulation related to the manufacture and distribution of financial products including conduct and consumer protection, payment systems, anti-money laundering and counter-terrorism financing laws and privacy laws.

Local expert risk and compliance teams, work closely with regulators to ensure the Group responds promptly to regulator interaction including change.

The Group also employs local external counsel to ensure it understands its regulatory responsibilities. EML is committed to safeguarding client moneys, meeting its legal and regulatory commitments and operating within the Board-approved Risk Management Framework.

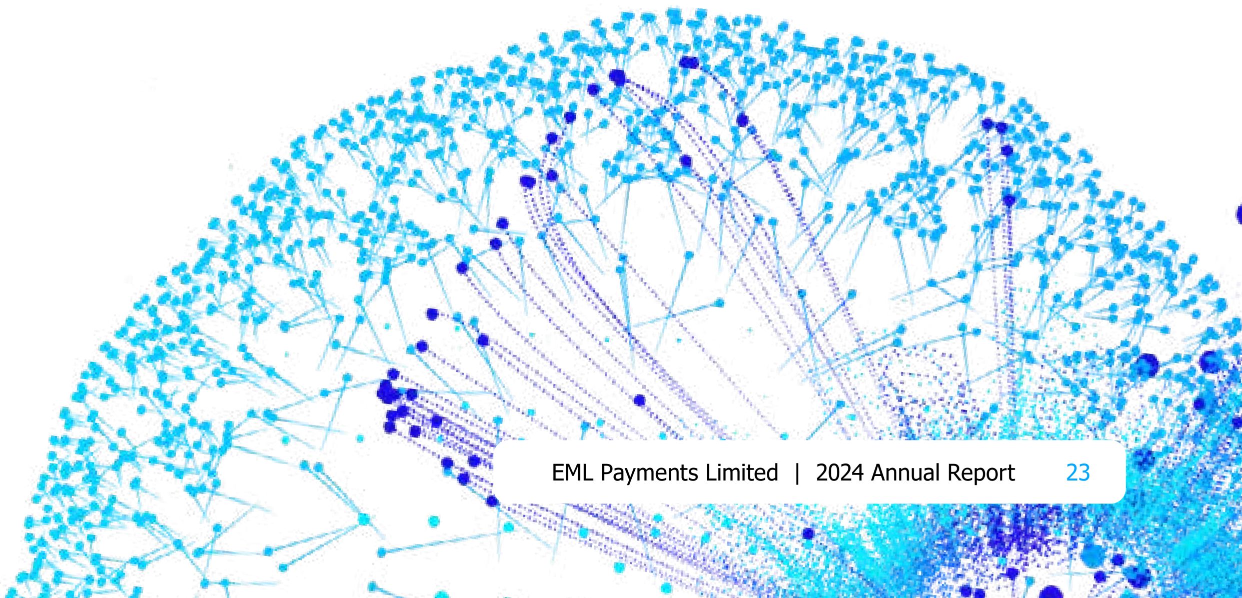
Strategic

The Group is subject to strategic risks, including both external risks (geopolitical, macroeconomic, legislative, social) as well as the risk of the group's strategy and business model not being sufficiently resilient or responsive. Strategic risks are most likely to materialise in the form of reduced financial performance and reduced business value. The Group operates in highly competitive markets with strong competition around the services it offers.

The Group seeks to mitigate its business model risks by operating within its risk appetite. The Board is mindful that macro-economic effects can also provide the Group with opportunities, including opportunities presented by changes in markets, consumer behaviour and technological innovation. The Board seeks to ensure that it and management keep abreast of such developments for the benefit of the Group.

Environmental

EML does not consider that it currently has any material environmental or social risks in its business. EML's principal areas of focus remain responsible consumption and production and waste reduction. With an increasing level of focus on environmental and social risks occurring in the broader community they are likely to feature more prominently in the future.



Directors' Report.

Directors' meetings

The number of meetings of the Company's Board of Directors attended by each Director during the year ended 30 June 2024 were as follows:

		Board meetings	
Directors	**Committee member**	Number of meetings held	Number attended
Current			
Luke Bortoli[1]	CB, CN, R, A	32	27
Manoj Kheerbat[2]	R, N, A	32	25
Peter Lang[3]		32	32
Kevin Murphy[4]		32	8
Jim Pollock[5]	CA, N	32	14
Former			
Brent Cubis[6]	CA, R	32	16
Connor Haley[7]		32	12

Ron Hynes was appointed as Managing Director and Group CEO and Anthony Hynes was appointed as Non-executive Director effective 30 June 2024. No meetings were held since their appointment for the year ended 30 June 2024.

		Audit and Risk Committee (ARC)		**Remuneration and Nomination Committee (RNC)**		**Regulatory Remediation Committee (RRC)****	
Directors	**Committee member**	**Number of meetings held**	**Number attended**	**Number of meetings held***	**Number attended**	**Number of meetings held***	**Number attended**
Current							
Luke Bortoli[1]	CB, CN, R, A	7	5	8	8	6	6
Manoj Kheerbat[2]	R, N, A	7	6	8	8	6	4
Peter Lang[3]	CR	7	1	8	1	6	6
Jim Pollock[5]	CA, N	7	2	8	4	n/a	n/a
Former							
Brent Cubis[6]	CA, R	7	5	n/a	n/a	6	6

* Total number of meetings held during the year for ARC were 7, RNC were 8 and RRC was 6.

** RRC collapsed into ARC effective 28 May 2024.

A Audit and Risk Committee (ARC) member

CA Chair of the ARC

CB Non-executive Chair

CN Chair of the Remuneration and Nomination Committee (RNC)

CR Chair of the Regulatory Remediation Committee (RRC)

N RNC member

R RRC member

1. Appointed Non-executive Chair effective 23 February 2023, Chair of RNC and member of RRC effective 17 March 2023.
2. Appointed as Non-executive Director effective 5 December 2022 and member of RNC effective 15 December 2022.
3. Ceased being a Non-executive Director effective 1 September 2023 and remains on the Board as an Executive Director from this date.
4. Appointed Interim Group CEO on 17 April 2023, appointed Executive Director on 3 April 2024 and commenced as Non-executive Director 30 June 2024.
5. 2024 and commenced as Non-executive Director 30 June 2024.
6. Appointed as Non-executive Director effective 29 February 2024 and Chair of ARC effective 4 March 2024.
7. Ceased being a Non-executive Director effective 4 March 2024.
8. Ceased being a Non-executive Director effective 3 April 2024.

Directors' Report.

Interests in shares and share rights of the Company and related bodies corporate

Shares and share rights

The following shares and share rights in the Company were granted to Directors and Executive KMP of the Company during or since the end of the financial year as part of their remuneration:

Share rights	Series	Number granted
Kevin Murphy	Series 61	208,333
Kevin Murphy	Series 69	132,979
James Georgeson	Series 66A	255,102
James Georgeson	Series 66B	255,102
James Georgeson	Series 66C	255,102
James Georgeson	Series 68A	453,704
James Georgeson	Series 68B	194,444

At the date of signing of this report unissued ordinary shares of the Company under option/right are:

Options/rights series	Number of options/rights	Expiry date	Exercise price	Class of share
Series 55	21,235	15/04/2025	$0	Ordinary shares
Series 57B	398,332	29/09/2037	$0	Ordinary shares
Series 57C	398,333	29/09/2037	$0	Ordinary shares
Series 58A	1,067,373	29/06/2038	$0	Ordinary shares
Series 58B	2,490,536	12/01/2038	$0	Ordinary shares
Series 59A	732,071	12/01/2038	$0	Ordinary shares
Series 59B	1,708,160	12/01/2038	$0	Ordinary shares
Series 61	104,167	04/07/2038	$0	Ordinary shares
Series 63	833,334	06/07/2038	$0	Ordinary shares
Series 65	493,827	24/07/2038	$0	Ordinary shares
Series 66A	255,103	28/08/2038	$0	Ordinary shares
Series 66B	255,102	28/08/2038	$0	Ordinary shares
Series 66C	255,102	28/08/2038	$0	Ordinary shares
Series 68A	453,704	15/01/2039	$0	Ordinary shares
Series 68B	194,444	15/01/2039	$0	Ordinary shares
Series 69	132,979	14/03/2039	$0	Ordinary shares
Series 71A	2,660,616	29/06/2039	$0	Ordinary shares
Series 71B	1,140,247	29/06/2039	$0	Ordinary shares
	13,594,665			

The following ordinary shares were issued by the Company during or since the end of the financial year as a result of the exercise of options/rights.

Grant date	Series	Options/rights exercised	Issue price	Number of shares issued	Class of share
07-Sep-2020	Series 40	106,390	$0.00	106,390	Ordinary
14-Feb-2022	Series 53	21,234	$0.00	21,234	Ordinary
14-Feb-2022	Series 54	21,235	$0.00	21,235	Ordinary
30-Sep-2022	Series 57A	128,334	$0.00	128,334	Ordinary
30-Sep-2022	Series 57A	103,334	$0.00	103,334	Ordinary
30-Sep-2022	Series 57A	166,667	$0.00	166,667	Ordinary
25-Nov-2022	Series 51A	537,634	$0.00	537,634	Ordinary
07-Jul-2023	Series 63	86,806	$0.00	86,806	Ordinary
		1,171,634		**1,171,634**	

Directors' Report.

Principal activities

The principal activity of the entities within EML during the year was the provision of prepaid payment services in Australia, Europe and North America.

Operating and financial review

The operating and financial review can be found in the Introduction (pages 2 to 6), Corporate update (pages 7 to 11), Performance overview (pages 16 to 21) and the Risks and risk management (pages 22 to 23) of this report.

The Group's corporate governance statement can be found on the website: www.emlpayments.com/company/investor-centre/corp-governance/.

Likely developments and expected results

The Group's focus will continue on its four strategic priorities: remediation, cost optimisation, growth in our core business and talent.

This will include realising its committed customer growth targets and cost optimisation program to create a leaner operating model, focusing on growth in core areas and adding capability across the business in key roles where talent has been lost over time.

This report sets out information on the Group's business strategies and prospects for future financial years and refers to likely developments in the Group's operations and expected results of those operations in future financial years. Certain information is excluded because it is likely to result in material detriment or unreasonable prejudice to the Group (for example because the information is premature, commercially sensitive, confidential or could give a third party a commercial advantage).

Proceedings on behalf of the Company

No persons have applied for leave pursuant to Section 327 of the *Corporations Act 2001* to bring, or intervene in, proceedings on behalf of EML Payments Limited.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Dividends

No dividends were declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Environmental legislation

The Group is considerate of managing business operations in an environmentally responsible manner. The Group has determined that no significant environmental regulations apply.

Significant events after balance date

The remaining $9,457,000 (£5,000,000) of loan note liability was paid on 31 July 2024 to the PFS vendors in accordance with the settlement agreement.

The Group has on 27 August 2024, executed new committed debt facilities totalling $100,000,000 including a new $70,000,000 two-year syndicated facility and $30,000,000 five-year term bilateral facility. These facilities replace the $80,000,000 committed syndicated facilities currently maturing in March 2025. These facilities provide the Group access to $90,000,000 of working capital facilities as well as a $10,000,000 bank guarantee facility. The borrowing costs associated with the facilities are approximately $700,000 and will be capitalised to the loan proportionate to its initial draw down.

Other than the matters noted above, there has not arisen an item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company subsequent to 30 June 2024.

Indemnification and insurance of directors and officers

The Company has agreed to indemnify all the Directors and Officers of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium in respect of a contract insuring the Directors and Officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Directors' Report.

Rounding

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in this directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note A9 to the Financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) are compatible with the general standard of independence for auditors required by the *Corporations Act 2001*.

The Directors are of the opinion that the non-audit services as disclosed in Note A9 to the Financial statements do not compromise the external auditor's independence, based on advice received from the Audit and Risk Committee, for the following reasons:

All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

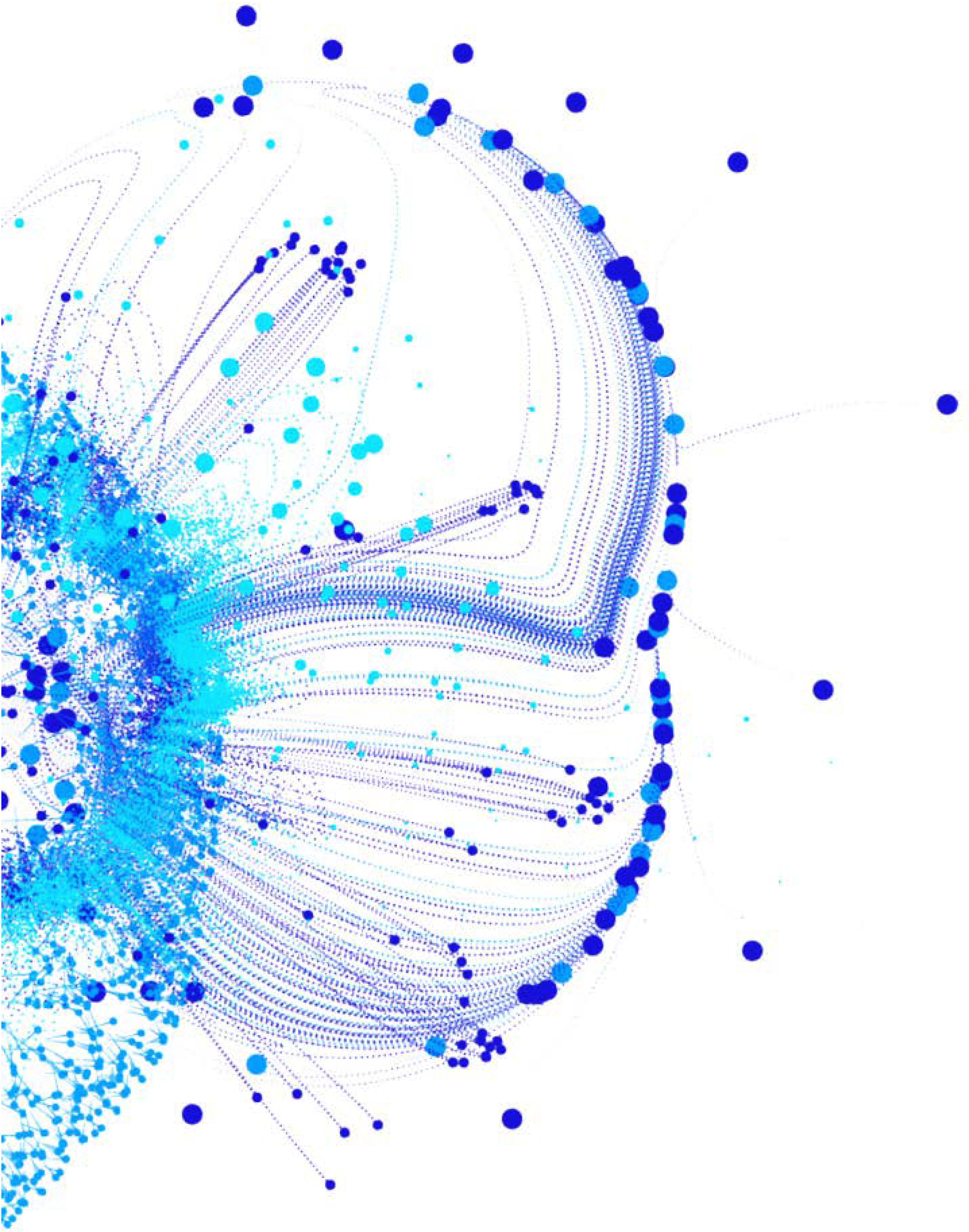
None of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Auditor independence

Section 307C of the *Corporations Act 2001* requires our auditors, KPMG, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 50.

Signed in accordance with a resolution of the Directors.

Luke Bortoli
Non-executive Chair
27 August 2024



Remuneration Report.

Remuneration Report.

This Remuneration Report for the year ended 30 June 2024 (FY24) forms part of the Directors' Report. It has been prepared in accordance with the *Corporations Act 2001* (Cth), the *Corporations Regulations 2001* and *AASB 124 Related Party Disclosures*. It also includes additional information and disclosures that are intended to enable a deeper understanding by shareholders of EML's remuneration governance and practices. The Remuneration Report included in pages 28 to 48 of the Director's Report has been audited.

The Remuneration Report contains the following sections:

Year in review: FY24 recap

FY24 has produced growth in customer revenue and interest income resulting in improved operating results from its core business. In addition to delivering this result, the Board and management teams have worked tirelessly to achieve resolution or significantly progress to resolution on key structural challenges to ensure that the business can continue refocusing on growth and business efficiency into FY25.

FY24 saw changes in Key Management Personnel (KMP) and new Directors join the Board as well as the appointment of the new Managing Director and Group CEO.

Remuneration overview

Our remuneration framework is designed to align executive rewards with both financial and non-financial performance metrics, adhering to ASX and market standards while supporting our business strategy.

With good progress on operational and strategic priorities in FY24, the Board has determined that:

- The FY24 Short Term Incentive plan (STIP) will be paid at 44% achievement against targets to KMP.
- The FY22 Long Term incentive Plan (LTIP) performance-related grants were cancelled due to unmet financial targets.

With a renewed Board and management, we remain dedicated to creating shareholder value and ensuring that executive remuneration is aligned with this goal. We request your endorsement of the Board's Remuneration Report at the 2024 Annual General Meeting.

Remuneration Report glossary

EBITDA	Earnings before interest, tax, depreciation and amortisation
EML	EML Payments Limited
FY23	The 2023 fiscal year
FY24	The 2024 fiscal year
Group CEO	Group Chief Executive Officer
Group CFO	Group Chief Financial Officer
KMP	Key Management Personnel
KPIs	Key Performance Indicators
LTIP	Long Term Incentive Plan
MD	Managing Director
NEDs	Non-executive Directors
RACE	Return on adjusted capital employed
RNC	Remuneration and Nomination Committee
ROCE	Return on Capital Employed
TFR	Total Fixed Remuneration
TRP	Total Remuneration Package
TSR	Total Shareholder Return
STIP	Short Term Incentive Plan
VWAP	Volume Weighted Average Price

Remuneration Report.

1. People covered in this report

1.1 Key management personnel

The KMP roles covered in this report are EML's Non-executive Directors, Group Chief Executive Officer (Group CEO) and Group Chief Financial Officer (Group CFO).

Name	Position	
Current Non-executive Directors		
Luke Bortoli	Non-executive Chair	Appointed 22 February 2023, appointed Chair 23 February 2023
Anthony Hynes	Non-executive Director	Appointed 30 June 2024
Manoj Kheerbat	Non-executive Director	Appointed 5 December 2022
Kevin Murphy	Non-executive Director	Appointed Interim Group CEO on 17 April 2023, appointed Executive Director on 3 April 2024 and commenced as Non-executive Director 30 June 2024
Jim Pollock	Non-executive Director	Appointed 29 February 2024
Former Non-executive Directors		
Brent Cubis	Non-executive Director	Ceased to be a Director effective 4 March 2024
Connor Haley	Non-executive Director	Ceased to be a Director effective 3 April 2024
Current Executive Directors		
Ron Hynes	Managing Director and Group CEO	Appointed 30 June 2024
Peter Lang	Executive Director and Chief Corporate Development Officer	Appointed Non-executive Director on 22 February 2023, appointed an Executive on 1 September 2023 and remains on the Board as an Executive Director from this date
Current Executive KMP		
James Georgeson	Group CFO	Appointed 1 September 2023
Former Executive KMP		
Jonathan Gatt	Interim Group CFO	Ceased to be Interim Group CFO effective 1 September 2023

1.2 EML committee structures and participation

The following table provides further information on the roles and functions that the Directors fulfil:

Committee	Change in FY24	Current Chair	Current Members
Audit and Risk	Jim Pollock appointed as Chair effective 4 March 2024 Brent Cubis ceased to be a Director effective 4 March 2024	Jim Pollock	Manoj Kheerbat, Luke Bortoli
Remuneration and Nomination	Jim Pollock joined the Committee effective 29 February 2024	Luke Bortoli	Manoj Kheerbat, Jim Pollock
Regulatory Remediation	Collapsed into Audit and Risk Committee effective 28 May 2024	No Chair	Nil current members

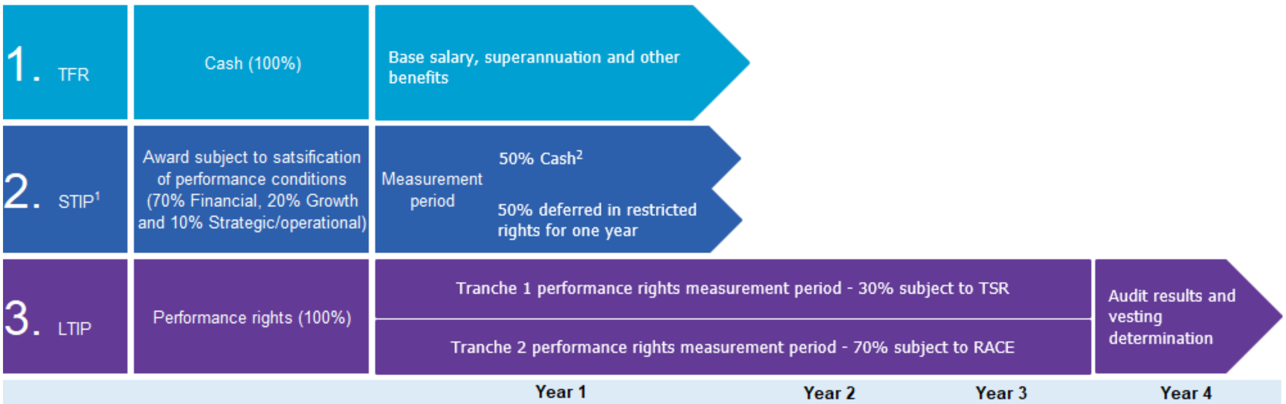
Remuneration Report.

2. Remuneration overview

2.1 Executive remuneration structure at-a-glance

The following diagrams outline EML's approach to executive remuneration and the remuneration cycle under the framework applicable to FY24:

Objective	**Attract and retain the best talent**	**Reward current year performance**	**Reward long term sustainable performance**
Remuneration component	Total Fixed Remuneration (TFR)	Short Term Incentive Plan (STIP)	Long Term Incentive Plan (LTIP)
Purpose	TFR is set in relation to the external market and takes into account the size and complexity of the role, individual responsibilities and experience and skills.	STIP provides appropriate differentiation of pay for performance and is based on business and individual performance outcomes.	LTIP supports alignment to long-term overall company performance and is consistent with: Strategic business drivers and long-term shareholder return.
Delivery	Base salary, superannuation and other benefits.	50% Cash[2] and 50% restricted rights (deferred for one year subject to an exercise restriction for KMP).	100% number of performance rights performance tested over a three-year measurement period.
FY24 approach	Target TFR positioning is set competitively with reference to a balanced comparator group of comparable ASX listed companies.	Business performance measures[1]: Financial (70%), Growth (20%), Individual Strategic and Operational KPIs (10%).	LTIP performance measures: • TSR: 30% • RACE: 70%.



