

Appendix 4D

For the half year ended 30 September 2023

OFX Group Limited

ABN 12 165 602 273

Results for announcement to the market

For the half year ended 30 September 2023 (“reporting period”)

		30 September 2023	% Change from 6 months ended 30 September 2022	30 September 2022 (previous corresponding period)
		A\$'000	%	A\$'000
Revenue from ordinary activities	Up	122,782	9%	112,678
Net profit for the period attributable to members of parent (before non-controlling interest) ¹	Up	15,776	5%	15,035

Statutory net profit after tax for the half year was \$15.8m, up 5% from \$15.0m in the prior corresponding period.

Dividend information

There were no dividends paid in the current or the prior period.

Share buy-back

On 23 May 2023, the Company announced an on-market share buyback program. The on-market share buyback program was able to be up to 10% of the Company's fully paid ordinary shares and commenced on 7 June 2023. The expected end date of this program is 6 June 2024. A total of 3,613,839 ordinary shares were bought back and cancelled during the current period. The total amount paid for the buyback during the period was \$7.0m.

	30 September 2023 (cents)	30 September 2022 (cents)
Net tangible asset backing per ordinary security ²	18.31	11.62

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half year ended 30 September 2023. Refer to Note 7 to the Interim Financial Report for details on acquisition of a subsidiary. Information should be read in conjunction with OFX Group Limited's 2023 Annual Report and the attached Interim Financial Report.

This report is based on the consolidated Interim Financial Report for the half year ended 30 September 2023 which has been reviewed by KPMG with the Independent Auditor's Review Report included in the Interim Report.

¹ Prior year comparative has been restated as a result of a correction of a prior-period measurement error.

² Assumes that 241,616,843 ordinary shares on issue at 30 September 2023 and 243,387,261 were on issue at 30 September 2022.

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OFX Group Limited

ABN 12 165 602 273

Interim Financial Report

Half Year Ended 30 September 2023



The Company's registered office is:
Level 19
60 Margaret Street
Sydney NSW 2000
Australia

OFX Group Limited

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OFX Group Limited

Directors' Report

The Directors present their report together with the financial statements of the consolidated entity (the "Group"), being OFX Group Limited (the "Company") and its controlled entities, for the half year ended 30 September 2023 and the Independent Auditor's Review Report thereon.

Directors

The names of the Directors of the Group in office during the half year and up to the date of this report unless otherwise stated are as follows:

Patricia Cross	Chair
John Alexander ('Skander') Malcolm	Chief Executive Officer and Managing Director
Connie Carnabuci	Non-Executive Director
Douglas Snedden	Non-Executive Director
Grant Murdoch	Non-Executive Director
Cathy Kovacs	Non-Executive Director

Principal activities

The Group's principal activity during the half year was the provision of international payments and foreign exchange services.

Dividend and distributions

There were no dividends paid or determined by the Company during and since the end of the half year. Refer to Note 10 of the Financial Statements.

Operating and financial review

A summary of financial results for the half year ended 30 September 2023 is below. The Group's statutory financial information for the half year ended 30 September 2023 and for the comparative periods ended 31 March 2023 and 30 September 2022 present the Group's performance in compliance with statutory reporting obligations.

To assist shareholders and other stakeholders in their understanding of the Group's financial information, additional underlying financial information for the period ended 30 September 2023 and for the comparative periods ended 31 March 2023 and 30 September 2022 are provided in the Operating and Financial Review section of this Report. A reconciliation of the Company's statutory and underlying financial information is included on page 3-5. The reconciliation and the underlying information have not been audited.

Statutory results	Half year	Half year	Half year
	30 September	31 March	30 September
	2023	2023	2022
	\$'000	\$'000	\$'000
Net operating income ¹	115,143	108,813	105,279
EBITDA ²	30,659	29,132	27,158
EBITDA margin	26.6%	26.8%	25.8%
Net profit (after tax) ³	15,776	16,376	15,035
Earnings per share (basic) (cents) ³	6.49	6.73	6.19

¹ Net operating income, a non-IFRS measure, is the combination of 'Fee and trading income' and 'Fee and commission expense' and 'Interest income'.

² Earnings before interest expense, taxation, depreciation and amortisation (EBITDA) is a non-IFRS, unaudited measure.

³ Prior year comparative has been restated as a result of a correction of a prior-period measurement error.

OFX Group Limited

Directors' Report (continued)

The results were impacted by one-off items. The table below sets out the underlying financial results for the half year ended 30 September 2023 which has been adjusted for these items.

Underlying results	Half year 30 September 2023 \$'000	Half year 31 March 2023 \$'000	Half year 30 September 2022 \$'000
Net operating income ¹	115,143	108,813	105,279
Underlying EBITDA ²	31,803	30,148	32,289
Underlying EBITDA margin	27.6%	27.7%	30.7%
Underlying net profit (after tax) ³	17,009	17,386	20,215
Underlying earnings per share (basic) (cents) ³	7.00	7.15	8.32

"Underlying" measures of profit exclude one-off items of revenue and expenses to highlight the underlying financial performance across reporting periods. The Group incurred \$1.7m of one-off items in 1H24 in relation to progressing through the integration of Firma and completing the acquisition and commencing integration of Paytron. The following table reconciles underlying earnings measures to statutory results.

	Half year 30 September 2023				Half year 31 March 2023			
	\$'000	EBITDA	Profit before tax	Income tax	Profit after tax	EBITDA	Profit before tax	Income tax
Statutory profit	30,659	18,572	(2,796)	15,776	29,132	18,180	(1,804)	16,376
One-off items	1,144	1,699	(466)	1,233	1,016	1,356	(346)	1,010
Underlying profit	31,803	20,271	(3,262)	17,009	30,148	19,536	(2,150)	17,386

The Group delivered healthy results in 1H24 with Net Operating Income of \$115.1m, up 9.4% v 1H23 and underlying EBITDA of \$31.8m, down 1.5%.

Fee and Trading Income was up 3.3% with APAC up 2.7%, North America down 3.4% and EMEA up 16.1%. While ATVs were suppressed through the economic cycle, revenue growth was driven by a 4.1% increase in transaction numbers across the portfolio and improved margins across all segments.

The increase in Net Operating Income included strong interest income of \$4.3m and \$3.7m escrow release.

Underlying operating expenses were up 14.2% on 1H23, however growth halved v 2H23, up 5.9%. There was a slow-down in the targeted people investment in 1H24, up 5.4% on 2H23. Promotional expenses were up \$0.7m with a refresh of the OFXpert campaign driving registrations up 4.0% v 2H23. Bad and doubtful debts remained within expectations, steady at \$1.2m.

B2B revenue increased by 6.8% v 1H23, driven by strong trading activity with transactions per active client up 11.8%. Corporate revenue grew 7.2% and, despite varying global business conditions, momentum in registrations, transactions and margin accretion drove revenue growth in all regions. However revenue growth rate was impacted by North America, which was offset due to short term lowered margins and suppressed ATVs in Canada. Consumer revenue was down 6.5% on an unusually strong 1H23, but up 7.7% v 2H23, driven by a rebound in wealth related transfers. New Enterprise partnerships and activation has driven excellent Enterprise results, with revenue up by 46% v 1H23. Two new partnerships were signed in 1H24, one of which was the first in North America.

The Group has continued to build its capability, closing the Paytron acquisition on 3 July 2023. The Firma integration is well progressed and is expected to complete in 2H24.

¹ Net operating income, a non-IFRS measure, is the combination of 'Fee and trading income' and 'Fee and commission expense' and 'Interest income'.

² Earnings before interest expense, taxation, depreciation and amortisation (EBITDA) is a non-IFRS, unaudited measure.

³ Prior year comparative has been restated as a result of a correction of a prior-period measurement error.

OFX Group Limited

Directors' Report (continued)

A reconciliation of EBITDA to Net Profit After Tax (NPAT) is provided as follows:

	Half year 30 September 2023 \$'000	Half year 31 March 2023 \$'000	Half year 30 September 2022 \$'000
EBITDA	30,659	29,132	27,158
Share of profit /(loss) of equity-accounted investees, net of tax ¹	156	85	159
Less interest expense	(3,499)	(3,396)	(2,473)
Less income tax expense	(2,796)	(1,804)	(4,278)
Less depreciation and amortisation	(8,744)	(7,641)	(5,531)
Net profit after tax	15,776	16,376	15,035