1. A gate applies to the STIP award which will be determined by the Board taking into account affordability of the plan and alignment with shareholder value including underlying EBITDA and cash flow capacity.
2. STIP Cash awards are generally awarded following the release of the audited Annual Report.

Remuneration Report.

2. Remuneration overview (continued)

2.2 FY24 Company performance at-a-glance

The following outlines the Company's performance in FY24, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

Unaudited	30 Jun 2024 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2021 $'000	30 Jun 2020 $'000
Net loss after tax	(26,485)	(284,824)	(4,801)	(28,695)	(5,854)
Operating EBITDA	38,109	(2,595)	34,300	42,175	32,536
Operating EBITDA / ROCE	20%	(1%)	6%	9%	6%
Share price	$0.93	$0.63	$1.23	$3.48	$3.34
Share price change %	48%	(49%)	(65%)	4%	13%

Remuneration link	Metric	Rationale for metric use	FY24 outcome
STIP	Group Underlying Operating EBITDA	Weighting on financial value creation for shareholders, alongside the growth, strategic and operational milestones that drive value creation in the longer term, to align stakeholder interest in the short-term.	Achieved: 28%
	Growth/Strategic/Operational Milestones		Achieved: 16%
LTIP	TSR/RACE	An internal metric is used to reflect long term financial sustainability under the control of management, and an external metric is used to reflect the long-term value experience of shareholders.	To be assessed 1 July 2026

2.3 FY24 KMP Executive remuneration opportunities and outcomes at-a-glance

The following charts outline the remuneration opportunities under EML's KMP executive remuneration structures, with the outcomes dependent on performance over FY24 for STIP and LTIP, and the "Achieved" remuneration payable in respect of the completed FY24 year and performance delivered. STIP payments were made in FY24 in line with financial targets, growth and strategic and operational outcomes. No LTVR vested in FY24 because threshold conditions were not met, nil vesting occurred (full forfeiture):

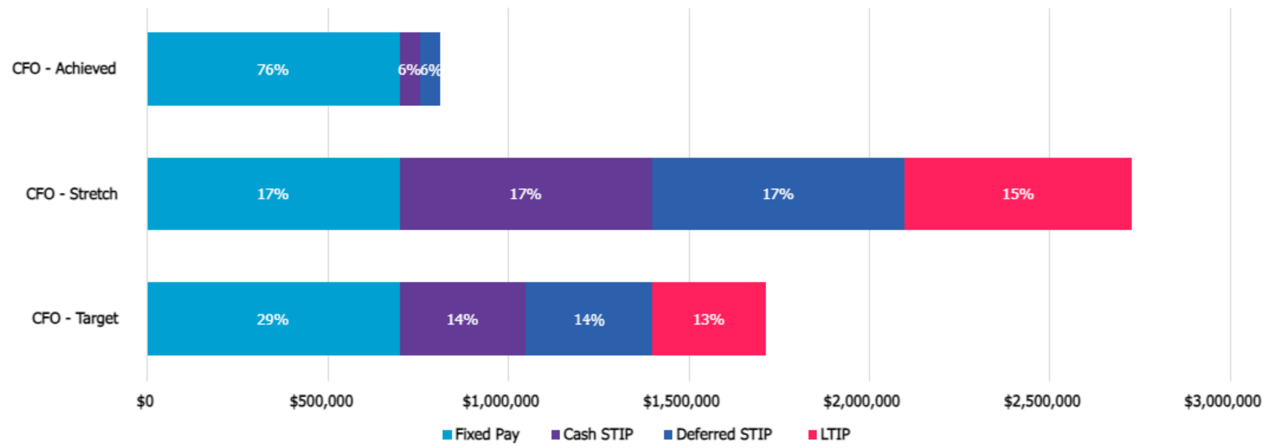


Table discloses KMP positions held at 30 June 2024.

Note: "Achieved" refers to fixed remuneration received during FY24 and variable remuneration awarded in FY24.

One-off remuneration that fell outside the regular framework (i.e. not Fixed Pay, STIP, Deferred STIP or LTIP) is addressed elsewhere in the report (see 4.4).

Remuneration Report.

2. Remuneration overview (continued)

2.4 Executive Director KMP

Managing Director and Group CEO

Mr Ron Hynes was appointed as Managing Director and Group CEO effective 30 June 2024 with an annual TFR of $800,000 (US$534,000) as disclosed in EML's ASX announcement on 1 July 2024. Mr Hynes employment agreement also includes a one-off grant of $3,000,000 of service rights, vesting equally over a three-year period from his commencement date and subject to continued employment and shareholder approval, a STIP for the 2025 financial year equivalent to 100% of TFR if target performance is achieved and a LTIP for the 2025 financial year of 6,000,000 share appreciation rights divided into three equal tranches, with two thirds vesting in two years and the remaining one third vesting in three years – subject to satisfaction of the vesting conditions. This grant is subject to the achievement of a $1.50 share price hurdle and continued employment and has a $1 grant price.

Chief Corporate Development Officer

Mr Peter Lang was appointed as Chief Corporate Development Officer effective 1 September 2023 and remains on the Board as an Executive Director with an annual TFR opportunity of $675,000 as disclosed in EML's ASX announcement on 29 August 2023. Nil Directors fees are payable whilst in an Executive Director role (previously $155,000 per annum). Mr Lang's employment agreement does not include any short or long-term incentives. Mr Lang's annual TFR achieved for FY24 was $662,740.

2.5 Executive KMP remuneration

Interim Group CEO

Mr Murphy was appointed as Interim Group CEO effective 17 April 2023, with an annual TFR opportunity of $720,000 (GBP400,066) as disclosed in EML's ASX announcement on that date. The Board determined that in stepping into the Interim role for 6 months, it was also appropriate to offer a one-off short-term equity incentive of $150,000. These rights will only vest if specific key performance indicators, directly related to the Board's Key Strategic objectives of remediation, cost optimisation, targeted growth in core businesses and talent retention are met.

On 17 October 2023, the Interim CEO term was extended until 29 February 2024. The short-term equity incentive measurement period was extended to align to this new term. On 28 February 2024, the Interim CEO term was again extended until 29 June 2024. At this time, the initial short-term equity incentive of $63,021 was confirmed. EML also disclosed a one-off short-term equity incentive of $125,000. These rights will only vest if specific key performance indicators, directly related to the Board's key strategic objectives outlined in our ASX announcement on 28 February 2024, are achieved.

On 3 April 2024, Mr Murphy was appointed as a Director and was Managing Director until 29 June 2024 at which time he has become a Non-executive Director.

Group CFO

Mr James Georgeson was appointed as Group CFO on 1 September 2023 with an annual TFR opportunity of $700,000 (inclusive of superannuation). Mr Georgeson's STIP opportunity is set at 50% of TFR and if payable is paid 50% in cash and 50% in deferred rights. The performance hurdles are in line with the executive offer and reflected 70% financial, 20% growth and 10% strategic/operational. The LTIP opportunity is set at 50% of TFR and was offered for FY24 on a three-year vesting service period. The performance hurdles are in line with the executive offer being 30% TSR and 70% RACE.

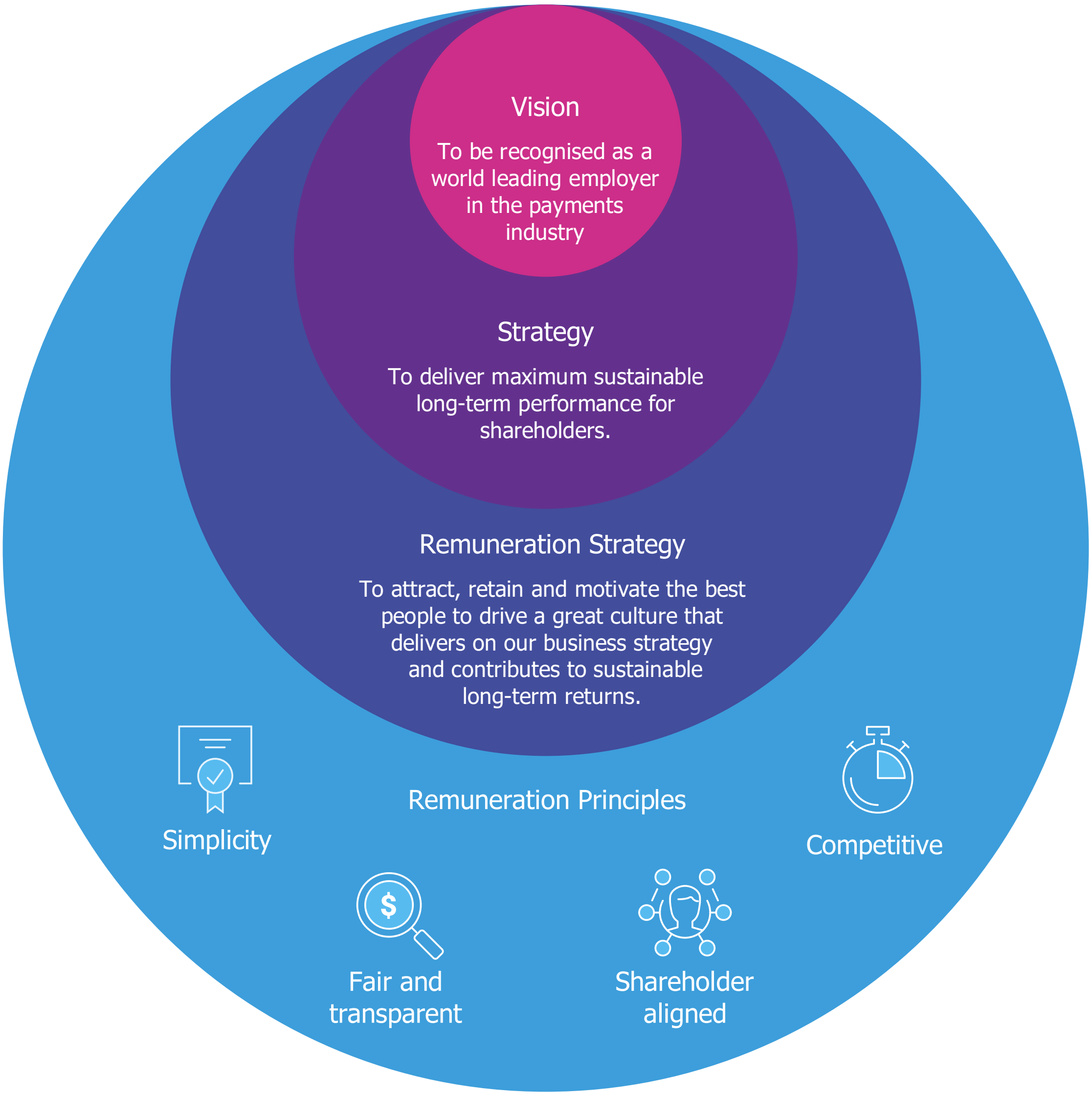
Interim Group CFO

Mr Jonathan Gatt ceased to be Interim Group CFO on 1 September 2023. Mr Gatt's remuneration while Interim CFO has been reported for FY24 only up to 1 September 2023 being the date he ceased in this role and returned to his substantive role as European CFO.

Remuneration Report.

3. EML's remuneration strategy, policy and framework

3.1 Our remuneration strategy principles



Simplicity

- Our approach is relatively simple and easy to explain.
- We make it clear to our shareholders at the outset how much our Executives will be paid. This includes determining the appropriate balance between short- and long-term components.

Fair and transparent

- Our remuneration should be measurable, achievable, consistent, fair and transparent.
- Our remuneration should drive the 'right' behaviours (e.g. exhibit EML's values and meet community expectations), and ensure financial results are achieved in the 'right way'.

Shareholder aligned

- We encourage our Executives to think and act like owners.
- Our Executives are incentivised to focus on actions that will sustainably grow shareholder wealth and not on the impact their management decisions may have on the payments of STIPs.

Competitive

- We know that our Executive team has a highly desirable skill set, both in Australia and overseas, so we need to be competitive and flexible to attract and retain our talent.
- In recognising that our people are becoming increasingly attractive to large global players, we also ensure global benchmarks are market competitive for both Executive and selected senior leadership roles.

3. EML's remuneration strategy, policy and framework (continued)

3.2 Executive remuneration - Total fixed remuneration and the variable remuneration framework

The primary purpose of the Remuneration Policy is to ensure that remuneration is competitive, aligned with the Company's business strategy and objectives in both the short term and the long term and produces appropriate alignment between stakeholder interests. In accordance with this objective, the Company has structured remuneration packages to provide an appropriate mix of fixed and performance-based remuneration components which link to both the individual's performance and Group performance. By adopting a robust approach to remuneration, the Group aims to attract and retain top talent while ensuring an appropriate variable cost to shareholders. The remuneration framework is also designed to reward prudent risk-taking, support effective risk management and prioritise the long-term sustainability of the business.

Executive KMP remuneration is made up of three components:

- TFR;
- STIP, made up of:
  - Cash; and
  - Restricted rights (deferred); and
- LTIP.

TFR is made up of base salary, superannuation or pension and other benefits. To ensure an employee's TFR is both competitive and reasonable, EML plans to undertake benchmarking in FY25. Variable remuneration is intended to balance financials, risk and strategic or operational outcomes, using a blend of at-risk remuneration and incentives. Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long-term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while target is intended to be challenging but realistically achievable objective with a probability of around 50% to 60%. Stretch is designed to be exceptionally challenging.

3. EML's remuneration strategy, policy and framework (continued)

3.3 FY24 short term incentive plan

A description of the STIP structure applicable for FY24 is set out below:

Purpose	STIP is intended to create a strong link between executive reward and performance over a one-year period, by assessing key drivers of value creation linked to annual business plans and EML's strategy.
Measurement period	The financial year of the Company (1 July – 30 June).
Opportunity	**Opportunity as % of TFR** **Target** Group CFO 50%
Outcome metrics and weightings	For FY24, the following metrics and weightings applied: • Financial – 70% (2023: 50%); • Growth – 20% (2023: 0%); • Strategic/operational milestones – 10% (2023: 50%). These metrics were selected for their strong alignment with shareholder interests and the Group's strategic. Individual metrics and outcomes are detailed later in this report.
Gate	A gate applies to the STIP award which will be determined by the Board taking into account affordability of the plan and alignment with shareholder value including underlying EBITDA and cash flow capacity
Award, settlement and deferral	STIP will be calculated based on the audited financial performance. 50% of any STIP is to be paid in cash, 50% of any STIP is to be settled in the form of a grant of restricted rights subject to an exercise restriction for one year to facilitate malus/clawback.
Cessation of employment	In the case of termination for cause, fraud or misconduct, full forfeiture applies. For participants who cease employment with EML before the end of the measurement period in other circumstances, a pro-rata forfeiture based on the remaining portion of the measurement period applies. Entitlement to STIP, if any, will be determined for all participants following the end of the measurement period, unless otherwise determined by the Board.
Corporate actions	In the event of a corporate action including a takeover, a demerger, change in control, delisting or major return of capital, the Board may in its discretion decide to: • Terminate the plan for the measurement period and pay pro-rata STIP based on the completed proportion of the measurement period taking into account outcomes up to the date of the change in control; • Continue the STIP but make interim non-refundable pro-rata STIP based on the completed proportion of the measurement period, taking into account outcomes up to the date of the change in control; or • Allow the STIP to continue without change. If a payment is made and the plan continues in relation to the measurement period, only the excess of the STIP calculated at the end of the measurement period, compared to the amount already paid, would be payable. If the STIP calculated at the end of the measurement period is less than the payment already made in relation to the Corporate Action event, no payment will be made, and no portion of the amount already paid is refundable to the Company, except as otherwise provided for in relation to any applicable malus or clawback policy. In the circumstances of a corporate action, the proportions of STIP that are subject to deferral as outlined in an offer, may be deemed not to be subject to deferral, and any portions of STIP specified in an offer to be payable in the form of equity may be deemed to be payable in cash, at the discretion of the Board.
Board discretion	The Board has discretion to adjust STIP to ensure that they are not inappropriate including awards to nil despite any metric outcome. The Board will only adjust remuneration outcomes where it believes to not do so would produce a more inappropriate outcome. The Board has broad discretion to vary the terms of the STIP opportunity for compliance reasons or to ensure that participants are neither advantaged or disadvantaged by unforeseen changes in circumstances.
Malus and clawback	In addition to maintaining overarching discretion over award outcomes, the Board will have the authority to trigger forfeiture of unpaid awards (i.e. malus) and reclaim deferred equity subject to exercise restrictions (i.e. clawback). To reflect emerging best practice (and the heightened scrutiny of remuneration governance in the financial services sector), the trigger events will include serious misconduct including fraud, dishonesty, gross negligence, recklessness, or wilful indifference; a material misstatement in, or omission from EML's financial statements, or a misstatement of a performance condition applicable to the STIP. Where a participant has acted or failed to act in a way that has contributed to material reputational damage to EML; and where, in the opinion of the Board acting in good faith, all or part of the initial award is no longer justified having regard to the circumstances or information which has come to light after an offer was made under the STIP (e.g. poor customer outcomes). To maximise legal enforceability, the above clawback/malus provisions are reflected in the offer documents as well as the plan rules.

3. EML's remuneration strategy, policy and framework (continued)

3.4 FY24 long term incentive plan

A description of the LTIP structure applicable for FY24 is set out below:

<table>
<tr><td>Purpose</td><td>LTIP supports alignment between long term overall company performance and executive reward and is linked to:
Strategic business drivers and sustainable financial improvement;
Long-term shareholder return.</td></tr>
<tr><td>Instrument</td><td>The LTIP is in the form of indeterminate performance rights with a nil exercise price, which may be settled in cash or EML shares at the Board's discretion.</td></tr>
<tr><td>Measurement period</td><td>The performance rights are subject to a measurement period from the start of FY24 (1 July 2023) to the end of FY26 (30 June 2026), with no vesting or assessment of performance conditions prior to the end of the measurement period, in the ordinary course of events.</td></tr>
<tr><td>Service vesting period</td><td>Subject to the termination of employment and the prevention of inappropriate benefits provisions, continued service during the full three-year Measurement Period is a requirement for all Rights in the Tranche to become eligible to vest.</td></tr>
<tr><td>Term</td><td>Each right has a term of 15 years from the grant date and if not exercised within that term the rights will lapse.</td></tr>
<tr><td>Opportunity</td><td><table>
<tr><td></td><td colspan="2">Opportunity as % of TFR</td></tr>
<tr><td></td><td>Target</td><td>Stretch</td></tr>
<tr><td>Group CFO</td><td>50%</td><td>100%</td></tr>
</table></td></tr>
<tr><td>Grant calculation</td><td>The number of rights to be granted is determined by the formula as follows:
No. rights = TFR x LTIP % ÷ 10-day VWAP
Where LTIP % is the maximum LTIP opportunity as a % of TFR.</td></tr>
<tr><td>Settlement</td><td>The rights are "Indeterminate performance rights" which may be settled in the form of a company share or cash equivalent at the Board's discretion.</td></tr>
<tr><td>Performance metrics and vesting schedule</td><td>Tranche 1 performance rights are subject to a TSR performance vesting condition (Weight 30%). This vesting condition is calculated as growth in shareholder value over the measurement period.
TSR is calculated as a percentage growth in shareholder value based on share price growth and dividends, assuming that they are reinvested into shares. It is calculated over a specific period which for purpose of this invitation is the measurement period.
<table>
<tr><th>Performance level</th><th>Share price</th><th>% of Performance rights vesting[1]</th></tr>
<tr><td>Threshold</td><td>$1.14</td><td>25%</td></tr>
<tr><td>Target</td><td>$1.34</td><td>50%</td></tr>
<tr><td>Stretch</td><td>$1.50</td><td>100%</td></tr>
</table>
1. Pro-rata vesting between threshold, target and stretch.

Tranche 2 performance rights are subject to a RACE performance vesting condition (Weight 70%). This vesting condition measures the company's operational financial return which is then compared against the vesting scale. These metrics were selected as being the most direct indicators of internal and external views of value creation of the long term, based on EML's current strategy and circumstances.
<table>
<tr><th>Performance level</th><th>RACE</th><th>% of Performance rights vesting[1]</th></tr>
<tr><td>Threshold</td><td>14.5%</td><td>25%</td></tr>
<tr><td>Target</td><td>16.8%</td><td>50%</td></tr>
<tr><td>Stretch</td><td>19.5%</td><td>100%</td></tr>
</table>
2. Pro-rata vesting between threshold, target and stretch.</td></tr>
</table>

Remuneration Report.

3. EML's remuneration strategy, policy and framework (continued)

3.4 FY24 long term variable remuneration plan (continued)

Retesting	No retesting is allowed for under the plan rules.
Financial year	The financial year of the Company (1 July – 30 June).
Corporate actions	In the event of delisting, unvested performance rights with nil exercise price may vest on a pro rata basis taking into account the change in share price during the measurement period up until delisting and the proportion of the measurement period elapsed. In the event of a demerger or major return of capital, the Board has discretion to vest, lapse or adjust the terms of rights to ensure that Participants are neither advantaged nor disadvantaged, subject to the ASX Listing Rules.
Board Discretion	The Board has discretion to adjust vesting to ensure that it is not inappropriate, including reducing vesting to nil despite any vesting condition assessment outcome. The Board will only adjust remuneration outcomes where it believes to not do so would produce a more inappropriate outcome. The Board has broad discretion to vary the terms of the LTIP opportunity for compliance reasons or to ensure that participants are neither advantaged or disadvantaged by unforeseen changes in circumstances.
Malus and clawback	In addition to retaining an overarching discretion in respect of vesting outcomes, the Board will have the power to: trigger forfeiture of unvested equity (i.e., malus) and or equity subject to exercise restrictions. To reflect emerging best practice (and the heightened scrutiny of remuneration governance in the financial services sector), the trigger events will include serious misconduct including fraud, dishonesty, gross negligence, recklessness, or wilful indifference; a material misstatement in, or omission from EML's financial statements, or a misstatement of a performance condition applicable to the LTIP. Where a participant has acted or failed to act in a way that has contributed to material reputational damage to EML; and where, in the opinion of the Board acting in good faith, all or part of the initial award is no longer justified having regard to the circumstances or information which has come to light after a grant was made under the LTIP (e.g., poor customer outcomes). To maximise legal enforceability, the above clawback/malus provisions are reflected in the offer documents as well as the plan rules.

3.5 FY24 NED remuneration

The below framework is in place for FY24 and remains consistent with the FY23 framework:

FY24 EML Board framework

Role/function	Board $
Chair	210,000
Deputy Chair	175,000
Non-executive Director	155,000

Fees are inclusive of superannuation.

The EML NED remuneration is structured such that Board Committee fees are combined with Board Fees. In certain circumstances NEDs are remunerated for roles held on subsidiary Board's as outlined in Section 5.2 below. EMLs current Board does not have a director serving as a Deputy. The total amount of fees paid to NEDs in the year ended 30 June 2024 is within the aggregate amount approved by shareholders of $1,250,000 (2023: $1,250,000). The total NED remuneration paid in FY24 was $797,096 (2023: $807,296) which did not include any equity grants.

Remuneration Report.

4. The link between performance and reward in FY24

The Board reviews the performance conditions for the variable remuneration plans on an annual basis, and weighs metrics across Group, business unit/region and individual/role-related key result areas, classifiable as financial, strategic or operational metrics. The Board is responsible for assessing performance against metrics and determining the STIP awards and LTIP vesting.

The following disclosures are intended to assist in demonstrating the link between EML's strategy, performance and executive reward in the FY24 period.

4.1 FY24 STIP outcomes

The STIP plan is designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period, linked to the financial performance, growth, strategy and operational targets. The payment of an STIP is dependent on the delivery of these performance metrics and at the discretion of the Board. The performance metrics, goals and outcomes are summarised below, in respect of each executive:

Objective	Weighting	Performance			Outcome (% of object met)	Outcome (% of max award)
		Threshold	Target	Maximum		
Financial	70%				40%	28%
Growth	20%				55%	11%
Strategic/operational	10%				50%	5%

Remuneration Report.

4. The link between performance and reward in FY24 (continued)

4.2 FY22 LTIP outcome

Whilst no current KMP is eligible for the FY22 LTIP, this was due for assessment on 1 July 2024 and was cancelled during FY24 due to financial metrics not being assessed as achievable.

4.3 FY24 LTIP structure

Executive KMP	Role	Series	Tranche	Weighting	Number eligible to vest	Target performance	Actual outcome	% of tranche vested	No. vested	Fair value at grant date	Value of LTIP that vested $	Realisable value $
James Georgeson	Group CFO	Series 68A	Return on Adjusted Capital Employed (RACE)	70%	453,704	16.8% RACE	-	0%	-	181,482	Nil	Nil
		Series 68B	Total Shareholder Return (TSR)	30%	194,444	$1.34 share price	-	0%	-	75,833	Nil	Nil
Total					**648,148**					**257,315**		

Remuneration Report.

4. The link between performance and reward in FY24 (continued)

4.4 FY24 Achieved Executive KMP total remuneration package

The following outlines "Achieved" (what became payable, awarded or vested) total remuneration, and amounts that were forfeited or lapsed as the result of performance assessments for Executive KMP in the reporting period:

			Fixed package		Variable remuneration								
Executive KMP	**Role**	**Year**	**Amount $**	**% of TFR**	**Sign on grant vested**	**% of TFR**	**Cash bonus amount $**	**% of TFR**	**STIP/short-term equity incentive[1] amount $**	**% of TFR**	**LTIP[2] amount $**	**% of TFR**	**Total TFR $**
Jonathan Gatt[3]	Interim Group CFO	2024	97,329	100%	-	-	-	-	-	-	-	-	97,329
		2023	253,680	86%	40,580	14%	-	-	-	-	-	-	294,260
James Georgeson[4]	Group CFO	2024	641,411	100%	-	-	-	-	-	-	-	-	641,411
Peter Lang[5]	Group CCDO	2024	636,907	100%	-	-	-	-	-	-	-	-	636,907
Kevin Murphy	Interim Group CEO	2024	839,376	93%	-	-	-	-	63,021	7%	-	-	902,397
		2023	91,829	100%	-		-	-	-	-	-	-	91,829
Thomas Cregan	MD and Group CEO	2023	233,502	100%	-	-	-	-	-	-	-	-	233,502
David Curneen	Group COO	2023	146,256	100%	-	-	-	-	-	-	-	-	146,256
Emma Shand	MD and Group CEO	2023	935,779	73%	349,462	27%	-	-	-	-	-	-	1,285,241
Robert Shore	Group CFO	2023	596,115	46%	-	-	700,000	54%	-	-	-	-	1,296,115

1. This is generally the grant value of the deferred STIP that vested in the reporting period. It is noted that Kevin Murphy's STIP does not have any deferral conditions.
2. This is the grant value of the LTIP that vested in the reporting period.
3. Jonathan Gatt ceased to be Interim Group Chief Financial Officer effective 1 September 2023.
4. James Georgeson appointed Group Chief Financial Officer effective 1 September 2023.
5. Peter Lang was appointed Group Chief Corporate Development Officer effective 1 September 2023.

Remuneration Report.

5. Statutory tables and supporting disclosures

5.1 Executive KMP statutory remuneration for FY24

The following table outlines the statutory remuneration of Executive KMP:

			Fixed pay				Variable remuneration				Total for year		Other statutory items		
Name	**Role**	**Year**	**Salary $**	**Super / pension $**	**Other benefits[1] $**	**Total TFR $**	**Deferred STIP/short-term equity incentives[2] $**	**LTIP[3] $**	**Sign on grant $**	**Cash STIP/ bonus $**	**Total TRP $**	**Variable remuneration as % of TRP**	**Termination benefits $**	**Change in long service leave $**	**Total**
Jonathan Gatt[4]	Interim Group CFO	2024	94,328	3,001	-	97,329	-	-	17,522	-	114,851	15%	-	-	114,851
		2023	245,861	7,819	-	253,680	-	29,011	93,182	-	375,873	33%	-	-	375,873
James Georgeson	Group CFO	2024	499,441	21,136	120,833	641,410	56,735	85,648	379,377	56,735	1,219,905	47%	-	-	1,219,905
Peter Lang	Group CCDO	2024	565,302	22,832	48,773	636,907	-	-	-	-	636,907	0%	-	-	636,907
Kevin Murphy	Interim Group CEO	2024	823,367	-	16,008	839,375	213,287	-	-	-	1,052,662	20%	-	-	1,052,662
		2023	91,829	-	-	91,829	22,935	-	-	-	114,764	20%	-	-	114,764
Thomas Cregan	MD and Group CEO	2023	199,452	8,431	25,619	233,502	-	(171,387)	-	-	62,115	0%	-	(15,520)	46,595
David Curneen	Group COO	2023	139,291	6,965	-	146,256	-	-	(104,287)	-	41,969	0%	424,478	-	466,447
Emma Shand	MD and Group CEO	2023	841,071	31,265	63,443	935,779	-	121,479	349,462	-	1,406,720	33%	209,957	-	1,616,677
Robert Shore	Group CFO	2023	530,025	21,077	45,013	596,115	-	(32,716)	-	700,000	1,263,399	53%	220,000	(13,866)	1,469,533
Total KMP compensation		**2024**	**1,982,438**	**46,969**	**185,614**	**2,215,021**	**270,022**	**85,648**	**396,899**	**56,735**	**3,024,325**	**27%**	**-**	**-**	**3,024,325**
		2023	**2,047,529**	**75,557**	**134,075**	**2,257,161**	**22,935**	**(53,613)**	**338,357**	**700,000**	**3,264,840**	**31%**	**854,435**	**(29,386)**	**4,089,889**

1. Other benefits relate to company funded benefits including accrued annual leave.
2. Note that the deferred STIP reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Variable remuneration outcomes for the reporting period are outlined elsewhere in this report.
3. Note that the LTIP reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market-based measure of performance is used such as TSR or share price, no adjustments can be made to reflect actual LTIP vesting.
4. Jonathan Gatt's employment contract is in GBP and his remuneration is paid in GBP. Remuneration is converted to AUD for the purposes of this report.

It should be noted that due to the structure of the FY24 LTIP, grants are expensed over the three-year performance and service period (2023: expensed over one year service vesting condition).

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

5.2 Non-executive Director KMP statutory remuneration for FY24

The following table outlines the statutory and audited remuneration of NEDs:

NED	Role	Year	Board fees $	Subsidiary fees $	Superannuation $	Other benefits[6] $	Equity grant expense $	Termination benefits $	Total $
Luke Bortoli	Non-executive Chair	2024	189,189	-	20,811	-	-	-	210,000
	Non-executive Chair	2023	67,100	-	7,046	-	-	-	74,146
Brent Cubis[1,2]	Non-executive Director	2024	103,333	20,000	-	-	-	-	123,333
	Non-executive Director	2023	92,765	-	-	-	-	-	92,765
Connor Haley[3]	Non-executive Director	2024	118,011	-	-	-	-	-	118,011
	Non-executive Director	2023	54,896	-	-	-	-	-	54,896
Manoj Kheerbat	Non-executive Director	2024	139,640	101,862	26,134	-	-	-	267,636
	Non-executive Director	2023	80,762	6,610	8,480	-	-	-	95,852
Peter Lang[4]	Non-executive Director	2024	22,992	-	2,842	-	-	-	25,834
	Non-executive Director	2023	49,679	-	5,216	12,083	-	-	66,978
James (Jim) Pollock[5]	Non-executive Director	2024	47,101	-	5,181	-	-	-	52,282
Tony Adcock	Non-executive Chair	2023	93,514	-	9,819	-	-	-	103,333
David Liddy	Non-Executive Chair, Deputy Chairman and Non-Executive Director	2023	125,947	-	-	-	-	-	125,947
Peter Martin	Non-executive Director	2023	78,041	-	8,314	-	-	-	86,355
Emma Shand	Non-executive Director	2023	3,340	-	351	-	-	-	3,691
Melanie Wilson	Non-executive Director	2023	103,333	-	-	-	-	-	103,333
Total Non-executive KMP compensation		**2024**	**620,266**	**121,862**	**54,968**	**-**	**-**	**-**	**797,096**
		2023	**749,377**	**6,610**	**39,226**	**12,083**	**-**	**-**	**807,296**

1. Brent Cubis ceased to be a Non-executive Director effective 4 March 2024.
2. Remuneration is paid through a service company.
3. Connor Haley ceased to be a Non-executive Director effective 3 April 2024.
4. Peter Lang ceased to be a Non-executive Director and appointed as an Executive Director effective 1 September 2023.
5. Jim Pollock appointed a Non-executive Director effective 29 February 2024.
6. Other benefits relate to company funded benefits.

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

5.3 Executive KMP equity interests and changes during FY24

5.3.1 Executive equity interests – rights

Rights granted to executive KMP during the financial year:

			During the financial year			
Executive KMP	**Options series**	**Date granted**	**No. granted during the year**	**No. vested during the year**	**% Vested**	**% Forfeited**
Kevin Murphy	Series 61	05/07/2023	208,333	104,167	50%	50%
	Series 69	15/03/2024	132,979	-	0%	0%
James Georgeson	Series 66A	29/08/2023	255,102	-	0%	0%
	Series 66B	29/08/2023	255,102	-	0%	0%
	Series 66C	29/08/2023	255,102	-	0%	0%
	Series 68A	16/01/2024	453,704	-	0%	0%
	Series 68B	16/01/2024	194,444	-	0%	0%
	Series 70A[1]	-	38,830	-	0%	0%
	Series 70B[1]	-	15,241	-	0%	0%
	Series 70D[1]	-	6,934	-	0%	0%

1. Series 70 relate to the FY24 STIPs and have been recognised for accounting purposes as the service period was applicable for FY24. This series was approved subsequent to year end. In accordance with accounting standards, a temporary grant date has been taken as the balance date and will be revised when rights have been granted.

5.3.2 Option/rights holdings of executive KMP (number):

Unissued ordinary shares of EML Payments Limited under option/right at the date of this report of Executive KMP are as follows:

		Opening balance	Granted as remuneration	Exercised	Cancelled	Net change other[1]	Closing balance	Vested and exercisable	Vested during year
Jonathan Gatt[2]	30/06/24	187,894	-	-	-	(187,984)	-	-	-
	30/06/23	-	-	-	-	187,984	187,984	21,234	-
James Georgeson	30/06/24	-	1,474,459	-	-	-	1,474,459	-	-
Kevin Murphy	30/06/24	-	341,312	-	(104,166)	-	237,146	104,167	-
	30/06/23	-	-	-	-	-	-	-	-
Total held by Executive KMP	**30/06/24**	**187,894**	**1,815,771**	**-**	**(104,166)**	**(187,984)**	**1,711,605**	**104,167**	**-**
	30/06/23	**-**	**-**	**-**	**-**	**187,984**	**187,984**	**21,234**	**-**

2. Jonathan Gatt was no longer Executive effective 1 September 2023. Therefore the "Net change- other" column removes their holdings to reflect cessation as Executive KMP during the year.

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

Other transactions

The following table summarises the value of rights to Executive KMP granted, exercised or lapsed during the year:

Executive KMP	Series	Value granted at the grant date[1] $	Value exercised at the exercised date[2] $	Value forfeited at the forfeited date[3] $	Plan
James Georgeson	Series 66A, 66B, 66C, 68A, 68B, 70A, 70B, 70D	1,064,050	-	-	EPLRP
Kevin Murphy	Series 61, 69	213,287	-	63,020	EPLRP

1. The value of the rights granted during the period is calculated using a Black-Scholes and Monte Carlo valuation methodology and recognised in compensation over the vesting period of the grant, in accordance with the Australian Accounting Standards.
2. The value of rights exercised at the exercise date was based on the number of shares actually awarded to the KMP at the market value of the shares on the date exercised.
3. This is the value at grant date of the rights that lapsed for executive KMP during the financial year ended 30 June 2024.

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

5.3 Executive KMP equity interests and changes during FY24 (continued)

5.3.3 Ordinary shares held in EML Payments Limited by Directors and Executive KMP

Movements in equity interests held by Executive and Non-executive KMP during the reporting period, including their related parties, are set out below:

		Balance at the beginning of the year	On exercise of options	Sale of shares	Net change other	Balance at the end of the year
Non-executive Directors						
Luke Bortoli	30/06/2024	-	-	-	-	-
	30/06/2023	-	-	-	-	-
Brent Cubis[1]	30/06/2024	-	-	-	-	-
	30/06/2023	-	-	-	-	-
Connor Haley[1]	30/06/2024	30,434,127	-	-	(30,434,127)	-
	30/06/2023	-	-	(7,919,513)	38,353,640	30,434,127
Manoj Kheerbat	30/06/2024	-	-	-	-	-
	30/06/2023	-	-	-	-	-
Peter Lang	30/06/2024	861,427	-	-	(861,427)	-
	30/06/2023	-	-	-	861,427	861,427
Anthony Hynes[2]	30/06/2024	-	-	-	50,000	50,000
Jim Pollock	30/06/2024	-	-	-	-	-
Tony Adcock	30/06/2023	25,000	-	-	(25,000)	-
David Liddy	30/06/2023	960,000	-	-	(960,000)	-
Peter Martin	30/06/2023	6,536,320	-	-	(6,536,320)	-
Melanie Wilson	30/06/2023	48,000	-	-	(48,000)	-
Executive Directors						
Ron Hynes[3]	30/06/2024	-	-	-	-	-
Peter Lang[4]	30/06/2024	-	-	-	861,427	861,427
Kevin Murphy	30/06/2024	-	-	-	-	-
Thomas Cregan	30/06/2023	15,522,660	92,202	-	(15,614,862)	-
Emma Shand	30/06/2023	-	-	-	-	-
Executives						
Kevin Murphy	30/06/2023	-	-	-	-	-
Jonathan Gatt[5]	30/06/2024	-	-	-	-	-
	30/06/2023	-	-	-	-	-
James Georgeson[6]	30/06/2024	-	-	-	-	-
David Curneen	30/06/2023	-	-	-	-	-
Robert Shore	30/06/2023	154,154	57,837	-	(211,991)	-
Total Directors and Executive KMP ordinary shares held in EML Payments Limited	**30/06/2024**	**31,295,554**	**-**	**-**	**(30,384,127)**	**91,427**
	30/06/2023	**-**	**-**	**(7,919,513)**	**39,240,067**	**31,270,554**

1. Brent Cubis and Connor Haley were no longer Directors and/or Executive KMP at 30 June 2024. Therefore the "Net change- other" column removes their holdings as they are not KMP at 30 June 2024. This was also applicable to Directors in the prior period.
2. Anthony Hynes was appointed Non-executive Director effective 30 June 2024.
3. Ron Hynes was appointed Group Chief Executive Officer effective 30 June 2024.
4. Peter Lang ceased to be a Non-executive Director and appointed as an Executive Director effective 1 September 2023.
5. Jonathan Gatt was no longer Interim Group Chief Financial Officer effective 1 September 2023.
6. James Georgeson was appointed Group Chief Financial Officer effective 1 September 2023.

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

The following outlines the accounting values and potential future costs of equity remuneration granted during FY24 for executive KMP:

Executive KMP	Series	Tranche	Grant type	Number of rights	Vesting conditions	Grant date	Fair value at grant date	Total fair value at grant $	Value expensed in FY24[1] $
James Georgeson	Series 66A	Sign on grant	Sign on	255,102	RACE	29/08/2023	$0.98	$250,000	$206,967
	Series 66B	Sign on grant	Sign on	255,102	RACE	29/08/2023	$0.98	$250,000	$103,436
	Series 66C	Sign on grant	Sign on	255,102	RACE	29/08/2023	$0.98	$250,000	$68,973
	Series 68A	Tranche 2	LTIP	453,704	RACE	16/01/2024	$0.40	$181,482	$60,370
	Series 68B	Tranche 1	LTIP	194,444	TSR	16/01/2024	$0.39	$75,833	$25,278
	Series 70A[2]	Short Term Incentive Plan	STIP	38,830	Financial	-	-	$36,112	$36,112
	Series 70B[2]	Short Term Incentive Plan	STIP	15,241	Growth	-	-	$14,174	$14,174
	Series 70D[2]	Short Term Incentive Plan	STIP	6,934	Strategic /operational	-	-	$6,449	$6,449
Kevin Murphy	Series 61	FY23 Interim CEO Performance Rights	Interim CEO Performance Rights	104,167	Performance	05/07/2023	$0.61	$63,021	$63,021
	Series 69	Interim CEO Performance Rights	Interim CEO Performance Rights	132,979	Performance	15/03/2024	$1.13	$150,266	$150,266

1. This is the grant value of the rights that vested in the reporting period. The entire grant expense has been recognised in 2024 to match service period.
2. Series 70 relate to the FY24 STIPs and have been recognised for accounting purposes as the service period was applicable for FY24. This series was approved subsequent to year end. In accordance with accounting standards, a temporary grant date has been taken as the balance date and will be revised when rights have been granted.

Remuneration Report.

5. Statutory tables and supporting disclosures (continued)

5.4 KMP service agreements

5.4.1 Executive KMP service agreements

The following outlines service agreements for current and former Executive KMP:

Name	Position held	Employing Company	Appointment date	Period of notice from KMP or Company
James Georgeson	Group Chief Financial Officer	EML Payments Limited	01/09/2023	6 months
Ron Hynes	Managing Director and Group CEO	EML Payments USA LLC	30/06/2024	6 months
Peter Lang	Chief Corporate Development Officer	EML Payments Limited	01/09/2023	3 months

5.4.2 Non-executive Director service agreements

The appointment of Non-executive Directors is subject to a letter of engagement. The NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

5.5 Other statutory disclosures

5.5.1 Loans to KMP and their related parties

During the financial year and to the date of this report, the Company made no loans to directors and other KMP and none were outstanding as at 30 June 2024 (2023: $nil).

5.5.2 Other transactions with KMP

A number of transactions to the value of $100,878 (2023: $9,462) were incurred by the Group on the behalf on a Non-executive Director, Luke Bortoli, during the year. These were repaid before 30 June 2024.

There were no other disclosable transactions with KMP for FY24.

Directors' Declaration.

In the opinion of the Directors of EML Payments Limited (the Company):

The Directors declare that:

(i) in the Directors' 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;

(ii) in the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note F4 to the financial statements;

(iii) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity;

(iv) in the Directors' opinion, the consolidated entity disclosure statement included on page 113 is true and correct; and

(v) the Directors have been given the declarations required by s.295A of the Corporations Act 2001. This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to section 295 of the *Corporations Act 2001*.