	As at 30 September 2023 \$'000	As at 31 March 2023 \$'000	As at 30 September 2022 \$'000
Cash and cash equivalents	347,027	436,861	423,219
Deposits due from financial institutions	25,228	25,613	25,707
Total cash	372,255	462,474	448,926
Cash held for subsequent settlement of client liabilities	(279,434)	(368,670)	(355,984)
Net cash held	92,821	93,804	92,942
Collateral and Bank Guarantees	(31,999)	(26,407)	(49,011)
Net available cash²	60,822	67,397	43,931

The Group's financial position remains strong. The Group's current balances consist predominantly of cash and client liabilities, with Net cash held \$92.8m and Net available cash \$60.8m. The strong financial position supports the pursuit of ongoing growth and, along with the Group's respected regulatory record, provides banking partners with assurance on the Group's capability and diligence.

¹ Prior year comparative has been restated as a result of a correction of a prior-period measurement error.

² Net available cash is a non-IFRS unaudited measure.

OFX Group Limited

Directors' Report (continued)

Rounding amounts

The Group is of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that instrument, amounts in the Directors' Report and the Interim Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for the half year ended 30 September 2023 is on page 7 of this report.

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

On behalf of the Board



Patricia Cross
Chair



Skander Malcolm
Chief Executive Officer and Managing Director

14 November 2023



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

To the Directors of OFX Group Limited

I declare that, to the best of my knowledge and belief, in relation to the review of OFX Group Limited for the half-year ended 30 September 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Shaun Kendrigan

Partner

Sydney

14 November 2023

OFX Group Limited

Condensed Consolidated Statement of Comprehensive Income For the half year ended 30 September 2023

	Notes	Half year 30 September 2023 \$'000	Half year 30 September 2022 \$'000
Fee and trading income		114,595	110,891
Fee and commission expense		(7,639)	(7,399)
Net income		106,956	103,492
Interest and other income		8,187	1,787
Net operating income		115,143	105,279
Employment expenses		(59,064)	(49,940)
Promotional expenses		(9,774)	(9,059)
Information technology expenses		(6,488)	(5,233)
Professional fee expenses		(1,760)	(6,270)
Bad and doubtful debts		(1,153)	(1,150)
Other operating expenses	3	(6,245)	(6,469)
Earnings before interest expense, tax, depreciation and amortisation (EBITDA)		30,659	27,158
Depreciation and amortisation expenses		(8,744)	(5,531)
Interest expenses		(3,499)	(2,473)
Share of profit of equity-accounted investees, net of tax ¹	6	156	159
Net profit before income tax		18,572	19,313
Income tax expense	4	(2,796)	(4,278)
Net profit attributable to ordinary equity holders of the Company		15,776	15,035
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations, net of hedging		3,617	3,150
Cash flow hedges – effective portion of change in fair value		-	2,914
		3,617	6,064
Total comprehensive income attributable to ordinary equity holders of the Company		19,393	21,099
Earnings per share attributable to ordinary equity holders of the Company:			
Basic		6.49	6.19
Diluted		6.09	5.96

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

¹ Prior period comparative has been restated as a result of a correction of a prior-period measurement error.
OFX Group Limited - Interim Report

OFX Group Limited

Condensed Consolidated Statement of Financial Position As at 30 September 2023

	As at 30 September 2023 \$'000	As at 31 March 2023 \$'000
Assets		
Cash held for own use	67,593	68,191
Cash held for subsequent settlement of client liabilities	279,434	368,670
Deposits due from financial institutions	25,228	25,613
Derivative financial assets	41,439	52,666
Prepayments	7,089	7,565
Other receivables	11,299	7,365
Equity accounted investees	6 5,271	5,173
Property, plant and equipment	3,854	2,143
Intangible assets	116,712	103,119
Right-of-use assets	11,155	12,725
Current tax assets	3,953	1,116
Deferred tax assets	8,418	7,083
Total assets	581,445	661,429
Liabilities		
Client liabilities	284,072	375,678
Derivative financial liabilities	31,050	34,125
Lease liabilities	13,277	13,959
Loans and borrowings	8 54,669	65,183
Other creditors and accruals	15,898	10,980
Provisions	10,820	14,332
Contingent consideration	7 8,098	-
Deferred tax liabilities	2,604	3,062
Total liabilities	420,488	517,319
Net assets	160,957	144,110
Equity		
Share capital	29,752	31,600
Retained earnings	122,695	106,978
Foreign currency translation reserve	3,999	382
Share based payments reserve	4,511	5,150
Total equity attributable to shareholders	160,957	144,110