Luke Bortoli
Non-executive Chair
27 August 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of EML Payments Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of EML Payments Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Scott Guse

Partner

Brisbane

27 August 2024

Independent Auditor's Report

To the shareholders of EML Payments Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of EML Payments Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of EML Payments Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Revenue recognition – Account management fees and Breakage revenue
- Goodwill

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – Account management fees and Breakage revenue

- **Account management fees - $13,614,000**
- **Breakage revenue - $16,911,000**

Refer to Note A2 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Revenue recognition of Account management fees (AMF) and Breakage revenue is a key audit matter due to the inherent estimation uncertainty involved in estimating: • future cardholder behaviour which the Group uses to determine the variable consideration of AMF revenue, and • the calculated residual percentage and pattern of rights of exercise for breakage revenue. This leads to additional audit effort in assessing the Group's methods and assumptions.	Our procedures included: • We assessed the appropriateness of the Group's accounting policies related to AMF and breakage revenue recognition against the requirements of the accounting standards and our understanding of the business and industry practice. • We obtained an understanding of the Group's estimates of future cardholder behaviour, identifying the methods, assumptions and data used to estimate AMF and breakage. • We evaluated the methodology used to estimate AMF and Breakage revenue, considering accounting standard requirements. • We assessed the appropriateness of the Group's model, which uses historical customer data as recorded in the Group's core operating system, to calculate the residual percentage and pattern of rights of exercise. We did this by testing the accuracy of the: ▪ Group's calculated residual percentage and pattern of rights of exercise in previous years against the actual breakage revenue to inform our evaluation of the Group's estimate of

	breakage revenue in the current year, ▪ Underlying customer data within the Group's core operating system to a sample of signed customer contracts. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Valuation of Goodwill - $99,470,000	
Refer to Note D2 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the Group's annual testing of goodwill for impairment, given previous impairments. The Group has a number of individual CGUs necessitating our consideration of the Group's determination of Cash Generating Units (CGUs), based on the smallest group of assets to generate largely independent cash inflows. With the exception of the Sentenial CGU, we focussed on the significant forward-looking assumptions the Group applied in their value-in-use (VIU) models for each CGU, including: • Forecast operating cash flows, growth rates and terminal growth rates – the Group's VIU models use adjusted historical performance and a range of internal and external sources as inputs to the assumptions. Modelling, using forward looking assumptions, tends to be prone to greater risk for potential bias, error, and inconsistent application. These conditions increase the inherent uncertainty of forecasts, and the probability of a wider range of possible outcomes for us to consider. • Discount rate - these are complicated in nature and vary according to the conditions and environment the specific CGU is subject to from time to time. For the Sentenial CGU, the Group has applied a fair value less cost of disposal methodology. The Group entered into a contract to sell its	Working with our valuation specialists, our procedures included: • We considered the appropriateness of the value in use and fair value less costs of disposal method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • We considered the Group's determination of their CGUs, based on our understanding of the operations of the Group's business and how independent cash inflows were generated, against the requirements of the accounting standards. • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the model. • We independently developed a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors. • We challenged the Group's significant forecast operating cash flow and growth assumptions. We compared forecast growth rates and terminal growth rates with reference to publicly available data and considered differences for the Group's operations. We used our knowledge of the Group, their past performance, business and customers, and

Sentenial business, necessitating our consideration of the Group's recoverability of goodwill to this CGU. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	our industry experience. • We considered the sensitivity of the model by varying key assumptions, such as growth rates and discount rates, within a reasonably possible range. We did this to identify those CGUs at higher risk of impairment and to focus our further procedures. • With the assistance of our modelling specialists, we assessed the integrity of the valuation models used, including the accuracy of the underlying calculation formulas. • We compared the forecast cash flows contained in the value in use model to Board approved forecasts. • We assessed the Group's underlying methodology and documentation for the allocation of corporate costs to the forecast cash flows contained in the value in use model, for consistency with our understanding of the business and the criteria in the accounting standards. • We assessed the recoverable value of the Sentenial CGU recorded by the Group against the terms and conditions in the signed Share Sale and Purchase Agreement. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in EML Payment Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

KPMG

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of EML Payments Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

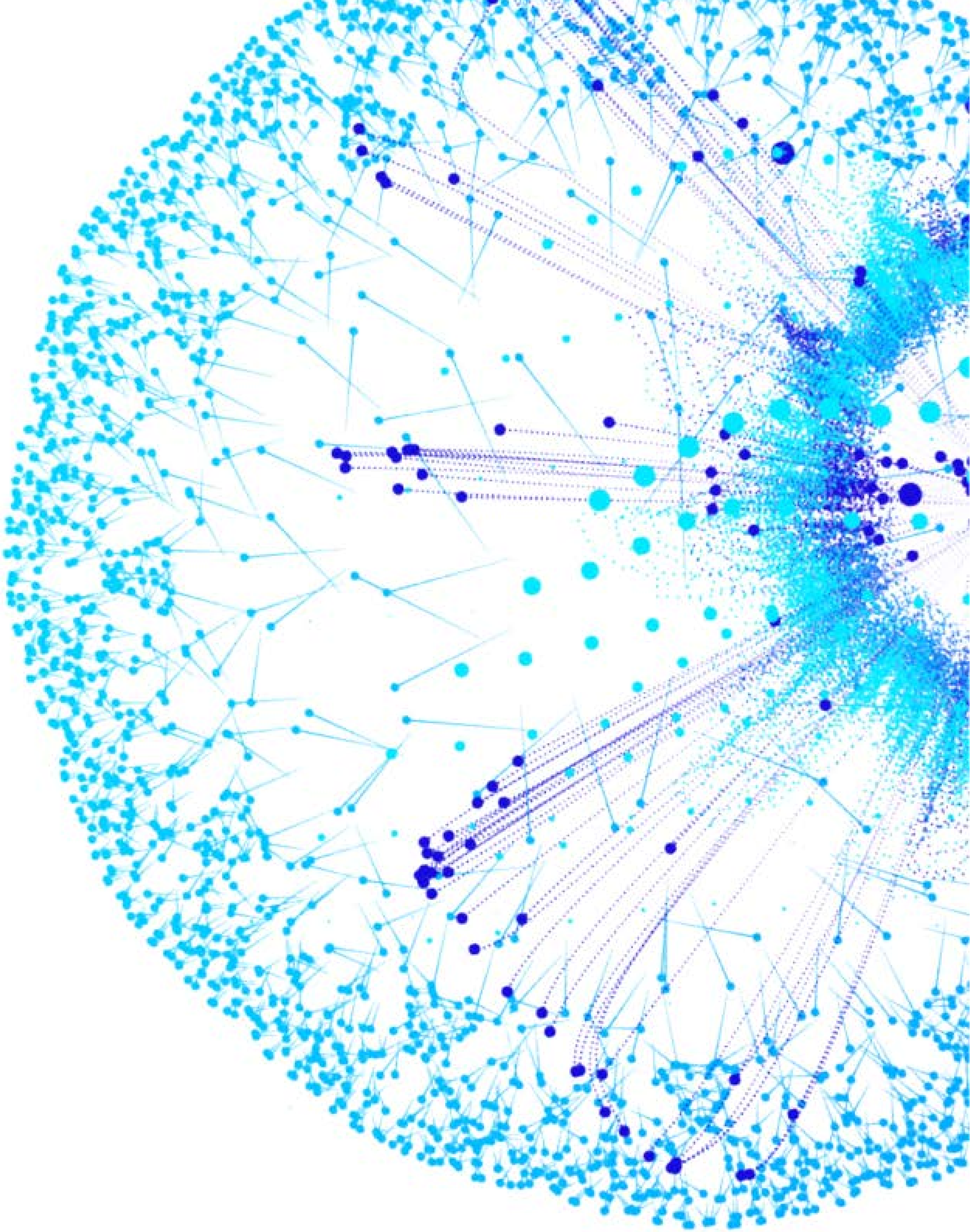
The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 28 to 48 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG	Scott Guse	Ben Flaherty
	Partner	*Partner*
	Brisbane	Brisbane
	28 August 2024	28 August 2024



Financial Statements.

Contents.

Statement of Profit or Loss and Other Comprehensive Income.

For the year ended 30 June 2024.

	Notes	Consolidated 30 June 2024 $'000	Restated 30 June 2023[2] $'000
Continuing operations			
Revenue from contracts with customers	A2	167,529	158,591
Interest income	A2	49,813	25,315
Total revenue		**217,342**	**183,906**
Other income	A2	25,395	10,377
Expenses			
Selling costs[1]	A3	(51,433)	(50,971)
Employee and employee-related expenses		(77,672)	(64,970)
Professional fees	A4	(18,329)	(25,363)
Information technology related costs		(25,277)	(20,024)
Impairment reversal/(loss) on trade receivables		576	(2,999)
Other operating expenses[1]	A5	(15,771)	(15,958)
Share-based payments	E3	(9,864)	(1,599)
Depreciation and amortisation expense		(24,862)	(33,100)
Disposal related costs		(3,714)	(364)
Finance costs	A6	(5,197)	(3,582)
Impairment expense	D2	(8,766)	(259,632)
Fair value gain on financial assets and liabilities	A7	2,405	23,868
Other non-operating (expenses)/benefits	A5	(2,399)	1,451
Total expenses		**(240,303)**	**(453,243)**
Profit/(loss) before income tax		**2,434**	**(258,960)**
Income tax expense	A8	(12,045)	(1,369)
Net loss for the year from continuing operations		**(9,611)**	**(260,329)**
Discontinued operations			
Loss from discontinued operations, net of tax	D4	(16,874)	(24,495)
Loss for the year		**(26,485)**	**(284,824)**
Other comprehensive income/(loss), net of income tax			
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		(77)	20,922
Items that will not be reclassified subsequently to profit and loss:			
Loss on fair valuation of financial asset held at fair value through other comprehensive income, net of tax		-	(619)
Other comprehensive (loss)/income for the year, net of income tax		**(77)**	**20,303**
Total comprehensive loss for the year		**(26,562)**	**(264,521)**
Total comprehensive loss for the year attributable to:			
Equity holders of the parent		(26,562)	(264,521)
Earnings per share – continuing operations[3]			
Basic (cents per share)	A10	(2.57)	(69.63)
Diluted (cents per share)	A10	(2.57)	(69.63)

1. Refer to note F4(g) for details relating to the reclassification of the prior period balances.
2. The comparative information has been restated on account of a discontinued operation in Note D4.
3. Refer to Note D4 for details relating to earnings per share from discontinued operation.

The accompanying notes form part of these financial statements.

Statement of Financial Position.

For the year ended 30 June 2024.

	Notes	Consolidated 30 June 2024 $'000	30 June 2023 $'000
Current assets			
Cash and cash equivalents	B1	43,060	71,362
Contract assets	B3	19,764	27,482
Trade and other receivables	B4	34,236	38,857
Other assets	B5	9,195	12,318
Current tax receivable		2,182	3,169
Segregated funds and bond investments	C1	1,724,100	2,260,032
Total current assets		**1,832,537**	**2,413,220**
Non-current assets			
Contract assets	B3	31,208	35,706
Trade and other receivables	B4	7,822	7,809
Other assets	B5	41	301
Segregated funds and bond investments	C1	423,832	316,208
Equity investments	C4	3,029	1,613
Plant, equipment and right-of-use assets	D1	8,176	10,570
Intangibles	D2	163,460	192,468
Deferred tax asset	A8	13,784	16,634
Total non-current assets		**651,352**	**581,309**
Total assets		**2,483,889**	**2,994,529**
Current liabilities			
Trade and other payables	B6	57,143	82,284
Current tax payable		266	3,105
Other liabilities	B7	5,641	7,165
Provisions	B8	16,314	18,836
Borrowings	B9	87,613	24,951
Contingent consideration	C5	164	7,016
Liabilities to stored value account holders	C2	2,129,968	2,566,509
Total current liabilities		**2,297,109**	**2,709,866**
Non-current liabilities			
Other liabilities	B7	12,631	11,737
Provisions	B8	1,660	11,888
Borrowings	B9	3,023	73,541
Deferred tax liability	A8	10,444	12,944
Total non-current liabilities		**27,758**	**110,110**
Total liabilities		**2,324,867**	**2,819,976**
Net assets		**159,022**	**174,553**
Equity			
Issued capital	E1	494,208	494,208
Accumulated losses		(366,091)	(339,606)
Foreign currency translation reserve	E2	(22,584)	(22,507)
Share and options reserve	E2	56,871	45,840
Other reserves	E2	(3,382)	(3,382)
Total equity		**159,022**	**174,553**

The accompanying notes form part of these financial statements.

Statement of Cash Flows.

For the year ended 30 June 2024.

	Notes	Consolidated 30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Receipts from customers		205,487	206,495
Payments to suppliers and employees		(228,854)	(232,229)
Payments to segregated funds		(3,842)	-
Net tax paid		(12,021)	(110)
Interest paid		(6,055)	(1,950)
Interest received		59,357	25,515
Net cash generated by/(used in) operating activities	**B2**	**14,072**	**(2,279)**
Cash flows from investing activities			
Payment for plant and equipment		(1,363)	(437)
Payments for intangibles		(7,866)	(11,306)
Receipts from sale of financial assets		-	10,866
Payment for contingent consideration	C5	(5,125)	-
Payments of disposal related expenses		(3,714)	(364)
Cash disposed as part of discontinued operation	D4	(16,114)	-
Net cash used in investing activities		**(34,182)**	**(1,241)**
Cash flows from financing activities			
Payments for principal relating to lease liability		(1,875)	(2,172)
Repayments of interest-bearing borrowings		(16,096)	-
Proceeds from interest-bearing borrowings		10,000	-
Net cash (used in) financing activities		**(7,971)**	**(2,172)**
Net decrease in cash held		**(28,081)**	**(5,692)**
Cash and cash equivalents at 1 July		71,362	73,699
Impacts of foreign exchange		(221)	3,355
Cash at end of the year	**B1**	**43,060**	**71,362**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity.

For the year ended 30 June 2024.

	Notes	Issued capital $'000	Accumulated losses $'000	Foreign currency translation reserve $'000	Share and options reserves $'000	Other reserves $'000	Total $'000
				Consolidated			
Balance at 1 July 2023		**494,208**	**(339,606)**	**(22,507)**	**45,840**	**(3,382)**	**174,553**
Total comprehensive loss							
Loss for the year		-	(26,485)	-	-	-	(26,485)
Other comprehensive loss							
Unrealised foreign currency gain/(loss), net of tax		-	-	(77)	-		(77)
Total comprehensive (loss)/profit for the year		**-**	**(26,485)**	**(77)**	**-**	**-**	**(26,562)**
Transactions recorded directly in equity							
Share-based payments, tax effected		-	-	-	11,031	-	11,031
Balance at 30 June 2024		**494,208**	**(366,091)**	**(22,584)**	**56,871**	**(3,382)**	**159,022**
Balance at 1 July 2022		494,208	(60,562)	(43,429)	43,884	3,016	437,117
Total comprehensive loss							
Loss for the year		-	(284,824)	-	-	-	(284,824)
Other comprehensive income							
Unrealised foreign currency gain, net of tax		-	-	20,922	-	-	20,922
Loss on fair valuation of financial asset held at fair value through other comprehensive income, net of tax		-	-	-	-	(619)	(619)
Total comprehensive (loss)/profit for the year		**-**	**(284,824)**	**20,922**	**-**	**(619)**	**(264,521)**
Transactions recorded directly in equity							
Share-based payments, tax effected		-	-	-	1,956	-	1,956
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to accumulated losses, net of tax		-	5,779	-	-	(5,779)	-
Balance at 30 June 2023		**494,208**	**(339,606)**	**(22,507)**	**45,840**	**(3,382)**	**174,553**

The accompanying notes form part of these financial statements.

Notes to the Financial statements.

For the year ended 30 June 2024.

A1 Segment information

The operating segments have been identified based on internal reports about components of the Group. These are regularly reviewed by the Board of Directors of EML Payments Limited who are the Chief Operating Decision Maker (CODM). The CODM is responsible for resource allocation and performance assessment of the operating segments.

The product segments provide a clear view of the Group's results. The Group has reported its three product segments as follows:

- Gift & Incentive (G&I) products provide single load gift cards for shopping malls and incentive programs across the world.
- General Purpose Reloadable (GPR) products provide reloadable cards to a variety of industries including, but not limited to Government, Salary Packaging, Gaming and Digital Banking. This segment provides a full-service offering including issuance, processing and program management.
- Digital Payments (DP) products provide payment options for consumers. Industries include, but are not limited to Open Banking, Buy-Now Pay-Later providers and Bill payment providers.

Segment financial performance is assessed on gross profit being revenue less directly attributable selling costs.

Information is reported to the Group's CODM for the purposes of resource allocation and assessment of performance of the product segments of the business operations. Information about segment performance is reviewed on a monthly basis.

The accounting policies of the reportable segments are the same as the Group's accounting policies.

The following is an analysis of the Group's revenue and results by reportable operating segment for the years under review:

	Year ended 30 June 2024				Year ended 30 June 2023			
	G&I $'000	GPR[1] $'000	DP $'000	Group $'000	G&I $'000	GPR[1] $'000	DP $'000	Group $'000
Transaction-based revenue	32,203	64,402	22,746	119,351	31,974	61,233	19,831	113,038
Service-based revenue	39,492	7,987	699	48,178	37,834	6,670	1,049	45,553
Total revenue from contracts with customers	**71,695**	**72,389**	**23,445**	**167,529**	**69,808**	**67,903**	**20,880**	**158,591**
Interest income – Stored value	9,842	18,979	762	29,583	4,743	9,596	815	15,153
Interest income – Group funds	-	-	-	124		-	-	117
Interest income – Bond investment	-	20,106	-	20,106	-	10,045	-	10,045
Total interest income	**9,842**	**39,085**	**762**	**49,813**	**4,743**	**19,641**	**815**	**25,315**
Total revenue	**81,537**	**111,474**	**24,207**	**217,342**	**74,551**	**87,544**	**21,695**	**183,906**
Gross profit	**64,248**	**81,160**	**20,377**	**165,909**	**60,451**	**60,504**	**11,863**	**132,935**
Gross profit %	**79%**	**73%**	**84%**	**76%**	**81%**	**69%**	**55%**	**72%**
Other income				25,395				10,377
Total expenses (excluding Selling costs)				(188,870)				(402,272)
Profit/(loss) before tax				**2,434**				**(258,960)**
Income tax expense				(12,045)				(1,369)
Net loss for the year from continuing operations				**(9,611)**				**(260,329)**
Loss from discontinued operations, net of tax				(16,874)				(24,495)
Loss for the year				**(26,485)**				**(284,824)**

1. The comparative information has been restated on account of a discontinued operation in Note D4.

Notes to the Financial statements.

For the year ended 30 June 2024.

A1 Segment information (continued)

(a) Other segment revenue information - geography

The following table disaggregates revenue from contracts with customers by geography:

	Year ended 30 June 2024				Year ended 30 June 2023			
	Australia $'000	Europe[1] $'000	North America $'000	Group $'000	Australia $'000	Europe[1] $'000	North America $'000	Group $'000
Recurring revenue – Transaction-based revenue	36,101	57,229	26,021	119,351	33,214	53,350	26,474	113,038
Recurring revenue - Service-based revenue	5,272	30,358	12,548	48,178	4,653	28,131	12,769	45,553
Revenue from contracts with customers	**41,373**	**87,587**	**38,569**	**167,529**	**37,867**	**81,481**	**39,243**	**158,591**

(b) Segment assets/(liabilities)

Assets and liabilities are not monitored at the product segment view, the following is an analysis of the consolidated entity's net assets/(liabilities) by geography:

	Year ended 30 June 2024				Year ended 30 June 2023			
	Australia $'000	Europe[2] $'000	North America $'000	Group[2] $'000	Australia $'000	Europe[3] $'000	North America $'000	Group[2] $'000
Current assets	821,918	988,249	22,370	1,832,537	320,474	2,074,172	18,574	2,413,220
Non-current assets	191,337	423,854	36,162	651,352	235,711	303,788	41,810	581,309
Total liabilities	(868,005)	(1,427,290)	(29,573)	(2,324,867)	(329,212)	(2,454,982)	(35,782)	(2,819,976)
Net assets/(liabilities)	**145,250**	**(15,187)**	**28,959**	**159,022**	**226,973**	**(77,022)**	**24,602**	**174,553**

1. The comparative information has been restated on account of a discontinued operation in Note D4.
2. Group totals include the effects of intercompany eliminations. Net assets include the intercompany balances.
3. Europe region includes assets and liabilities from discontinued operations for the year ended 30 June 2023.

Notes to the Financial statements.

For the year ended 30 June 2024.

A2 Revenue and interest income

The following revenue and interest income items are relevant in explaining the financial performance for the year:

	Consolidated 30 June 2024 $'000	Restated[1] 30 June 2023 $'000
(a) Revenue from contracts with customers		
Transaction-based revenue	**119,351**	**113,038**
Service-based revenue		
— Account management fees	13,614	20,047
— Breakage revenue	16,911	8,436
— Dormant state accounts revenue	4,208	4,478
— Other service-based revenue	2,100	2,939
— Establishment revenue	11,346	9,653
	48,178	**45,553**
	167,529	**158,591**
(b) Interest income		
Interest income – Stored value	29,583	15,153
Interest income – Group funds	124	117
Interest income – Bond investments	20,106	10,045
	49,813	**25,315**
(c) Other income		
Management fee charges - PFS Card Services Ireland Limited	2,723	4,891
Intellectual property charges - PFS Card Services Ireland Limited	2,768	5,250
Licence and ancillary charges - PFS Card Services Ireland Limited (in liquidation)	5,707	-
Legal claims income from PFS Group vendors	13,953	-
Other	244	236
	25,395	**10,377**

1. The comparative information has been restated on account of a discontinued operation in Note D4.

Revenue is recognised when performance obligations are satisfied with an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

A2 Revenue and interest income (continued)

(a) Revenue from contracts with customers

The Group provides card management services to its customers and has varying fees to its customers as well as other income sources relating to these activities. The revenue generated from customer contracts is classified into transaction and service based revenue.

(i) Transaction-based revenue

The Group generates variable consideration from transactions. This revenue includes transaction fees on load, spend, monthly card and other card activities as well as fees generated from interchange. Consideration for transaction-based revenue is drawn from customer and cardholder prepaid balances or invoiced to customers and recognised at the time of the transaction.

(ii) Service-based revenue

The Group generates variable consideration from providing services to its customers.

Account Management Fees (AMF)

AMF is an amount which is generated from monthly charges on cardholder accounts. The Group recognises the revenue over the delivery of the services to its customer and reflects the redemption of value through goods and services, up to the card balance.

AMF is variable consideration, dependant on future cardholder behaviour. The Group estimates future cardholder behaviour to determine expected AMF. Where the Group expects to be entitled to an AMF amount and can demonstrate the ability to reliably measure the value, revenue is recognised when the settlement services are provided. EML utilises cardholder behaviour to estimate performance obligation completion.

Variable consideration can only be recognised where it is highly probable that a significant reversal will not occur.

Key judgements and estimations - Account Management Fee (AMF) revenue

Estimating variable consideration

The Group estimates future cardholder behaviour to determine expected AMF revenue. These estimations utilise and analyse historical data, market-specific trends, and existing economic conditions for each program. The calculated AMF revenue rates are reviewed regularly in line with new commercial agreements and changes in cardholder behaviour.

Estimating when a highly probable reversal will not occur

The timing of the Group estimating when a highly probable reversal will not occur is at different stages for G&I and GPR. This is due to the nature of the products.

G&I products

AMF revenue is estimated and recognition commences from the month when funds are loaded onto the card on G&I products. It is at this point the Group has estimated that it is highly probable that a significant reversal will not occur as there is more certainty in the spend profile on a single load product. The estimated AMF revenue is then recognised over time as transactions are settled in proportion to the pattern of rights exercised by the cardholder.

GPR products

AMF revenue is estimated and recognition commences from account inactivity (being 12 months from the date of last transaction) for GPR products. It is at this point the Group has estimated that it is highly probable that a significant reversal will not occur. This point has been identified as a GPR product may have multiple load and spend events. The estimated AMF revenue relating to past services is then recognised at this time.

A2 Revenue and interest income (continued)

Breakage revenue

The Group generates revenue from gifting products on unused amounts (i.e. the residual non-refundable, unredeemed or unspent funds). This is primarily generated through:

- Expiry - Revenue recognised according to the expected residual balance at expiry; and
- Derecognition - Revenue recognised based on expert advisors that are used to estimate residual value due to there being no expiry date on the cards. This arises only in certain jurisdictions and is driven by legislation requirements within those regions.

The Group recognises the revenue over the delivery of the services to its customer and reflects the redemption of value through goods and services, up to the card balance. Where the Group expects to be entitled to a breakage amount and can demonstrate the ability to reliably measure the value, revenue is recognised over time in proportion to the pattern of rights exercised by the customer.

Variable consideration can only be recognised where it is highly probable that a significant reversal will not occur.

Key judgements and estimations - Breakage revenue

The Group refers to the portion of the dollar value of unused, prepaid stored value accounts that cardholders do not redeem as breakage. The Group includes in breakage revenue all revenue generated from expected residual value. Management have exercised judgement in assessing the features of the Group’s breakage products and have concluded that the residual non-refundable, unredeemed, or unspent funds on gift cards fall within the scope of AASB 15. This is because the Group’s performance obligation is with the customer and either relates to redemption of value through goods and services, not cash, or providing the infrastructure to settle in goods and services, up to the card balance.

Where the Group expects to be entitled to a breakage amount and, to the extent that it is highly probable that a significant reversal will not occur, the Group uses historical data, market-specific trends, existing economic conditions for each program to measure the residual percentage. The Group will then recognise breakage revenue as variable consideration in proportion to the pattern of rights exercised by the cardholder.

The calculated residual percentage and pattern of rights of exercise are reviewed regularly in line with new commercial agreements and changes in cardholder behaviour.

Dormant state accounts revenue

The Group expects to generate revenue from GPR products where a balance expires unused. In accordance with the relevant Electronic Money Regulations (EMRs), accounts become dormant following expiry of the product and termination of the agreement with the end user.

Subject to redemption fees or dormancy fees as outlined in the applicable terms and conditions, balances may convert to revenue at the point the liability to the customer is no longer required to be retained by the Group under relevant EMRs. This time period varies depending on the jurisdiction under which the product was issued. This revenue will only be recognised once the liability is extinguished and revenue will be recognised net of commission to our customers.

Establishment revenue

The Group’s establishment revenue, set up and card sales, is recognised at the time the service has been provided. Where the Group has not yet satisfied performance obligations, any consideration received has been recognised as deferred income in Other liabilities, refer to Note B7.

(b) Interest income

Interest income is recognised using the effective interest method in accordance with AASB 9 Financial Instruments. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets’ net carrying amount on initial recognition.

Notes to the Financial statements.

For the year ended 30 June 2024.

A3 Selling costs

	Consolidated	
	30 June 2024 $'000	Restated[1] 30 June 2023 $'000
Transaction costs	35,056	33,272
Fraud losses	2,756	7,591
Establishment costs	8,018	4,941
Interest expense stored value	-	81
Other costs	5,603	5,086
	51,433	**50,971**

A4 Professional fees

	Consolidated	
	30 June 2024 $'000	Restated[1] 30 June 2023 $'000
Professional fees incurred and provided for in relation to the regulatory remediation and litigation[2]	558	12,079
Other professional fees[3]	17,771	13,284
	18,329	**25,363**

1. The comparative information has been restated on account of a discontinued operation in Note D4.
2. Refer to Note B8 for details regarding the regulatory remediation and litigation on shareholder class action.
3. Includes auditor's remuneration. Refer to Note A9 for details regarding remuneration of audit and non-audit services.

Notes to the Financial statements.

For the year ended 30 June 2024.

A5 Other expenses

	Consolidated	
	30 June 2024 $'000	Restated[1] 30 June 2023 $'000
(a) Other operating expenses		
Bank fees and other tax costs	2,200	1,415
Risk and compliance spend	8,165	7,160
Travel related expenses	2,650	3,582
Other[2]	2,756	3,801
	15,771	**15,958**
(b) Other non-operating benefits		
Foreign exchange net loss/(gain)	**2,399**	**(1,451)**

A6 Finance costs

	Consolidated	
	30 June 2024 $'000	Restated[1] 30 June 2023 $'000
Commitment fees on borrowings	601	454
Interest expense – Interest-bearing borrowings	4,229	3,043
Interest expense – Other	367	85
	5,197	**3,582**

A7 Fair value (gain)/loss on financial assets and liabilities

	Consolidated	
	30 June 2024 $'000	Restated[1] 30 June 2023 $'000
Fair value (gain)/loss on financial assets held at FVTPL		
Fair value (gain)/loss on equity investment	(1,426)	(905)
Fair value (gain)/loss on financial liabilities held at FVTPL		
— Fair value gain on contingent consideration (Note C5(c))	(1,691)	(23,414)
— Fair value loss on other financial liabilities	712	451
	(2,405)	**(23,868)**

1. The comparative information has been restated on account of a discontinued operation in Note D4.
2. Refer to note F4(g) for details relating to the reclassification of the prior period balances.

A8 Taxation

	Consolidated 30 June 2024 $'000	Restated[1] 30 June 2023 $'000
(a) Recognised in the Statement of Profit or Loss and Other Comprehensive income		
Current income tax expense	(8,766)	(3,399)
Deferred tax benefit relating to the origination and reversal of temporary differences	(938)	(173)
Refundable R&D tax offset	-	(284)
Current income tax from prior years	(2,341)	2,487
Income tax expense	**(12,045)**	**(1,369)**
(b) Reconciliation between income tax expense and loss before income tax		
Profit/(loss) before income tax from continuing operations	2,434	(258,960)
Loss before tax from discontinued operations	(16,693)	(22,798)
	(14,259)	**(281,758)**
Income tax benefit using the domestic corporation tax rate of 30% (2023: 30%)	4,278	84,527
Tax effect of:		
Non-deductible expenses	(4,033)	(3,018)
Non-assessable other income	1,742	-
Impairment of goodwill	14	(29,010)
Tax deduction in respect of contributions to employee share trust	2,168	281
Effect of differences in tax rates[2]	(5700)	(48,218)
Refundable R&D tax offset	-	(284)
Impact of changes in tax rates[2]	-	(247)
Tax losses not recognised/(previously not recognised utilised)	(6,320)	(10,550)
Over/(under) provision of income tax in prior year	(4,076)	1,082
Fair value gain on financial assets/liabilities	-	2,928
Tax from discontinued operations	181	1,697
Other	(299)	(557)
Income tax expense	**(12,045)**	**(1,369)**

1. The comparative information has been restated on account of a discontinued operation in Note D4.
2. United Kingdom corporate tax rate is 25%, Irish corporate tax rate is 12.5%, Australian corporate tax rate is 30%, United States federal corporate tax rate is 21% and Canadian federal corporate tax rate is 28%.

	Consolidated 30 June 2024 $'000	30 June 2023 $'000
(c) Deferred tax asset		
Provisions	4,199	5,698
Intangible assets	824	3,110
Recognition of tax losses and credits	1,489	4,978
Share capital costs	117	343
Other	7,155	2,505
	13,784	**16,634**
(d) Deferred tax liability		
Contract assets	(1,781)	(1,548)
Intangible assets	(6,349)	(8,004)
Plant, equipment and right-of-use assets	(631)	(1,258)
Financial assets	(737)	(383)
Other	(946)	(1,751)
	(10,444)	**(12,944)**

Notes to the Financial statements.

For the year ended 30 June 2024.

A8 Taxation (continued)

Movement in deferred tax balances

Movement in deferred tax balances during the financial year:

	Consolidated			
	Deferred tax asset		Deferred tax liability	
	30 June 2024 $'000	30 June 2023 $'000	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the financial year	16,634	22,904	(12,944)	(18,189)
Movement recognised in profit or loss	(3,214)	(5,042)	2,276	4,869
Movement recognised in equity	486	231	-	1,464
Loss on discontinued operation[1]	4	(1,850)	-	-
Foreign currency exchange movement and other	(126)	391	224	(1,088)
Balance at the end of the financial year	**13,784**	**16,634**	**(10,444)**	**(12,944)**

1. The comparative information has been restated on account of a discontinued operation in Note D4.

Key judgements and estimations - recovery of Deferred tax assets (DTA)

The Group recognises DTAs arising from unused carried forward losses and credits in the North America and Australia. DTAs are recognised for unused tax losses to the extent that probable future taxable profits will be available against which the losses can be utilised. Significant judgement on future profitability is required to determine the amount of DTAs that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. In addition to assessing future taxable profits in determining the DTA to be recognised on carried forward losses and credits the Group has also given consideration to the level of taxable temporary differences arising in the relevant tax jurisdiction, the drivers for the incurrence of the tax losses and expectation of these continuing, consecutive years of losses and any tax planning opportunities available.

The Group has prepared forecasts of taxable profits based on approved forecasts of financial performance adjusted for taxable profits that supports the recoverability of the DTAs recognised in respect of unused tax losses. These have been recognised on the basis that the Group expects that there will be sufficient future taxable profits available against which the tax losses can be realised within a reasonable time frame. The recoverability of the DTAs is supported in both tax jurisdictions reporting a taxable income and utilising carried forward tax losses during the year. The Group has a further $18,833,000 (30 June 2023: $19,643,000) of DTA's arising from tax losses which have not been recognised however remain available to the Group.

Notes to the Financial statements.

For the year ended 30 June 2024.

A8 Taxation (continued)

Deferred income tax

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilised.

Tax consolidation legislation

The Company and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual company as if each company continued to act as a taxpayer on its own.

The Company recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group.

Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

A9 Auditor's remuneration

	Consolidated	
	30 June 2024 $	**30 June 2023[1] $**
(a) Statutory audit and review of financial statements		
Group	507,000	950,000
Controlled entities	2,008,228	1,658,324
Controlled entities – non-recurring fees	357,574	476,105
Controlled entities – non-recurring fees relating to prior year	-	433,718
Statutory audit and review of financial statements	**2,872,802**	**3,518,147**
(b) Other non-audit services in relation to the entity and any other entity in the consolidated group		
Other assurance services relating to FY23	-	63,207
Other assurance services relating to FY24	37,832	-
Other consulting services	-	-
Non-audit services fees	17,000	-
Total remuneration for non-audit services	**54,832**	**63,207**
	2,927,634	**3,581,354**

The current year auditor of EML Payments Limited is KPMG.

1. Fees for the prior financial year audit were paid to Deloitte Touche Tohmatsu.

Notes to the Financial statements.

For the year ended 30 June 2024.

A10 Earnings/(loss) per share (EPS)

	Consolidated 30 June 2024 Cents per share	Consolidated 30 June 2023 Cents per share
(a) From continuing operations attributable to shareholders		
Basic loss per share	(2.57)	(69.63)
Diluted loss per share[1]	(2.57)	(69.63)
(b) From discontinued operations attributable to shareholders		
Basic loss per share	(4.50)	(6.55)
Diluted loss per share[1]	(4.50)	(6.55)
(c) Loss used in calculating basic and diluted loss per share from -		
Continuing operations	(9,611,000)	(260,329,000)
Discontinued operations	(16,874,000)	(24,495,000)
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share[1]	374,635,109	373,885,828
Adjustment for shares deemed to be issued at nil consideration in respect of option rights entitlements[2]	12,440,351	8,796,327
Adjustment for shares deemed to be issued in respect of contingent consideration	745,397	745,397
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	387,820,857	383,427,553

1. Diluted EPS is the same as Basic EPS for both continuing and discontinuing operations as both operations were loss making for the financial years.
2. The rights/options included in the above calculation are rights/options for all series on offer at 30 June 2024.

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for the costs of servicing equity (other than dividends).

B1 Cash and cash equivalents

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Cash on hand and at bank	**43,060**	**71,362**

Notes to the Financial statements.

For the year ended 30 June 2024.

B2 Reconciliation of operating cashflows

Reconciliation of operating loss after income tax to net cash used in operating activities:

		Consolidated	
	Notes	30 June 2024 $'000	30 June 2023 $'000
Net loss after income tax		(26,485)	(284,824)
Add: non-cash items			
Depreciation and amortisation		24,862	33,100
Share-based payments	E3	9,864	1,599
Net foreign exchange differences		2,348	(1,384)
Impairment expense	D2	8,766	259,362
Impairment loss on trade receivables		(576)	2,999
Fair value gain on financial assets and liabilities	A7	(2,405)	(23,868)
Amortisation of the bond portfolio		(387)	(2,009)
Disposal related costs[1]		3,714	364
Loss on deconsolidation of discontinued operation, net of tax		4,258	9,159
Other		581	708
Non-cash items		**51,025**	**280,030**
Change in operating assets and liabilities			
Decrease/(increase) in contract assets		2,453	(9,331)
(Increase) in trade and other receivables		(7,537)	(7,062)
Decrease in other assets		(404)	(3,109)
(Increase)/decrease in current tax		(1,291)	3,037
(Increase) in segregated funds and bond investments		(403,323)	(394,421)
Increase in liabilities to stored value account holders		394,891	392,652
(Decrease)/increase in borrowings		(1,722)	-
Decrease in deferred tax asset		3,902	6,871
Increase in trade and other payables		7,429	12,460
Increase/(decrease) in other liabilities		(433)	(373)
(Decrease)/increase in provisions		(1,964)	8,173
(Decrease) in deferred tax liability		(2,469)	(6,382)
Net change in operating assets and liabilities		**(10,467)**	**2,515**
Net cash used in operating activities[1]		**14,072**	**(2,279)**

1. Payments of disposal related expenses have been reclassified as investing activities from operating activities in the current year.

Notes to the Financial statements.

For the year ended 30 June 2024.

B3 Contract assets

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current		
Contract assets	19,764	27,482
Non-current		
Contract assets	31,208	35,706

Contract assets are rights to consideration in exchange for services provided to the cardholder. Where the Group performs services before the cardholder pays consideration, a contract asset is recognised for the earned consideration that is conditional until payment is received.

Contract assets are generated from the revenue categories of Account management fees and Breakage revenue.

Contract assets are subject to the expected credit loss assessment under AASB 9. The Group directly holds the cardholder assets and can directly withdraw the consideration when eligible. The credit risk associated with these balances is contained to the associated financial institution which holds the funds on deposit. Therefore, due to the nature of this balance no expected credit loss has been recognised.

The Group has considered whether our non-current contract assets includes a significant financing component. When applying the financing component, consideration has been given to the effects of the following key factors:

- Stored value is pre-paid by the customer on their desired timing of receiving the services and held within segregated bank accounts which are not used for funding the trading operations of the Group; and
- There is an immaterial difference between the estimated amount of promised consideration and the cash consideration received.

For certain contract assets that have a multi-year cash conversion period, revenue consideration and the associated contract assets have been reduced by an implied financing component.

The below table reconciles movements in Contract assets during the financial year:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the year	63,188	50,096
Revenue recognised[1]	34,733	32,961
Contract assets disposed as part of discontinued operations	(8,829)	-
Cash receipts	(37,310)	(23,580)
Effect of unrealised foreign exchange	(810)	3,711
Balance at the end of the year	**50,972**	**63,188**

1. The comparative information has been restated on account of a discontinued operation in Note D4.

Notes to the Financial statements.

For the year ended 30 June 2024.

B4 Trade and other receivables

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current		
Trade receivables	33,956	42,453
Provision for expected credit loss	(2,377)	(7,005)
Interest receivable	2,657	3,409
	34,236	**38,857**
Non-current		
Customer deposits[1]	7,497	7,554
Other	325	255
	7,822	**7,809**

1. Customer deposits represent long-term cash guarantees on deposit with a financial institution. The liability for Customer deposits is disclosed in Note B7.

The Group has $4,684,000 (2023: $6,029,000) of trade receivables that are overdue and not impaired. For self-issued products, the Group controls cash stored value and have the right to offset client share of payables after providing sufficient notice. The Group continually reviews and considers forward-looking information where available, and current customer correspondence. Refer to Note C3 for further details on the Group's credit risks.

Expected credit losses

The Group applies the simplified approach to measuring expected credit losses (ECLs) for all trade receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group considers historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment when applying the ECL criteria.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group may consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. These will not be considered an expected credit loss if the Group controls an offsetable client share of breakage or other amounts payable covering the outstanding amount. A trade receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

B5 Other assets

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current		
Prepayments	4,769	8,648
Other	4,426	3,670
	9,195	**12,318**
Non-current		
Prepayments	**41**	**301**

Notes to the Financial statements.

For the year ended 30 June 2024.

B6 Trade and other payables

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Trade creditors	31,261	55,623
Accrued expenses	21,113	21,468
Sales tax payable, net	2,928	1,979
Other payables	1,841	3,214
	57,143	**82,284**

Payables are non-interest bearing and are normally settled on 30-day terms.

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

B7 Other liabilities

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current		
Deferred income	4,422	5,430
Other	1,219	1,735
	5,641	**7,165**
Non-current		
Customer deposits[1]	7,497	7,554
Other	5,134	4,183
	12,631	**11,737**

1. Customer deposits represent long-term cash guarantees on deposit with a financial institution. The receivable for Customer deposits is disclosed in Note B4.

The following table reconciles movements in deferred income (current):

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the year	5,430	6,186
Consideration received from customers in the previous reporting period, recognised as revenue in the current period where the performance obligation has been completed	(5,430)	(6,186)
Consideration received from customer in the current reporting period for future performance obligations[2]	5,147	5,430
Consideration received from customer in the current reporting period for future performance obligations for PCSIL business[2]	(725)	-
Balance at the end of the year	**4,422**	**5,430**

2. The information has been restated on account of a discontinued operation in Note D4.

B8 Provisions

	Consolidated 30 June 2024 $'000	30 June 2023 $'000
Current		
Employee benefits	1,671	1,047
Regulatory matters	-	12,892
Litigation	7,961	4,897
Separation provision	6,682	-
	16,314	**18,836**
Non-current		
Employee benefits	88	54
Regulatory matters	-	1,585
Litigation	1,572	10,249
	1,660	**11,888**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

The below table reconciles movements in provisions during the financial year:

	Employee benefits $'000	Regulatory matters $'000	Litigation $'000	Separation $'000	Total $'000
Balance at the 1 July 2023	1,101	14,477	15,146	-	**30,724**
(Credited)/charged to profit or loss					
— Additional provisions recognised	1,750	-	-	6,682	**8,432**
— Provision disposed as part of discontinued operations	-	(11,127)	-	-	**(11,127)**
— Amounts used during the period	(1,092)	(2,984)	(5,613)	-	**(9,689)**
— Effect of unrealised foreign exchange	-	(366)	-	-	**(366)**
Balance at 30 June 2024	**1,759**	**-**	**9,533**	**6,682**	**17,974**

(a) Employee benefits

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date.

Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

B8 Provisions (continued)

(b) Litigation

Shareholder class action

On 16 December 2021, Shine Lawyers filed class action proceedings in the Supreme Court of Victoria. The proceedings allege that the Company did not comply with its disclosure obligations and engaged in misleading and deceptive conduct regarding disclosure. As announced on 16 December 2022, EML consented to the filing of an Amended Statement of Claim in the class action. The Amended Statement of Claim, among other things, increases the total number of allegations from 4 to 20 and expands the previous claim period from 19 December 2020 – 18 May 2021, to the period 19 December 2020 – 25 July 2022. The Company strongly denies the allegations and does not have a present obligation for any liability. EML has engaged highly experienced and leading class action defence lawyers and will continue to vigorously defend the proceedings.

A provision has been recognised for the legal costs which are to be incurred in defence of the class action. As at 30 June 2024, EML has a provision of $9,533,000 (2023: $15,146,000) with movements reflecting the expenditure incurred during the financial year.

Beyond this, additional legal costs or damages, if any, may be incurred, which are unknown or do not meet the criteria to be provided at 30 June 2024. The Group expects to recover a portion of the costs associated with the class action through its insurance policy, however this insurance recovery does not yet meet the criteria for recognition. Further, the Group has the benefit of deed poll from the lawyers representing the plaintiffs in the class action, such that in the event that the Group is successful in its defence of the class action, the Group also expects to recover a portion of its legal costs from the plaintiffs' lawyers.

Key estimation – Litigation

The provision for litigation represents management's best estimate of the Group's liability for legal costs that meet the criteria for recognition. The Company has engaged expert legal advisors to assist with the defence. Provisions for the cost of external advisors have been determined considering the scope of work which is considered likely to be undertaken. Any future changes in the provision amount will be recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(c) Separation provision

After close of trading on 17 January 2024, the reconstituted Board of PFS Card Services Ireland Limited (PCSIL) with the approval of the Board of EML Payments Limited applied to the High Court of Ireland (the Court) for the appointment of a provisional liquidator. As at 3.35pm (GMT) on 17 January 2024, the Court appointed Interpath Advisory as the provisional liquidator with immediate effect. After close of business on 13 February 2024, the Court made an order to appoint Interpath Advisory as official liquidators.

As a result of the liquidation, the Group lost control of PCSIL and the entity is removed for the consolidated group (refer Note D4 for a summary of the discontinued operation). As PCSIL was part of the PFS Group acquisition and had continued to operate as a member of a group, particularly with respect to the sharing of technology and other services with Prepaid Financial Services Limited, the liquidation and loss of control of that entity has resulted in a number of committed costs being triggered for the Group. The nature of these costs include technological, operational and other separation costs that the Group has a present obligation to meet at the time of the liquidation.

A separation provision of $6,682,000 (2023: nil) is recognised in relation to the costs associated with the exiting of the PCSIL business from the Group.

B9 Borrowings

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Current		
Interest-bearing		
Loan notes	-	22,296
Financial institution loan	58,933	677
Lease liabilities	1,795	1,978
	60,728	**24,951**
Non-interest-bearing		
Loan – PFS Card Services Ireland Limited[1]	17,158	-
Loan notes	9,457	-
Other	270	-
	26,885	**-**
	87,613	**24,951**
Non-current		
Interest-bearing		
Loan notes	-	19,540
Financial institution loan	-	49,252
Lease liabilities	3,023	4,749
	3,023	**73,541**

1. Loan – PFS Card Services Ireland Limited relates to the intercompany loan payable to the liquidator on account of discontinued operations.

The interest-bearing borrowings are held at amortised cost.

(a) Loan notes

The loan notes relate to the unlisted, unsecured loan notes issued by the Group to the PFS Group vendors. The loan notes were interest bearing and repayable in two tranches on 28 June 2024 and 30 June 2025.

On 11 April 2024, the Group agreed to settle the entire loan note liability net of all EML claims with the PFS vendors for $28,800,000 (£15,000,000) representing a discount of $15,200,000 (£7,900,000). Settlement of the loan notes concludes all outstanding matters between EML and the PFS vendors. In May 2024, $19,050,000 (£10,000,000) has been repaid to the PFS vendors with the remaining $9,457,000 (£5,000,000) reclassified to non-interest bearing as no interest is to be accrued between the date of the settlement agreement and final settlement was paid on 31 July 2024.

(b) Financial institution loan

The Group has access to a multi-currency debt facility under a Syndicated Facilities Agreement. The currencies available for draw down include AUD, USD, CAD, GBP and current borrowings are in EUR and AUD.