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

OFX Group Limited

Condensed Consolidated Statement of Changes in Equity For the half year ended 30 September 2023

	Share capital	Retained earnings	Foreign currency translation reserve	Share based payments reserve	Total equity
Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2022	28,576	75,013	(3,085)	2,835	103,339
Net profit	–	15,035	–	–	15,035
Other comprehensive income	–	(28)	6,092	–	6,064
Total comprehensive income	–	15,007	6,092	–	21,099
Balance cashflow reserve allocated to Goodwill	–	–	(691)	–	(691)
Transactions with equity holders in their capacity as equity holders:					
Shares vested under the GEP and ESP	2,978	–	–	(1,020)	1,958
Share based payment expense	–	–	–	1,776	1,776
	2,978	–	(691)	756	3,043
Balance at 30 September 2022	31,554	90,020	2,316	3,591	127,481
Balance at 1 April 2023	31,600	106,978	382	5,150	144,110
Net profit	–	15,776	–	–	15,776
Other comprehensive income	–	(59)	3,617	–	3,558
Total comprehensive income	–	15,717	3,617	–	19,334
Balance cashflow reserve allocated to Goodwill	–	–	–	–	–
Transactions with equity holders in their capacity as equity holders:					
Shares bought back / cancelled	(6,970)	–	–	–	(6,970)
Shares vested under the GEP and ESP	5,122	–	–	(2,813)	2,309
Share based payment expense	–	–	–	2,174	2,174
	(1,848)	–	–	(639)	(2,487)
Balance at 30 September 2023	29,752	122,695	3,999	4,511	160,957

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

OFX Group Limited

Condensed Consolidated Statement of Cash Flows For the half year ended 30 September 2023

	Notes	Half year 30 September 2023 \$'000	Half year 30 September 2022 \$'000
Cash flows from operating activities			
Profit from ordinary activities after income tax		15,776	15,035
Adjustments to profit from ordinary activities			
Depreciation and amortisation		8,744	5,531
Interest expense		3,499	2,473
Share of profit of equity-accounted investees, net of tax ¹	6	(156)	(159)
Share based payment expense		2,174	1,776
Foreign exchange revaluation		242	2,972
Fair value changes on financial assets and liabilities through profit or loss		8,152	(14,326)
Movement in foreign currency translation reserve		3,617	5,401
Operating cash flow before changes in working capital		42,048	18,703
Changes in assets and liabilities:			
(Increase) in prepayments and other receivables		(3,458)	(6,824)
(Increase) in deferred tax assets		(1,335)	(7,212)
Decrease/(increase) in cash held for client liabilities		89,236	(113,217)
(Decrease)/increase in amounts due to clients		(91,606)	114,671
Increase in accrued charges and creditors		4,918	8,379
(Decrease)/increase in deferred tax liabilities		(458)	4,643
(Decrease)/increase in provisions		(3,512)	2,636
(Increase) in current tax asset		(2,837)	(1,661)
(Decrease) in current tax liabilities		-	(47)
Net cash flows from operating activities		32,996	20,071
Cash flows from investing activities			
Payments for property, plant and equipment		(2,545)	(2,063)
Payments for intangible assets		(11,713)	(82,679)
Cash deposited from/(payments to) financial institutions		385	(563)
Net cash flows from investing activities		(13,873)	(85,305)
Cash flows from financing activities			
(Payments for)/proceeds from loans and borrowings	8	(13,441)	75,996
Payments for lease liabilities		(1,752)	(2,682)
(Payments for acquisition of shares)/shares issued		(4,661)	1,958
Net cash flows from financing activities		(19,854)	75,272
(Decrease)/increase in cash held for own use		(731)	10,038
Cash held for own use at the beginning of the period		68,191	59,103
Exchange gains/(loss) on cash held for own use		133	(1,906)
Cash held for own use at the end of the period		67,593	67,235
Including cash held for settlement of client liabilities			
Cash held for settlement of client liabilities at the beginning of the period		368,670	242,767
Cash inflows from clients		17,301,722	18,303,628
Cash outflows to clients		(17,396,037)	(18,184,313)
Exchange (loss)/gain on cash held for client liabilities		5,079	(6,098)
Cash held for settlement of client liabilities at the end of the period		279,434	355,984
Total cash and cash equivalents		347,027	423,219

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

¹ Prior period comparative has been restated as a result of a correction of a prior-period measurement error.
OFX Group Limited - Interim Report

Note 1. Basis of preparation

This condensed consolidated interim financial report for the half year ended 30 September 2023 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 March 2023 and any public announcements made by OFX Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Except as described in this note below the accounting policies adopted are consistent with those of the previous financial year.

Significant accounting policies

The interim Financial Report does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Except as described in this note, the accounting policies applied in these interim financial statements are consistent with those applied as at 31 March 2023 and have been consistently applied by each entity in the Group.

The Group has applied AASB 3 Business Combinations when accounting for its acquisition of Paytron Holdings Pty Ltd. The accounting policy is set out at Note 7, along with details of the Group's acquisition during the period.

Contingent consideration included in the Paytron acquisition is a financial liability measured at acquisition date fair value and is recognised on the Statement of Financial Position. Subsequent measurement is at fair value through profit and loss.

Corrections to prior period amounts

Certain comparative amounts in the Consolidated Statement of Profit or Loss and OCI, the Consolidated Statement of Financial Position, Consolidated Statement of Cashflows and Consolidated Statement of Changes in Equity have been restated, reclassified or re-presented, as a result of a correction of a prior period error in relation to the measurement of the Group's investment in Equity Accounted Investees.

OFX Group Limited

Note 2. Segment information

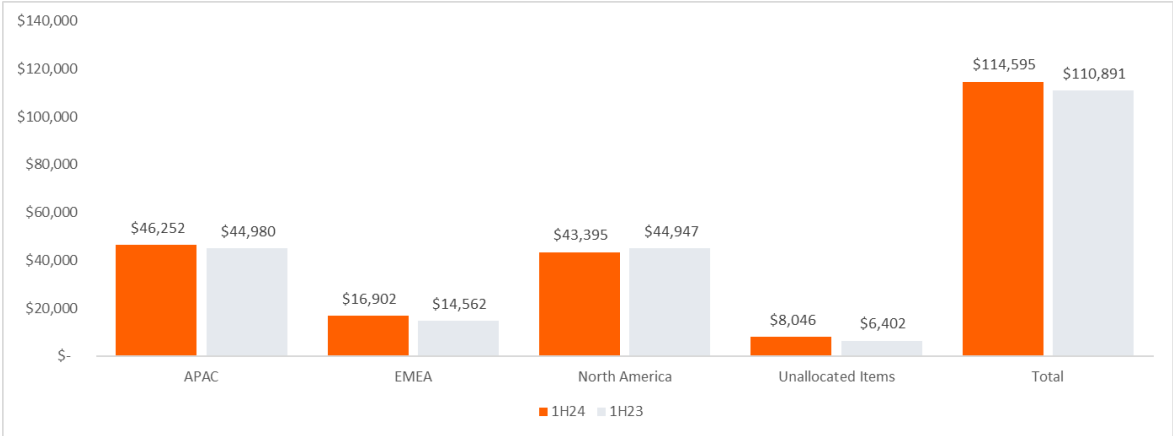
The operating segments presented below reflect how senior management and the Board of Directors (the chief operating decision makers) allocate resources to the segments and review their performance.

The chief operating decision makers examine the performance both from a geographic perspective and by client market segment. OFX regions are based on client location covering APAC, North America and EMEA. These regions have been identified as reportable segments. Paytron has been attributed to the APAC operating segment and contributed fee and trading income of \$0.2m and underlying EBITDA of (\$0.9m) to the Group's results.