In January 2024, the Group extended the existing loan facility which included the deferral of the maturity date of the drawn facility and reduced the undrawn working capital facility from $50,000,000 to $20,000,000 to have a maturity date of 31 March 2025. To align with the current Group strategy, the remaining unused undrawn acquisition facilities totalling $145,000,000 (30 June 2023: $145,000,000) were cancelled as they were no longer deemed required for the Group to utilise.

The amount drawn from the working capital facility during the year is $10,000,000 (2023: nil) and has not been repaid. As at 30 June 2024, the total undrawn amount is $10,000,000 (2023: $195,000,000) and this undrawn facility expires on 31 March 2025. A repayment of $2,500,000 was due on 30 June 2024. Due to the ongoing refinancing negotiations a waiver was received in relation to this repayment post 30 June 2024. Under the facility agreement the Group is required to provide collateral in the form of security over specific subsidiary's assets and shares[2], such that at all times:

— The aggregate EBITDA of those subsidiaries providing security over their assets and shares represents at least 85% of the annual EBITDA of the Group; and

— The net assets of those subsidiaries providing security over their assets and shares represents at least 85% of the net assets of the Group.

2. Funds received from customers or held on behalf of cardholders relating to stored value is specifically excluded as collateral.

B9 Borrowings (continued)

(b) Financial institution loan (continued)

The Group has on 27 August 2024, executed new committed debt facilities totalling $100,000,000 including a new $70,000,00 two-year syndicated facility and $30,000,000 five-year term bilateral facility. These facilities replace the $80,000,000 committed syndicated facilities currently maturing in March 2025. This facility provides the Group access to $90,000,000 of working capital facilities as well as a $10,000,000 bank guarantee facility. The borrowing costs associated with the facility are approximately $700,000 and will be capitalised to the loan proportionate to its initial draw down.

Loan covenants

Under the terms of the interest-bearing borrowing facility, the Group is required to comply with the following financial covenants:

- Gearing ratio, calculated as financial indebtedness including any borrowings and lease arrangements as a ratio to financial indebtedness plus equity of the Group, must not exceed 0.45:1 and not to be less than zero as at the compliance date (i.e., 31 December and 30 June annually);
- Senior debt ratio, calculated as the drawn amount under the facilities as a ratio to the Group's EBITDA as adjusted for specific items per the Syndicated Facilities Agreement including extraordinary non-recurring gains and losses, must not exceed 2.50:1 for any 12-month period ending on a compliance date and not to be less than zero; and
- Interest cover ratio, calculated as EBITDA as a ratio to interest expense including all interest, fees, discounts, premiums or other finance costs of a regular and recurring nature, must not be less than 5.00:1 for any 12-month period ending on a compliance date.

The Group has complied with these covenants as at 30 June 2024. These covenants continue to apply under the new Syndicated Facilities Agreement.

(c) Lease liabilities

The Group is a lessee, and all leases are primarily for office properties. The remaining lease terms range between one and seven years.

In calculating the present value of lease payments, the Group has opted to use the method of the incremental borrowing rate at the lease commencement date when the interest rate implicit in the lease is not readily determinable. In the case of leases acquired in a business combination, the incremental borrowing rate at the date of acquisition is used.

The corresponding right-of-use assets and accumulated depreciation are included in Note D1.

The Group has $5,102,000 of contractual cash obligations (2023: $7,031,000), which is reduced by amounts representing finance charges of $241,000 (2023: $369,000). The maturity analysis of lease liabilities is presented in Note C3.

Notes to the Financial statements.

For the year ended 30 June 2024.

C1 Segregated funds and bond investments

Segregated funds and bond investments are amounts held in respect of stored value issued by the Group, funded by external account holders. The liability to the external account holders is disclosed in Note C2.

Cash received from stored value account holders is placed in facilities according to assessed short-term treasury and liquidity needs. The financial risk and return of the Segregated funds and bond investments is attributable to the Group. Refer to Note C3 for information regarding credit risk.

The Group generates interest income on Segregated funds and bond investments. Income generated from Segregated funds held with financial institutions is impacted by movements in central bank cash rates. Income generated from Bond investments is determined based on the effective interest rate at purchase date.

The net income generated in the financial year ended 30 June 2024 was $49,859,000 (2023: $26,244,000[1]), being $29,583,000 Interest income - Stored value (2023: $15,152,000[1], Note A2(b)), $20,106,000 Interest income - Bond investments (2023: $10,045,000[1], Note A2(b)), $170,000 add back for the non-cash amortisation of the AASB 3 fair value uplift of the PFS bond portfolio at acquisition date (2023: $676,000), less the impact of $nil of interest expense from a negative cash rate on the European stored value assets (2023: $371,000, Note A3).

1. The comparative information has been restated on account of a discontinued operation in Note D4.

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Current		
Cash held with financial institutions	1,523,552	1,951,709
Bond investments	200,548	308,323
	1,724,100	**2,260,032**
Non-current		
Bond investments	**423,832**	**316,208**
Total Bond investments	**624,380**	**624,531**
Total Segregated funds and bond investments	**2,147,932**	**2,576,240**

Bond investments

The Group assess the liquidity needs of Stored value from account holders, and where not required to meet short term account holder cash needs, excess funds may be invested in high-quality bonds. Certain regulators require the Group to submit the Treasury Investment Policy for approval to ensure safeguarding requirements will be met.

The bonds are held to maturity and measured at amortised cost. The portion of this asset funded by Stored value represents the par value of the bond. The portion relating to assets of EML refers to the difference between par value and the amortised cost portion. The amortised cost portion will be unwound over the life of the bond portfolio comprising cash interest income and non-cash interest charge.

The fair value of the portfolio at 30 June 2024 was $620,830,000 (2023: $608,775,000). Refer to Note C5.

The below table indicates the balance ownership:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Assets of stored value from account holders	606,416	614,800
Assets of EML	17,964	9,731
	624,380	**624,531**

C1 Segregated funds and bond investments (continued)

Bond investments (continued)

Bond investments will generate $16,743,000 (2023: $8,707,000) of interest over the remaining life of the bonds which will mature over the period to September 2025. Interest income in the Statement of Profit or Loss and Other Comprehensive Income will be offset by the remaining non-cash amortisation, which is inclusive of the nil AASB 3 fair value uplift on the PFS acquisition (2023: $162,000).

C2 Liabilities to stored value account holders

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Liabilities to stored value account holders	**2,129,968**	**2,566,509**

Liabilities to stored value account holders are held at demand value and represent funds received for stored value accounts issued by the Company that have in turn been deposited by the Group with a financial institution. As Liabilities to stored value account holders are on-demand liabilities they are classified as current liabilities. The Liabilities to stored value account holders are utilised in the same proportion as the Segregated funds and bond investments. However, a portion of the surplus segregated funds are invested into bonds and result in a portion classified as non-current. This results in the presentation of a net current liability position. The Segregated funds and bond investments are disclosed in Note C1.

Notes to the Financial statements.

For the year ended 30 June 2024.

C3 Financial instruments

Overview

This note presents information about the Group's financial instruments including:

- An overview of all financial instruments held by the Group;
- Exposure to risks and the Group's objectives and processes for managing the risk;
- Accounting policies; and
- Capital management.

The Group's basis for determining the fair value of financial instruments is included in Note C5.

The financial assets and financial liabilities of the Group are detailed below:

	Notes	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	B1	43,060	71,362
Trade and other receivables	B4	42,058	46,666
Segregated funds and bond investments	C1	2,147,932	2,576,240
		2,233,050	**2,694,268**
Financial assets at fair value through profit or loss (FVTPL)			
Equity investments – at FVTPL	C4	2,947	1,531
Financial assets at fair value through other comprehensive income (FVOCI)			
Equity investments – at FVOCI	**C4**	**82**	**82**

	Notes	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables[1]	B6	54,215	80,306
Interest-bearing borrowings	B9	90,636	98,492
Liabilities to stored value account holders	C2	2,129,968	2,566,509
Customer deposits liability – non-current	B7	7,497	7,554
		2,282,316	**2,752,861**
Financial liabilities at fair value through profit or loss (FVTPL)			
Contingent consideration[2]	**C5**	**164**	**7,016**

1. Sales tax payable of $2,928,000 (2023: $1,979,000) under Trade and other payable is not considered a financial liability and has been excluded.
2. The contingent consideration relates to the Sentenial Group acquisition. Payment was made of $4,959,000 for the vendor portion of the liability in March 2024 with the remaining liability representing the key employee portion due for payment in August 2024.

C3 Financial instruments (continued)

Financial risk management

This section explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. The below table details the risks arising from financial instruments that the Group is exposed to.

Risk	Exposure arising from	Measurement	Management of risk
Credit risk	Cash and cash equivalents; Trade and other receivables; Customer deposits; and Segregated funds and bond investments.	Credit ratings Aging analysis Credit spreads	Investment guidelines for bank deposits, diversification of bank deposits. Credit limits
Liquidity risk	Trade and other payables; Interest-bearing borrowings; Contingent consideration – cash settled portion; and Segregated funds and bond investments.	Maturity analysis Cash flow forecasts	Maintaining adequate cash reserves and continuously monitoring forecast and actual cash flows.
Market risk – Currency risk	The Group's operating activities (when revenue or expense is denominated in foreign currency); and Equity investments The Group's net investments in foreign subsidiaries.	Sensitivity analysis	Forward exchange contracts to cover specific material foreign currency exposures.
Market risk – Interest rate risk	Cash and cash equivalents; Segregated funds and bond investments; and Interest-bearing borrowings.	Sensitivity analysis	Invest excess cash or funds in term deposits at required maturities. Interest rate derivative contracts to cover specific interest rate risk exposure.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risk and adherence to limits. The policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's activities.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investment securities. At the balance date there were no significant concentrations of credit risk.

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved Authorised Deposit Institutions (ADI) with an acceptable credit rating up to a 12 month term. Expected credit losses on cash and cash equivalents has been measured on a 12-month expected loss basis which has been adjusted for liquidity. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings.

C3 Financial instruments (continued)

Trade and other receivables and customer deposits

Outstanding customer receivables and customer deposits are generated by transaction and service based revenue and is regularly monitored. For sponsor-issued products, a cash guarantee may be held on deposit with a financial institution to offset credit risk (refer to Note B4). For self-issued products, the Group controls cash stored value and have, in certain instances, the right to offset client funds or a share of client breakage payable after providing sufficient notice.

The Group has $4,684,000 (2023: $6,029,000) of Trade receivables that are overdue and not impaired. As at 30 June 2024, the expected credit loss provision has decreased to $2,377,000 (2023: $7,005,000). For self-issued products, the Group controls cash stored value and have the right to offset client share payable after providing sufficient notice, resulting in an insignificant expected credit loss amount, refer to Note B4.

Segregated funds and bond investments

The Group recognises Segregated funds and bond investments and relating Liabilities to stored value account holders. These categories represent stored value accounts issued by the Group. These balances are utilised in the same proportion. Therefore, the only credit risk is with the financial institution which holds the funds on deposit. The Group considers that these have low credit risk based on the external credit ratings of the financial institutions.

Bond investments

The Group's bond investments held to maturity and are considered to have low credit risk, and the ECL considerations are therefore limited to 12 months expected losses. ECL is considered immaterial. The Group's Treasury Investment Policy provides the guidelines for investing cardholder funds and requires that bonds purchased are secure, liquid and low credit risk. The Group assess the impact of current economic conditions, collate external credit ratings and consider historical default rates on investments that have the same credit rating.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by maintaining adequate cash reserves from funds raised in the market and by continuously monitoring forecast and actual cash flows.

Notes to the Financial statements.

For the year ended 30 June 2024.

C3 Financial instruments (continued)

(a) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the maturity analysis are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the reporting date.

	Consolidated					
Contractual maturities of financial liabilities	**Carrying amount $'000**	**Contractual cash flows $'000**	**6 Mths or less $'000**	**6-12 Mths $'000**	**1-2 Years $'000**	**2+ Years $'000**
30 June 2024						
Non-derivatives						
Trade and other payables	54,215	54,215	54,215	-	-	-
Borrowings	90,636	90,920	36,226	51,380	1,117	2,197
Liabilities to stored value account holders[1]	2,129,968	2,129,968	-	-	-	-
Customer deposits- non-current[2]	7,497	7,497	-	-	-	-
Contingent consideration	164	164	-	164	-	-
Total	**2,282,480**	**2,282,764**	**90,441**	**51,544**	**1,117**	**2,197**
30 June 2023						
Non-derivatives						
Trade and other payables	80,306	80,306	80,306	-	-	-
Borrowings	98,492	98,573	4,882	20,026	70,583	3,082
Liabilities to stored value account holders[1]	2,566,509	2,566,509	-	-	-	-
Customer deposits- non-current[2]	7,554	7,554	-	-	-	-
Contingent consideration	7,016	7,259	-	7,259	-	-
Total	**2,759,877**	**2,760,201**	**85,188**	**27,285**	**70,583**	**3,082**

1. Liabilities to stored value account holders is utilised in the same proportion as the Segregated funds and bond investments. Therefore, the contractual cashflow would net off.
2. Customer deposits are included in Other liabilities, non-current. The liability for customer deposits is utilised in the same proportion as the Customer deposits receivable. Therefore, the contractual cashflow would net off, refer to Note B4.

C3 Financial instruments (continued)

(b) Reconciliation of movements of liabilities to cash flows arising from financing activities

The below table sets out the changes in the liabilities for which cash flows have been classified as financing activities in the Statement of Cash Flows.

	Consolidated							
	At 1 July $'000	Discontinued operations $'000	Interest expense $'000	Additions $'000	Net settlement[1] $'000	Cash flows $'000	Unrealised foreign currency exchange difference $'000	At 30 June $'000
30 June 2024								
Borrowings – Loan notes	41,836	-	902	-	(13,953)	(19,050)	(278)	9,457
Borrowings – Financial institutional loan	49,929	-	3,177	-	-	7,084	(1,257)	58,933
Borrowings – Loan (net) - PFS Card Services Ireland Limited	-	16,734	-	-	-	-	424	17,158
Borrowings – Other	-	-	-	-	-	-	270	270
Borrowings – Lease liabilities	6,727	-	150	-	-	(2,025)	(34)	4,818
Total	**98,492**	**16,734**	**4,229**	**-**	**(13,953)**	**(13,991)**	**(876)**	**90,636**
30 June 2023								
Borrowings – Loan notes	37,639	-	1,083	-	-	-	3,114	41,836
Borrowings – Financial institutional loan	45,775	-	1,780	-	-	(1,365)	3,739	49,929
Borrowings – Lease liabilities	7,992	-	180	353	-	(2,203)	405	6,727
Total	**91,406**	**-**	**3,043**	**353**	**-**	**(3,568)**	7,258	98,492

1. This relates to a non-cash settlement of all matters outstanding with the PFS Group vendors. Refer to Note A2(c) and B9.

(iii) Market risk

The Group operates internationally and is exposed to foreign currency risk and interest rate risk that will affect the Group's income or the value of its holdings of financial instruments. The objective of risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries.

It is the policy of the Group to enter into forward exchange contracts to cover specific material foreign currency transactions that will impact the Group's cash flow. At 30 June 2024, there are no outstanding forward exchange contracts (2023: nil).

Foreign currency sensitivity

The sensitivity to the Group's profit or loss to a reasonably possible change in GBP, Euro and USD exchange rates, with all other variables held constant is immaterial due to the portfolio nature of the business operating in a number of currencies.

C3 Financial instruments (continued)

The impact on equity for a 10% increase/decrease of the AUD against the GBP, Euro and USD exchange rates, with all other variables held constant is:

	Consolidated							
Impact on equity	GBP		USD		EUR		Total	
Sensitivity	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
10% increase of AUD	3,928	7,212	2,907	1,612	12,355	18,596	19,190	27,420
10% decrease of AUD	(3,928)	(7,212)	(2,907)	(1,612)	(12,355)	(18,596)	(19,190)	(27,420)

The impact of the movement in GBP, USD and EUR is attributable to the Group's investment in foreign operations.

In addition, translation of the net investment hedges would result in an increase in equity of $4,897,000 (2023: $5,674,000) for a 10% increase in AUD or a decrease in equity of $4,897,000 (2023: $5,674,000) for a 10% decrease in AUD. However, there would be no net effect on equity because there would be an offset in the currency translation of the foreign operations.

(b) Interest rate risk

The Group is exposed to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in the market interest rates on interest-bearing financial instruments. The Group does not use derivatives to mitigate these exposures.

At the reporting date the Group's interest-bearing financial instruments were:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Variable rate instruments		
Cash and cash equivalents	43,060	71,362
Segregated funds – cash held with financial institutions	1,523,552	1,951,709
Interest-bearing borrowings – financial institutional loan	(58,933)	(49,252)
Total	**1,507,679**	**1,973,819**

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss or through equity, therefore a change in interest rates at the reporting date would not affect profit or loss or equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Consolidated			
	Profit or loss (before tax)		Equity (before tax)	
	100BP increase $'000	100BP decrease $'000	100BP increase $'000	100BP decrease $'000
30 June 2024				
Variable rate instruments	16,255	(16,255)	16,255	(16,255)
30 June 2023				
Variable rate instruments	20,723	(20,723)	20,723	(20,723)

C3 Financial instruments (continued)

(iv) Capital management

Risk management

Capital is defined as the equity of the Group.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so as to maintain a strong capital base sufficient to maintain future working capital. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group encourages employees to be shareholders, including through Share Rights Plans.

There were no changes in the Group's approach to capital management during the year. Risk management policies and procedures are established with regular monitoring and reporting.

The Group operates regulated payments entities in a number of markets and is subject to certain minimum capital adequacy tests applicable to the Group's licences. The Group is not subject to other externally imposed capital requirements.

(v) Financial instruments accounting policy

Classification of financial assets

The Group initially measures a financial asset at its fair value plus transaction costs except for trade receivables that are initially measured at transaction price determined under AASB 15.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date (i.e. the date that the Group commits to purchase or sell the asset).

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the Solely Payments of Principal and Interest (SPPI) test and Business Model test (held to collect contractual cash flows) are satisfied.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Trade and other receivables – Note B4.

Financial liabilities at fair value through profit or loss

The Group has measured its contingent consideration generated from acquisitions as a financial liability at fair value through profit or loss.

C4 Equity investments

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Equity investments – at Fair Value through Other Comprehensive Income (FVTOCI)	82	82
Equity investments – at Fair Value through Profit or Loss (FVTPL)	2,947	1,531
	3,029	**1,613**

Fair value considerations have been included in Note C5.

C5 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and liabilities. The Group's financial instruments are included in the Statement of Financial Position at amounts that approximate fair values. The basis for determining fair values is disclosed below.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted market price (unadjusted) in an active market for identical assets and liabilities;

Level 2: valuation techniques on observable inputs, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The Group does not have any financial assets that are categorised as Level 2 in the fair value hierarchy. The Group has financial liabilities categorised as Level 3 in the fair value hierarchy. There were no transfers between Level 1 and 2 in the period. The Group's financial assets categorised as Level 3 in the fair value hierarchy are described below.

(a) Bond investments

The Group measure Corporate bonds at amortised cost. The fair value, as determined by the quoted market price (i.e. Level 1), can fluctuate significantly based on conditions outside of the Group's control - i.e. economic conditions. The fair value of the portfolio at 30 June 2024 was $620,830,000 (30 June 2023: $608,775,000). The carrying value of the portfolio has been determined in note C1. The average tenure for the bond portfolio is 690 days.

Notes to the Financial statements.

For the year ended 30 June 2024.

C5 Fair value (continued)

(b) Equity investments

The following table gives information about the valuation technique and inputs used.

	Fair value as at 2024 $'000	Fair value as at 2023 $'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Visa Inc.	2,552	1,531	Level 1	Quoted market price of Visa Inc. Class A common stock to which a discount (50%) has been applied for the illiquidity and the conversion rate variability of the preferred stock of Visa Inc. This was converted at the balance date exchange rate.	N/A	N/A
	395	-	Level 3		The final conversion rate of Visa Inc. Series B preferred stock into Visa Inc. Class A common stock.	A decrease in conversion rate would result in a decrease in the fair value.
Pareto	82	82	Level 3	The valuation considers events during the financial year, metrics of financial performance and other contributory data.	Metrics of financial performance.	A decrease in metrics of financial performance would result in a decrease in the fair value.
	3,029	**1,613**				

(c) Contingent consideration

The Group's contingent consideration is recognised in relation to the equity earn-out of the recent business combinations. It is measured at fair value at the end of each reporting period. The following table gives information about the valuation technique and inputs used.

	Fair value as at 2024 $'000	Fair value as at 2023 $'000	Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Sentenial Limited Contingent consideration in a business combination	164	7,016	Level 3	Valuation has been assessed with a discounted, forecast expected revenue performance method.	Present value of forecast revenue for the measurement period.	An increase in the actual or expected revenue would result in an increase in the fair value.
					Discount rate.	An increase in the discount rate would result in a decrease in the fair value.
	164	**7,016**				

Notes to the Financial statements.

For the year ended 30 June 2024.

C5 Fair value (continued)

Movement in the fair value of contingent consideration:

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
Balance at the beginning of the year	7,016	28,856
Fair value gain on contingent consideration (Note A7)	(1,691)	(23,414)
Payment of contingent consideration	(5,125)	-
Effect of unrealised foreign currency exchange	(36)	1,574
Balance at the end of the year	**164**	**7,016**

Contingent consideration - Sentenial Group

Contingent consideration relates to an earn-out arrangement, payable in cash or equity at EML's discretion in 2024. The earn-out relates to targets correlating to incremental open banking revenue in the year ending on 31 December 2023. The contingent consideration is capped at EUR 40,000,000 ($64,132,000).

The contingent consideration is split between the vendors, maximum of EUR 38,000,000, payable in cash or equity at EML's discretion and key employees, maximum of EUR 2,000,000, payable as equity. The key employees have been granted share options in EML that will vest in proportion to the earn-out achievement.

The final contingent consideration to vendors was settled in cash on March 2024 for $4,959,000 (EUR2,652,000). The remaining contingent consideration relates to the key employee portion and is anticipated to be settled in cash in August 2024.

Notes to the Financial statements.

For the year ended 30 June 2024.

D1 Plant, equipment and right-of-use assets

	Consolidated				
At Cost – 30 June 2024	**Computer Equipment $'000**	**Office Equipment $'000**	**Leasehold improvements $'000**	**Right-of-Use Assets[1] $'000**	**Total $'000**
Useful life (in years)	**3 – 4**	**10**	**6 – 7**	**1 – 7**	
Year ended 30 June 2024					
At 1 July 2023, net carrying amount	2,343	1,629	790	5,808	10,570
Additions	1,374	25	-	-	1,399
Loss from discontinued operations	(550)	(42)	-	-	(592)
Transfers	-	-	-	-	-
Depreciation charge for the year	(974)	(437)	(139)	(1,605)	(3,155)
Effect of unrealised foreign exchange	-	(15)	(3)	(28)	(46)
At 30 June 2024, net carrying amount	**2,193**	**1,160**	**648**	**4,175**	**8,176**
At 30 June 2024					
Cost	8,263	4,162	1,651	9,728	23,804
Accumulated depreciation and impairment	(6,070)	(3,002)	(1,003)	(5,553)	(15,628)
Net carrying amount	**2,193**	**1,160**	**648**	**4,175**	**8,176**
At Cost – 30 June 2023					
Year ended 30 June 2023					
At 1 July 2022, net carrying amount	1,986	2,550	1,255	6,928	12,719
Additions	1,058	91	(364)	344	1,129
Disposals	(12)	(537)	-	-	(549)
Transfers	373	-	-	-	373
Depreciation charge for the year	(1,183)	(578)	(137)	(1,793)	(3,691)
Effect of unrealised foreign exchange	121	103	36	329	589
At 30 June 2023, net carrying amount	**2,343**	**1,629**	**790**	**5,808**	**10,570**
At 30 June 2023					
Cost	7,801	4,437	1,655	13,370	27,263
Accumulated depreciation and impairment	(5,458)	(2,808)	(865)	(7,562)	(16,693)
Net carrying amount	**2,343**	**1,629**	**790**	**5,808**	**10,570**

1. The Group's Right-of-use assets mainly relate to leases for office properties. Refer to Note B9 for further disclosure on the nature of these arrangements.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Notes to the Financial statements.

For the year ended 30 June 2024.

D2 Intangibles

	Consolidated						
At Cost – 30 June 2024	**Software $'000**	**Customer relationships $'000**	**Customer contracts $'000**	**Goodwill $'000**	**Other $'000**	**WIP $'000**	**Total $'000**
Useful life (in years)	**4 – 7**	**3 – 6**	**5 – 8**				
At 1 July 2023, net carrying amount	56,254	637	29,433	100,410	4,642	1,092	192,468
Additions	501	-	-	-	-	7,231	7,732
Loss from discontinued operations	(3,151)	-	-	-	-	(830)	(3,981)
Transfers	3,650	-	-	-	-	(3,650)	-
Amortisation charge for the year	(15,132)	(409)	(6,166)	-	-	-	(21,707)
Impairment expense[1]	(264)	-	(8,502)	-	-	-	(8,766)
Effect of unrealised foreign exchange	(683)	(3)	(542)	(940)	(109)	(9)	(2,286)
At 30 June 2024, net of accumulated amortisation and impairment	**41,175**	**225**	**14,223**	**99,470**	**4,533**	**3,834**	**163,460**
At 30 June 2024							
Cost	104,354	6,537	92,782	330,852	4,533	3,834	542,892
Accumulated amortisation and impairment	(63,179)	(6,312)	(78,559)	(231,382)	-	-	(379,432)
Net carrying amount	**41,175**	**225**	**14,223**	**99,470**	**4,533**	**3,834**	**163,460**

At Cost – 30 June 2023							
At 1 July 2022, net carrying amount	59,801	1,023	64,418	312,884	4,294	6,040	448,460
Additions	944	-	-	-	-	11,559	12,503
Disposals	(314)	-	-	-	-	-	(314)
Transfers	15,275	-	-	-	-	(16,693)	(1418)
Amortisation charge for the year	(18,445)	(445)	(12,490)	-	-	-	(31,380)
Impairment expense	(5,215)	-	(27,128)	(230,575)	-	-	(262,918)
Effect of unrealised foreign exchange	4,208	59	4,633	18,101	348	186	27,535
At 30 June 2023, net of accumulated amortisation and impairment	**56,254**	**637**	**29,433**	**100,410**	**4,642**	**1,092**	**192,468**
At 30 June 2023							
Cost	110,417	6,600	106,503	331,792	4,642	1,092	561,046
Accumulated amortisation and impairment	(54,163)	(5,963)	(77,070)	(231,382)	-	-	(368,578)
Net carrying amount	**56,254**	**637**	**29,433**	**100,410**	**4,642**	**1,092**	**192,468**

1. An impairment expense was recognised for $8,776,000 (2023: $262,918,000) for the year ended 30 June 2024. This has been recognised separately on the Statement of Profit or Loss and Other Comprehensive Income. Refer to Note D3 for further information.

(a) Intangible assets acquired separately

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with the effect of any changes in accounting estimates being accounted for on a prospective basis.

Notes to the Financial statements.

For the year ended 30 June 2024.

D3 Impairment assessment

Carrying amount of goodwill, allocated to the cash generating units

For the purpose of impairment testing, goodwill is allocated to each of the Group's CGU (or groups of CGUs) expected to benefit from the synergies of the combination. Each CGU to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. On disposal of a CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

	Consolidated	
	30 June 2024 $'000	**30 June 2023 $'000**
Australia	10,777	10,777
Europe	58,717	59,050
North America	7,710	7,783
Sentenial Group	22,266	22,800
Consolidated group	**99,470**	**100,410**

Key assumptions used recoverable amount calculations

The recoverable amount of the Group's CGUs have been determined based on the higher of fair value less costs of disposal (FVLCD) or value-in use (VIU) calculations, using discounted cash flow projections based on five-year financial forecasts from FY25 onwards. All CGUs have adopted value-in-use with the exception of the Sentenial Group for 2024.

The following key assumptions have been used in the discounted cash flow projections for those CGUs at 30 June 2024:

Assumption	Description		
Forecast growth including Gross Debit Volume (GDV) and revenue	Management have reviewed previous growth performance and forecast expectations based on the activities of the CGU in determining the growth rates for the discounted cash flow projections. The resulting compound annual growth rate (CAGR) of revenue for the purpose of the calculations was as follows:		
		Forecast FY25-FY29 30 June 2024	**Forecast FY24-FY28 30 June 2023**
	Australia	4.0%	4.9%
	Europe	4.0%	5.1%
	North America	3.0%	5.2%
	Sentenial Group	Not applicable	37.1%
Weighted Average Cost of Capital (WACC)	The Group has used the following post-tax WACC for each CGU, with increases largely driven by risk free rate increasing during the financial year:		
		30 June 2024	**30 June 2023**
	Australia	12.0%	11.7%
	Europe	12.1%	11.7%
	North America	12.1%	11.7%
	Sentenial Group	Not applicable	17.8%
Terminal growth rate	The terminal growth rate of 3.0% (2023: 3.0%) is the average growth rate used to extrapolate cash flows beyond the five-year forecast period and has remained the same in line with market expectations.		

D3 Impairment assessment (continued)

Sentenial Group

The Sentenial Group has determined its FVLCD based on the external binding offer received for the sale of the asset. On 15 March 2024, the Group announced the sale of Sentenial Limited including its Nuapay business to GoCardless Ltd. The sale price is EUR 32,750,000 ($52,508,000) subject to working capital and net debt adjustments. There are key contract performance potential downward adjustments and an earnout based on recurring revenue from new contracts signed by the Sentenial business from 1 February 2024 to 30 days after completion.

The sale remained subject to its final regulatory approvals, in France and the United Kingdom, as at 30 June 2024 and has not yet met completion conditions as at the date of releasing the financial statements.

Based on the progress of this binding offer and the anticipated completion in the short-term, the FVLCD has been determined with reference to the sale price adjusted for estimated final closing adjustments including costs of disposal relating to its financial advisors Barrenjoey and Barclays.

In determining the FVLCD, Management have considered the key adjustments under the sale contract and have estimated the impact of these. It is not considered that any reasonably possible change in these assumptions would result in the carrying value materially exceeding the recoverable amount of the Sentenial Group CGU. The fair value determination is considered to be level 3 under the fair value hierarchy,

(a) Other intangible assets

At each reporting date, the Group reviews the carrying amounts of its other intangible assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Impairment of customer contracts and relationships - PFS Ireland

During the year ended 30 June 2024, PFS Ireland has seen increased stress in ongoing customer contracts as well as a decline in a significant customer contracts performance. The ongoing challenges posed on these contracts of the ongoing remediation activities and the negative performance of the customer contract are indicators of impairment for the customer contracts and relationship assets belonging to PFS Ireland.

During the year, it was determined that the carrying amount for PFS Ireland's customer contracts and relationships were greater than the recoverable amount, resulting in an impairment loss of $8,502,000 recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial statements.

For the year ended 30 June 2024.

D4 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

PFS Card Services Ireland Limited liquidation

After close of trading on 17 January 2024, the reconstituted Board of PFS Card Services Ireland Limited (PCSIL) applied to the High Court of Ireland (the Court) for the appointment of a provisional liquidator. The Board considered a number of strategic options and ultimately concluded that the PCSIL business was no longer commercially viable and sustainable.

As at 3.35pm (GMT) on 17 January 2024, the Court appointed Interpath Advisory as the provisional liquidator with immediate effect. Interpath Advisory were from that time in control of PCSIL, its day-to-day activities and wind-down. As a result of the appointment of provisional liquidator, PCSIL was no longer under the control of EML and deconsolidated from the Group. After close of business on 13 February 2024, the Court made an order to appoint Interpath Advisory as liquidators.

The financial consequences of the deconsolidation are outlined below.

(a) Results from discontinued operations

	30 June 2024 $'000	30 June 2023 $'000
Revenue from contracts with customers	32,535	63,095
Interest income	13,747	7,189
Total revenue	**46,282**	**70,284**
Selling costs	(15,617)	(38,127)
Total expenses (excluding Selling costs)	(29,268)	(54,955)
Total expenses	**(44,885)**	**(93,082)**
Results from operating activities	**1,397**	**(22,798)**
Income tax	(181)	(1,697)
Results from operating activities, net of tax	**1,216**	**(24,495)**
Loss from deconsolidation of subsidiary after income tax	(18,090)	-
Loss from discontinued operations, net of tax	**(16,874)**	**(24,495)**
Basic (loss) cents per share	(4.50)	(6.55)
Diluted (loss) cents per share	**(4.50)**	**(6.55)**

(b) Cash flows from/(used in) discontinued operations

	30 June 2024 $'000	30 June 2023 $'000
Net cash used in operating activities	(3,422)	(14,217)
Net cash used in investing activities	(1,315)	(4,576)
Net cash from financing activities	7,003	9,199
Impact of foreign exchange	7	1,753
Net cash flows for the year	**2,273**	**(7,841)**

Notes to the Financial statements.

For the year ended 30 June 2024.

D4 Discontinued operations (continued)

(c) Effect of disposal on the financial position of the Group

	30 June 2024 $'000
Cash and cash equivalents	(16,114)
Segregated funds and bond investments	(821,589)
Contract assets	(8,829)
Trade and other receivables	(12,168)
Investment in subsidiaries	59
Intercompany loan receivable	(17,665)
Other current assets	(3,785)
Property, plant and equipment and Right-of-use assets	(480)
Intangibles	(3,505)
Trade and other payables	32,039
Liabilities to stored value account holders	821,589
Deferred tax liability	13
Provisions	10,837
Other liabilities	869
Current tax payable	639
Net assets and liabilities	**(18,090)**

Total consideration	
Cash and cash equivalents, disposed of	(16,114)
Carrying amount of net assets, excluding cash	(1,976)
Loss on disposal	**(18,090)**
Current year earnings	1,216
Loss from discontinued operations, net of tax	**(16,874)**

E1 Issued capital

	Consolidated	
	30 June 2024 $'000	30 June 2023 $'000
375,155,763 fully paid ordinary shares (30 June 2023: 373,984,129)	**494,208**	**494,208**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

	30 June 2024		30 June 2023	
	No.	$'000	No.	$'000
Balance at start of the year	373,984,129	494,208	373,462,815	494,208
Options/rights exercised[1]	1,171,634	-	521,314	-
Balance at the end of the year	**375,155,763**	**494,208**	**373,984,129**	**494,208**

1. Options/rights exercised during the period relate to the employee share options. Refer to Note E3 for further details.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of applicable taxes, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the purchase consideration of the acquisition.

Notes to the Financial statements.

For the year ended 30 June 2024.

E2 Reserves

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Share rights and options reserve	56,871	45,840
Foreign currency translation reserve	(22,584)	(22,507)
Other reserves		
Fair value reserve for financial assets at FVOCI	(509)	(509)
Other	(2,873)	(2,873)
Total other reserves	**(3,382)**	**(3,382)**

(a) Movements in Share rights and options reserve

	Consolidated 30 June 2024 $'000	Consolidated 30 June 2023 $'000
Balance at the beginning of the financial year	45,840	43,884
Share-based payments	9,864	1,780
Deferred tax movement recorded directly in equity	1,167	176
Balance at the end of the financial year	**56,871**	**45,840**

E3 Share-based payments

(i) Employee share option plan

The Group established an equity-based compensation plan for employees which was approved by shareholders at an Extraordinary General Meeting held on 14 November 2018 (ESOP 2). ESOP 2 operated for incentives that commenced until FY21 and was open to any person who is a full-time or permanent part-time employee or Director of the Company or a related body corporate of the Company. Options and rights may not be granted to a Director or his or her associates under ESOP 2 unless approval of the grant is given by shareholders in general meeting in accordance with the requirements of the ASX Listing Rules.

The Board has broad discretions under ESOP 2, including (without limitation) as to:

(a) The timing of making an offer to participate in ESOP 2;

(a) Identifying persons eligible to participate in ESOP 2; and

(b) The terms of issue of options (including vesting conditions, if any).

Each employee share option converts into one ordinary share of the Company on exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

ESOP 2 only remains relevant to the sign on options granted in 2022 and the FY21 Long Term Incentive Plan options that were granted during the FY21 financial year were cancelled by the Board on 12 January 2024, as the performance hurdle was not expected to be achieved.

Notes to the Financial statements.

For the year ended 30 June 2024.

E3 Share-based payments (continued)

(ii) Employee rights plan

The Group established an equity-based compensation plan for employees which was approved by shareholders at an Annual General Meeting held on 17 November 2021 (EPLRP). EPLRP is open to any person who is a full-time or permanent part-time employee or Director of the Company or a related body corporate of the Company. Rights may not be granted to a Director or his or her associates under EPLRP unless approval of the grant is given by shareholders in general meeting in accordance with the requirements of the ASX Listing Rules.

The Board has broad discretions under EPLRP, including (without limitation) as to:

(a) The timing of making an offer to participate in EPLRP;

(b) Identifying persons eligible to participate in EPLRP; and

(c) The terms of issue of rights (including vesting conditions, if any).

Each employee right converts into one ordinary share of the Company on exercise. The rights carry neither rights to dividends nor voting rights. Rights may be exercised at any time from the date of vesting to the date of their expiry.

(iii) Movements in share options/rights

	Consolidated			
	2024		2023	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Outstanding at beginning of financial year	11,058,780	-	6,407,108	-
Granted during financial year	21,538,650	-	9,264,862	-
Exercised for issued capital during the financial year	(1,171,634)	-	(521,314)	-
Cancelled/forfeited during the financial year	(16,557,131)	-	(4,091,876)	-
Outstanding at end of the financial year[1]	**14,868,665**	**-**	**11,058,780**	**-**

The weighted average fair value of options/rights granted during the year was $0.96 per option/right (2023: $0.39).

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments $9,864,000 (2023: $1,599,000)[2].

1. Issued share options/rights outstanding at the end of the financial year had a weighted average exercise price of $nil (2023: $nil) and a weighted average remaining contractual life of 307 days (2023: 484 days).
2. The comparative information has been restated on account of a discontinued operation in Note D4.

Notes to the Financial statements.

For the year ended 30 June 2024.

E3 Share-based payments (continued)

(iv) Fair value measurement

Performance metrics and vesting schedule

Tranche 1 performance rights are subject to a Total Shareholder Return (TSR) performance vesting condition (Weight 30%). This vesting condition is calculated as growth in shareholder value over the measurement period.
TSR is calculated as a percentage growth in shareholder value based on share price growth and dividends, assuming that they are reinvested into shares. It is calculated over a specific period which for purpose of this invitation is the measurement period.

Performance level	Share price	% of Performance rights vesting[1]
Threshold	$1.14	25%
Target	$1.34	50%
Stretch	$1.50	100%

Tranche 2 performance rights are subject to a Return on Adjusted Capital Employed (RACE) performance vesting condition (Weight 70%). This vesting condition measures the company's operational financial return which is then compared against the vesting scale. These metrics were selected as being the most direct indicators of internal and external views of value creation of the long term, based on EML's current strategy and circumstances.

Performance level	RACE	% of Performance rights vesting[1]
Threshold	14.5%	25%
Target	16.8%	50%
Stretch	19.5%	100%

1. Pro-rata vesting between threshold, target and stretch.

During the financial year, the Group granted rights as an incentive for certain employees as part of delivery of the remediation program for Prepaid Financial Services Limited, and additional a special incentive program in line with the strategic talent retention focus and sign-on bonuses for new senior leadership roles appointed during the year as part of Series 63, 64, 65, 66, 67 and 72.

The fair value of equity-settled share options/rights is estimated as at the date of grant using the Black-Scholes model and/or Monte Carlo simulation method. The inputs into the model are as follows:

Options/rights using Black Scholes model:

	Series 55	Series 57B	Series 57C	Series 58B	Series 59B	Series 61
Number at the end of financial year	21,235	398,332	398,333	2,490,536	1,708,160	104,167
Fair value at grant date	$3.03	$0.80	$0.80	$0.26	$0.26	$0.61
Grant date share price	$3.03	$0.80	$0.80	$0.65	$0.65	$0.61
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	70%	94%	94%	94%	93%	91%
Risk-free interest rate	1.85%	3.71%	3.71%	3.57%	3.57%	3.74%
Term (vesting period)	3	2	3	0	0	0
Dividend yield	0%	0%	0%	0%	0%	0%
Grant date	14/02/2022	30/09/2022	30/09/2022	13/01/2023	13/01/2023	05/07/2023
Vesting date	20/02/2025	31/12/2024	31/12/2025	30/06/2023	01/07/2023	17/10/2023
Expiry date	15/04/2025	29/09/2037	29/09/2037	12/01/2038	12/01/2038	04/07/2038
Performance measures	n/a	n/a	n/a	RACE	RACE	Performance

Notes to the Financial statements.

For the year ended 30 June 2024.

E3 Share-based payments (continued)

(iv) Fair value measurement (continued)

	Series 63	Series 64	Series 65	Series 66A	Series 66B	Series 66C
Number at the end of financial year	833,334	6,807,442	493,827	255,103	255,102	255,102
Fair value at grant date	$0.70	$1.12	$0.77	$0.98	$0.98	$0.98
Grant date share price	$0.70	$1.12	$0.77	$0.98	$0.98	$0.98
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	87%	87%	0%	87%	87%	87%
Risk-free interest rate	3.92%	4.03%	4.03%	4.13%	4.13%	4.13%
Term (vesting period)	0	1	1	1	2	3
Dividend yield	0%	0%	0%	0%	0%	0%
Grant date	07/07/2023	12/09/2023	25/07/2023	29/08/2023	29/08/2023	29/08/2023
Vesting date	31/10/2023	31/08/2024	31/07/2024	01/09/2024	01/09/2025	01/09/2026
Expiry date	06/07/2038	11/09/2038	24/07/2038	28/08/2038	28/08/2038	28/08/2038
Performance measures	Performance	Performance	n/a	n/a	n/a	n/a

	Series 68A	Series 69	Series 70A	Series 70B	Series 70C	Series 70D
Number at the end of financial year	453,704	132,979	525,364	89,660	2,570	126,502
Fair value at grant date	$0.40	$1.13	$0.43	$1.12	$1.12	$1.12
Grant date share price	$1.00	$1.13	$1.12	$1.12	$1.12	$1.12
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	90%	78%	78%	78%	78%	78%
Risk-free interest rate	4.03%	4.14%	4.05%	4.05%	4.05%	4.05%
Term (vesting period)	2	0	0	0	0	0
Dividend yield	0%	0%	0%	0%	0%	0%
Grant date	16/01/2024	15/03/2024	08/04/2024	08/04/2024	08/04/2024	08/04/2024
Vesting date	30/06/2026	29/06/2024	27/08/2024	27/08/2024	27/08/2024	27/08/2024
Expiry date	15/01/2039	14/03/2039	07/04/2039	07/04/2039	07/04/2039	07/04/2039
Performance measures	RACE	Performance	Performance	Performance	Performance	Performance

	Series 71A	Series 72A	Series 72B	Series 72C	Series 73A	Series 73B	Series 73C
Number at the end of financial year	2,660,616	2,000,000	2,000,000	2,000,000	1,079,414	1,079,414	1,079,414
Fair value at grant date	$0.37	$0.93	$0.93	$0.93	$0.93	$0.93	$0.93
Grant date share price	$0.93	$0.93	$0.93	$0.93	$0.93	$0.93	$0.93
Exercise price	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Expected volatility	83%	73%	85%	83%	73%	85%	83%
Risk-free interest rate	4.03%	4.24%	4.24%	4.24%	4.24%	4.24%	4.24%
Term (vesting period)	2	1	2	3	1	2	3
Dividend yield	0%	0%	0%	0%	0%	0%	0%
Grant date	30/06/2024	29/06/2024	29/06/2024	29/06/2024	29/06/2024	29/06/2024	29/06/2024
Vesting date	30/06/2026	30/06/2025	30/06/2026	30/06/2027	30/06/2025	30/06/2026	30/06/2027
Expiry date	29/06/2039	28/06/2039	28/06/2039	28/06/2039	28/06/2039	28/06/2039	28/06/2039
Performance measures	RACE	RACE	RACE	RACE	n/a	n/a	n/a

Notes to the Financial statements.

For the year ended 30 June 2024.

E3 Share-based payments (continued)

(iv) Fair value measurement (continued)

Rights using Monte Carlo model:

	Series 58A	Series 59A	Series 68B	Series 71B
Number at the end of financial year	1,067,373	732,071	194,444	1,140,247
Fair value at grant date	$0.25	$0.25	$0.39	$0.51
Grant date share price	$0.25	$0.25	$0.39	$0.51
Exercise price	$0.00	$0.00	$0.00	$0.00
Grant date	13/01/2023	13/01/2023	16/01/2024	30/06/2024
Vesting date	30/06/2023	30/06/2025	30/06/2026	30/06/2026
Expiry date	12/01/2038	12/01/2038	15/01/2039	29/06/2039
Performance measures	TSR	TSR	TSR	TSR

The number of short-term and long-term variable remuneration options/rights available at the vesting date will be impacted by the Group's and the individual's achievement judged against both qualitative and quantitative criteria as outlined above.

The expected life of the options/rights is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

(v) Accounting policy

Equity settled transactions

Equity-settled share-based payments to employees and others providing similar services are measured at fair value at the grant date.

The fair value of all other performance rights and options is calculated using the Black-Scholes pricing model, taking into account the lack of dividends during the vesting period. The fair value of performance rights with the relative TSR condition is calculated at the date of grant using the Monte-Carlo simulation model, taking into account the impact of the TSR condition and the lack of dividends during the vesting period. The value disclosed is the portion of the fair value of the rights recognised as an expense in each reporting period. Details used for the determination of the fair value are set out above.

The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. It excludes the effect of non-market-based vesting conditions.

At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions.

Key assumption – Share-based payment transactions

Equity-settled transactions

The Group measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes formula and the Monte Carlo simulation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in reserves under equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit within profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised separately in share-based payments expense.

Notes to the Financial statements.

For the year ended 30 June 2024.

E4 Parent entity disclosures

The individual financial statements for the parent entity show the following aggregate amounts:

Financial position	30 June 2024 $'000	30 June 2023 $'000
Assets		
Current assets	40,496	55,097
Non-current assets	159,842	221,294
Total assets	**200,338**	**276,391**
Liabilities		
Current liabilities	78,599	55,417
Non-current liabilities	1,941	11,403
Total liabilities	**80,540**	**66,820**
Net assets	**119,798**	**209,571**
Equity		
Issued capital	494,208	494,208
Reserves	47,772	37,574
Accumulated losses	(422,182)	(322,211)
Total equity	**119,798**	**209,571**
Financial performance		
Loss after income tax for the year[1]	(99,971)	(257,387)
Other comprehensive loss	-	-
Total comprehensive loss for the year	**(99,971)**	**(257,387)**

1. Loss after income tax for the year primarily relates to impairment expenses recognised by the parent.

(i) Commitments and contingencies

The parent entity did not have any commitments as at 30 June 2024 (2023: nil).

The parent entity has provided bank guarantees for obligations to card schemes of $1,992,000 (2023: $2,047,000) and office properties of $569,000 at 30 June 2024 (2023: $569,000). No liability is expected to arise. Refer to Note F2 for further details.

The parent entity has offered financial support to some of its wholly owned subsidiaries within the Group to strengthen the continued operation of those subsidiaries as going concerns. This may give rise to a future cash outflow which is unknown at the financial report date.

(ii) Determining the parent entity financial information

The financial information for the parent entity, EML Payments Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost less accumulated impairment losses in the financial statements of EML Payments Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Notes to the Financial statements.

For the year ended 30 June 2024.

F1 Related party disclosures

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

(a) Controlled entities

Details of Controlled entities, including the percentage of ordinary shares held are disclosed in Note F5 to the financial statements.

(b) Associate entities

EML Group does not have any associate entities.

(c) Transactions with related parties

(i) Wholly-owned

During the financial year, EML Payments Limited provided central administration and Director services to controlled entities. No management fees were charged during the financial year ended 30 June 2024 (2023: $nil).

(ii) Other related parties

The Group did not enter into any other related party transactions during the financial year.

(d) Key management personnel compensation

	Consolidated	
	30 June 2024 $'000	**30 June 2023 $'000**
Short-term employee benefits	2,966,916	3,649,676
Post-employment benefits	101,938	114,782
Long-term benefits	-	(29,387)
Termination	-	854,435
Share-based payments	752,569	307,680
	3,821,423	**4,897,186**

Detailed remuneration disclosures are provided in the Remuneration Report.

(e) Other transactions with key management personnel

A number of transactions to the value of $100,878 (2023: $9,462) were incurred by the Group on the behalf of a Non-executive Director, Luke Bortoli during the year. These were repaid before 30 June 2024.

There were no transactions with key management personnel during the financial year ended 30 June 2024.

Notes to the Financial statements.

For the year ended 30 June 2024.

F2 Contingent liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Stored value accounts

The Group offers its global card management services through various direct (Scheme) and indirect (BIN Sponsor) issuing arrangements. These arrangements, whether direct or indirect, can expose the Group to future liabilities and adverse financial and customer impacts arising from any failure to operate these accounts appropriately.

Scheme issuing arrangements undertaken directly by the Group result in an obligation to meet funding requirements for customers and cardholders. The depository accounts in these arrangements are operated by the Group and a relevant asset and liability are both able to be recognised as outlined in Note C1. In certain jurisdictions a guarantee is also held in respect of these arrangements as outlined below.

BIN Sponsors hold depository accounts that are made available to the Group to facilitate clients of the Group to deposit funds relating to the provision of prepaid payment products issued by the BIN Sponsor. The BIN Sponsors have sole authority to transact on the depository accounts and for this reason the Group cannot recognise an asset in respect of any credit balance in these accounts. Under these agreements:

(i) In consideration of the BIN Sponsors performing any authorised act, the Group will indemnify the BIN Sponsors (and the Directors, employees, officers, agent and independent contractors of the BIN Sponsors) on demand from time to time; and

(ii) The Group is liable to the BIN Sponsors in respect of any debit balance of the depository account and in respect of any other moneys owing or contingently owing by the Group to the BIN Sponsors under or in connection with the depository account.

Guarantees

The Group has provided the following bank guarantees at 30 June 2024:

- Bank guarantees with the lessors of the office properties to the value of $569,000 (30 June 2023: $569,000). No liability is expected to arise;
- Bank guarantees for obligations to card schemes to the value of $3,492,000 (30 June 2023: $3,558,000). No liability is expected to arise.
- Bank guarantees for obligations to payment processors to the value of $400,000 (30 June 2023: $410,000). No liability is expected to arise.

Compliance and other matters

The Group operates in a number of regulated markets and works hard to meet its evolving regulatory requirements. We aim to maintain collaborative relationships with all our regulators. The Group is subject to regulatory reviews and inquiries and from time to time these may result in litigation, fines, audits or other regulatory enforcement actions.

As at 30 June 2024, the Group is engaged in regulatory and compliance audits and reviews in the normal course of operations across several jurisdictions. Actual and potential claims and proceedings may arise in the conduct of the Group's business with clients and customers, revenue authorities, regulators, employees, and other stakeholders with whom the Group interacts. The Group recognises provisions for matters where an economic outflow of resources as a result of events occurring prior to the reporting date is probable and can be reliably measured utilising information that is known as at the reporting date. Provisions for these matters are included within Note B8. In some circumstances, including under Share Purchase Agreements and other contractual rights, the Group may receive protections to cover any potential fines or warranty claims that could ultimately be incurred for conduct or issues arising prior to the Group's acquisition which may also be offset against amounts held in escrow, vendor loans or contingent consideration, refer Note B9 and C5.

Litigation – Shareholder class action

On 16 December 2021, Shine Lawyers filed class action proceedings in the Supreme Court of Victoria. As announced on 16 December 2022, EML consented to the filing of a draft Amended Statement of Claim in the class action. The Amended Statement of Claim, among other things, increases the total number of allegations from 4 to 20 and expands the previous claim period from 19 December 2020 – 18 May 2021, to the period 19 December 2020 – 25 July 2022. The Company strongly denies the allegations and denies any liability. EML has engaged highly experienced and leading class action defence lawyers and will continue to vigorously defend the proceedings.

A provision has been recognised for the legal costs which are to be incurred in defence of the class action. As at 30 June 2024, EML has a provision of $9,533,000 (2023: $15,146,000) with movements reflecting the expenditure incurred during the financial year.

F2 Contingent liabilities (continued)

Beyond this, additional legal costs or damages, if any, may be incurred, which are unknown or do not meet the criteria to be provided by the Group at 30 June 2024. The Group expects to recover a portion of the costs associated with the class action through its insurance policy, however this does not yet meet the criteria for recognition. Further, the Company has the benefit of deed poll from the lawyers representing the plaintiffs in the class action, such that in the event that the Company is successful in its defence of the class action, the Company also expects to recover a portion of its legal costs from the plaintiffs' lawyers.

F3 Subsequent events

The remaining $9,457,000 (£5,000,000) of loan note liability was paid on 31 July 2024 to the PFS vendors in accordance with the settlement agreement.

The Group has on 27 August 2024, executed new committed debt facilities totalling $100,000,000 including a new $70,000,00 two-year syndicated facility and $30,000,000 five-year term bilateral facility. These facilities replace the $80,000,000 committed syndicated facilities currently maturing in March 2025. These facilities provide the Group access to $90,000,000 of working capital facilities as well as a $10,000,000 bank guarantee facility. The borrowing costs associated with the facilities are approximately $700,000 and will be capitalised to the loan proportionate to its initial draw down.

Other than the matters noted above, there has not arisen an item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company subsequent to 30 June 2024.

F4 Statement of material accounting policies

(a) Reporting entity

EML Payments Limited (Company) is a for-profit company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The consolidated financial report of the Company for the year ended 30 June 2024 comprises the Company and its subsidiaries (together referred to as the Group or consolidated entity or EML). The consolidated financial report was authorised for issue in accordance with a resolution of the Directors on 27 August 2024.

(b) Basis of preparation

The financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001,* Accounting Standards and Interpretations and complies with other requirements of the law.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the consolidated entity consisting of EML Payments Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis except where otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated, in accordance with ASIC Corporations *(Rounding in Financials/Directors' Reports) Instrument 2016/191*.

The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are the provision of payment services.

F4 Statement of material accounting policies (continued)

Statement of compliance

The financial report complies with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

AASB 101:16 Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Group comply with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB). Consequently, this financial report has been prepared in accordance with and complies with International Financial Reporting Standards as issued by the IASB.

(c) Adoption of new and revised standards

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current year.

(d) Accounting standards and interpretations that have been issued but not yet effective

The Group has not applied the following new and revised AASBs that have been issued but not yet effective:

Standard/interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to AASB 101)	1 January 2024	30 June 2025
Supplier Finance Arrangements (Amendments to AASB 107 and AASB 7)	1 January 2024	30 June 2025
Lease Liability in a Sale and Leaseback (Amendments to AASB 16)	1 January 2024	30 June 2025
Lack of Exchangeability (Amendments to AASB 121)	1 January 2025	30 June 2026
Amendments to the Classification and Measurement of Financial Instruments (Amendments to AASB 9 and AASB 7)	1 January 2026	30 June 2027

The Group has determined no material impact of the issued but not yet effective standards.

(e) Critical accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(f) Going concern

During the year ended 30 June 2024, the Group incurred a loss after tax of $26,485,000 (2023: $284,824,000). This was largely as a result of the non–cash impairment expenses incurred on PFS Ireland customer contracts. Cash inflows from operating activities for the year ended 30 June 2024 were $14,072,000 (2023: outflow of $2,279,000). At balance date the Group had a net current asset deficiency of $464,572,000 (2023: deficiency of $296,646,000) and net assets of $159,022,000 (2023: $174,553,000).

F4 Statement of material accounting policies (continued)

The Directors note that the net current asset deficiency results from:

- The classification of Liabilities to stored value accounts holders as current liabilities on the basis these are on-demand cardholder liabilities; and
- A portion of the surplus segregated funds being classified as non-current assets due to investment of these funds into secure, liquid and low credit risk bonds with maturities greater than 12 months.
- The remainder of the net current asset deficit is resulting from the current classification of the borrowings as at 30 June 2024 which are subject to refinance as outlined in Note B9.

Please refer to further details of the Segregated funds and bond assets and Liabilities to stored value account holders in Notes C1, C2 and C3 including further details on the financial risk management considerations for the Group.

The financial statements have been prepared on a going concern basis. To assess the appropriateness of the Group's going concern assumption, management have:

- Updated its economic outlook and prepared Group cash flow forecasts having regard to the working capital and liquidity requirements of the Group under various scenarios.
- The Group has recognised revenue from continuing operations for the FY24 and has cash inflows generated from operations. The Group notes the improved interest rate environment and outlook which benefits the Group through improved interest revenue returns with interest revenue on the stored float balance representing a core component of the business model. For the year ended 30 June 2024 the Group earned interest revenue of $49,813,000 (2023: $25,315,000). In addition, the Group is executing on its cost optimisation program, which has identified further opportunities for cost optimisation in FY25.
- Re-assessed current cash resources, ability to realise assets and funding sources available to the Group, alongside the expected future cash requirements. As at 30 June the Group had $43,060,000 of cash and cash equivalents.
- As outlined in Note B9, the Group has total borrowings of $90,636,000 as at 30 June 2024. The Group refinanced its borrowings which sees the due date for repayment extend beyond twelve months.

As a result of the above analysis, the Directors have reached a conclusion that the Group is able to continue as a going concern, able to meet its obligations as they fall due, for at least, but not limited to, 12 months from the date of this report.

(g) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The following key changes have been reflected in the financial statements to the year ended 30 June 2024:

Reclassification

The Consolidated Statement of Profit or Loss and Other Comprehensive Income has been updated to reflect the following:

- Removal of references to Gross profit;
- Renaming of Cost of sales to Selling costs;
- Reclassification of Other (expense)/income of $236,000 to Other operating expenses.

Restatement

Where necessary, comparatives have been restated to conform to changes in presentation in current year due to the liquidation of the PCSIL business, which is presented as discontinued operations in Note D4.

F4 Statement of material accounting policies (continued)

(h) Foreign currency translation

Functional and presentation currency

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each group entity are expressed in Australian dollars ('$'), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period.

Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

Notes to the Financial statements.

For the year ended 30 June 2024.

F5 Controlled entities

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year:

		Ownership interest (%)	
Entity name	**Country of incorporation**	**30 June 2024**	**30 June 2023**
Parent entity			
EML Payments Limited	Australia	100	100
Controlled entities			
EML Payment Solutions Limited	Australia	100	100
EML Payments Europe Limited	United Kingdom	100	100
EML Payments USA LLC	United States	100	100
EML Payments Mexico S de R.L.	Mexico	100	100
EML Financial 2 LLC	United States	100	100
EML Payments Canada, Ltd	Canada	100	100
EML Payments AB	Sweden	100	100
EML Money Designated Activity Company	Ireland	100	100
EML Payments (EU) Limited	Ireland	100	100
Flex-e-Card Limited	United Kingdom	100	100
Flex-e-Card International DMCC	United Arab Emirates	100	100
EML Payments European Holdings Limited	Ireland	100	100
Prepaid Financial Services (Ireland) Limited	Ireland	100	100
PFS Card Services Ireland Limited[1]	Ireland	100	100
P.F.S. Spain SL	Spain	100	100
Prepaid Financial Services Limited	United Kingdom	100	100
Spectre Technologies Limited	Malta	100	100
Sentenial Limited	Ireland	100	100
Sentenial Limited	United Kingdom	100	100
Nuapay SAS	France	100	100
Sentenial BVBA	Belgium	100	100
Sentenial SARL	France	100	100
Sentenial GmbH	Germany	100	100
EML Payments (UK Services) Limited	United Kingdom	100	-

1. The Group has not consolidated PFS Card Services Ireland Limited into its results for FY24 as it no longer controls the entity since the decision to liquidate. Refer Note D4.

Consolidated entity disclosure statement.

The table below includes consolidated entity information required by section 295 of the *Corporations Act 2001 (Cth)*. For tax purposes, all entities are body corporates, with tax residency aligned to the country of incorporation as outlined below:

Entity Name	Entity Type	Ownership interest (%) 30 June 2024	Place of incorporation	Tax residency
Parent entity				
EML Payments Limited	Body corporate	100	Australian	Australian
Controlled entities				
EML Payment Solutions Limited	Body corporate	100	Australian	Australian
EML Payments Europe Limited	Body corporate	100	United Kingdom	United Kingdom
EML Payments USA LLC	Body corporate	100	United States	United States
EML Payments Mexico S de R.L.	Body corporate	100	Mexico	Mexico
EML Financial 2 LLC	Body corporate	100	United States	United States
EML Payments Canada, Ltd	Body corporate	100	Canada	Canada
EML Payments AB	Body corporate	100	Sweden	Sweden
EML Money Designated Activity Company	Body corporate	100	Ireland	Ireland
EML Payments (EU) Limited	Body corporate	100	Ireland	Ireland
EML Payments European Holdings Limited	Body corporate	100	Ireland	Ireland
EML Payments (UK Services) Limited	Body corporate	100	United Kingdom	United Kingdom
Flex-e-Card Limited	Body corporate	100	United Kingdom	United Kingdom
Flex-e-Card International DMCC	Body corporate	100	United Arab Emirates	United Arab Emirates
Prepaid Financial Services (Ireland) Limited	Body corporate	100	Ireland	Ireland
PFS Card Services Ireland Limited	Body corporate	100	Ireland	Ireland
P.F.S. Spain SL	Body corporate	100	Spain	Spain
Prepaid Financial Services Limited	Body corporate	100	United Kingdom	United Kingdom
Spectre Technologies Limited	Body corporate	100	Malta	Malta
Sentenial Limited	Body corporate	100	Ireland	Ireland
Sentenial Limited	Body corporate	100	United Kingdom	United Kingdom
Nuapay SAS	Body corporate	100	France	France
Sentenial BVBA	Body corporate	100	Belgium	Belgium
Sentenial SARL	Body corporate	100	France	France
Sentenial GmbH	Body corporate	100	Germany	Germany

ASX additional information.

Additional information as required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

1.1 Share information

As at 31 July 2024 the Company has one class of shares, fully paid ordinary share and all holders listed hold fully paid ordinary shares. There are no unlisted securities and there is currently no on-market buy-back.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) Each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) On a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) On a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each Fully Paid Share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid Shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the Share.

1.2 Distribution of shares (as at 31 July 2024)

No.	No of shareholders	Fully paid shares	%
1 to 1,000	8,823	3,957,803	1.05
1,001 to 5,000	5,792	14,285,356	3.81
5,001 to 10,000	1,570	11,926,377	3.18
10,001 to 50,000	1,541	33,523,764	8.94
50,001 to 100,000	205	14,761,239	3.93
100,001 and Over	196	296,701,224	79.09
Total	**18,127**	**375,155,763**	**100**

Unmarketable Parcels	**5,901**	**1,572,878**	

1.3 Substantial Shareholders (as at 31 July 2024)

The following shareholders are recorded as substantial shareholders:

Name	Fully paid shares number
WILSON ASSET MANAGEMENT GROUP	32,350,805
VIBURNAM FUNDS PTY LTD	24,188,181
MITSUBISHI UFJ FINANCIAL GROUP	19,462,981
FIRST SENTIER INVESTOR HOLDINGS PTY LTD	19,462,981
Total	**95,464,948**

ASX additional information.

1.4 Holders of unquoted equity securities (as at 31 July 2024)

A total of 21,177,993 unlisted options/rights are on issue at 31 July 2024. All unlisted options/rights are held by 59 employees under the Company's Employee Share Option Plan/Employee Rights Plan.

1.5 Twenty Largest Shareholders (as at 31 July 2024)

Rank	Name	Fully paid ordinary number	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	69,688,899	18.58
2	CITICORP NOMINEES PTY LIMITED	64,005,789	17.06
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	35,623,544	9.50
4	BNP PARIBAS NOMINEES PTY LTD	27,902,413	7.44
5	ARGO INVESTMENTS LIMITED	18,590,447	4.96
6	SANDHURST TRUSTEES LTD	5,323,551	1.42
7	UBS NOMINEES PTY LTD	4,608,934	1.23
8	CITICORP NOMINEES PTY LIMITED	4,219,163	1.12
9	BT PORTFOLIO SERVICES LIMITED	3,073,662	0.82
10	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,621,397	0.70
11	BNP PARIBAS NOMS PTY LTD	2,253,534	0.60
12	PACIFIC CUSTODIANS PTY LIMITED	2,178,947	0.58
13	WILDWOOD CAPITAL PTY LTD	2,034,261	0.54
14	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,842,856	0.49
15	GEGM INVESTMENTS PTY LTD	1,510,759	0.40
16	WILDWOOD CAPITAL PTY LTD	1,496,450	0.40
17	WARBONT NOMINEES PTY LTD	1,441,607	0.38
18	ST SUPER PTY LTD	1,200,000	0.32
18	GUM FLAT PTY LTD	1,200,000	0.32
19	MR KAI CHEN	1,000,000	0.27
20	MR SEAN PATRICK MARTIN	950,920	0.25
	Total	**252,767,133**	**67.38**

1.6 Share buy-backs (as at 31 July 2024)

There is no current on-market buy-back scheme.

2. Other information

EML Payments Limited, incorporated and domiciled in Australia, is a public listed company limited by shares.

Corporate information.

(as at 30 June 2024)

Directors

Luke Bortoli

Non-executive Chair
(Appointed 22 February 2023)

Ron Hynes

Managing Director and Group CEO
(Appointed 30 June 2024)

Anthony Hynes

Non-executive Director
(Appointed 30 June 2024)

Manoj Kheerbat

Non-executive Director
(Appointed 5 December 2022)

Peter Lang

Executive Director
(Appointed Non-executive Director 22 February 2023 and appointed Executive Director 1 September 2023)

Kevin Murphy

Non-executive Director
(Appointed Executive Director 3 April 2024 and Non-executive Director from 30 June 2024)

Jim Pollock

Non-executive Director
(Appointed 29 February 2024)

Company Secretary

Sonya Tissera-Isaacs

ABN

93 104 757 904

Registered Office and Principal Place of Business

Level 12, 333 Ann Street
Brisbane City QLD 4000

Telephone:
(07) 3557 1100

Facsimile:
(07) 3607 0111

Website: www.emlpayments.com

Auditors

KPMG

Heritage Lanes
Level 11, 80 Ann Street
Brisbane QLD 4000

Telephone: (07) 3233 3111

Facsimile: (07) 3233 3100

Bankers

Australia and New Zealand Banking Group Limited

Level 5, 242 Pitt Street
Sydney NSW 2000

Share Register

MUFG Corporate Markets (formerly Link Market Services Limited)

Level 21, 10 Eagle Street
Brisbane City QLD 4000

Telephone
(within Australia): 1300 554 474

Facsimile:
(02) 9287 0303

Website:
www.linkmarketservices.com.au

Securities Exchange Listing

EML Payments Limited is listed on the Australian Securities Exchange

(ASX: EML)

emlpayments.com

Level 12 / 333 Ann Street
Brisbane QLD 4000

Telephone: (07) 3557 1100
Facsimile: (07) 3607 0111

Connect with us

Investors
emlpayments.com/company/investor-centre/

linkedin.com/company/emlpayments