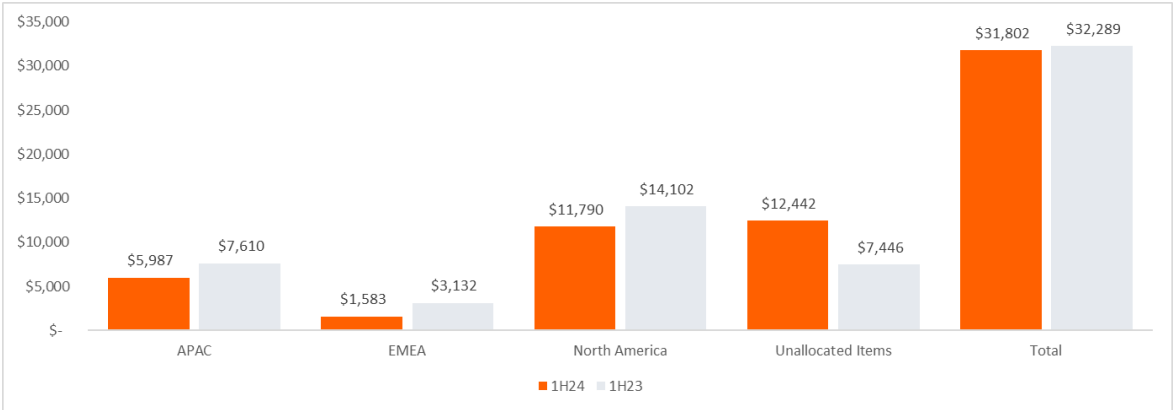
Each region serves consumers, corporates, online sellers and enterprise (previously referred to as international payment solutions) clients.

Segments are managed on an underlying basis. Segment EBITDA excludes \$1.3m of one-off items that are excluded from underlying results.

Segment fee and trading income – half year 30 September 2023 v half year 30 September 2022 (\$'000)



Segment EBITDA – half year 30 September 2023 v half year 30 September 2022 (\$'000)



OFX Group Limited

Note 2. Segment information (continued)

	Half year 30 September 2023 \$'000	Half year 30 September 2022 \$'000
Group underlying EBITDA¹	31,803	32,289
Depreciation and amortisation	(8,559)	(5,277)
Interest expense	(3,499)	(2,473)
Share of profit of equity-accounted investees ²	156	159
Underlying net profit before income tax	19,901	24,698
Income tax expense	(2,796)	(4,278)
One-off items ³	(1,329)	(5,385)
Statutory net profit	15,776	15,035

	APAC \$'000	Europe \$'000	North America \$'000	Unallocated \$'000	Consolidated \$'000
30 September 2023					
Segment assets	317,475	135,560	105,375	67,681	626,091
Intergroup eliminations	(50,949)	-	-	-	(50,949)
Deferred tax assets					8,418
Total assets					583,560
Segment liabilities	(192,716)	(111,550)	(112,013)	(54,669)	(470,948)
Intergroup eliminations	-	984	49,965	-	50,949
Deferred tax liabilities					(2,604)
Total liabilities					(422,603)
31 March 2023					
Segment assets	361,263	87,506	181,541	69,683	699,993
Intergroup eliminations	(45,647)	-	-	-	(45,647)
Deferred tax assets					7,083
Total assets					661,429
Segment liabilities	(248,662)	(90,965)	(152,477)	(67,800)	(559,904)
Intergroup eliminations	-	17,906	25,265	2,476	45,647
Deferred tax liabilities					(3,062)
Total liabilities					(517,319)

¹ Group underlying EBITDA is a non-IFRS, unaudited measure.

² Prior period comparative has been restated as a result of a correction of a prior-period measurement error.

³ One-off items are gross of tax.

OFX Group Limited

Note 3. Other expenses

Other operating expenses

	Half year 30 September 2023 \$'000	Half year 30 September 2022 \$'000
Compliance	(1,303)	(1,411)
Occupancy	(830)	(839)
Insurance	(1,589)	(1,697)
Communication	(421)	(319)
Non-recoverable GST	(144)	(163)
Other expenses	(1,958)	(2,040)
Total other operating expenses	(6,245)	(6,469)

Note 4. Income tax expense

	Half year 30 September 2023 \$'000	Half year 30 September 2022 \$'000
Current tax expense	4,172	2,117
Adjustments to current tax of prior years	(758)	-
Total current tax expense	3,414	2,117
Deferred income tax	(618)	2,161
Total income tax expense	2,796	4,278
Reconciliation of income tax expense to prima facie tax payable		
Net profit before income tax	18,572	19,313
Prima facie income tax expense at 30% (2023: 30%)	5,572	5,794
Effect of lower tax rates in overseas jurisdictions	(862)	(949)
Decrease in tax expense as a result of operating as an OBU in the current period	-	(967)
Non-deductible acquisition cost	-	1,161
Return of capital deemed non-taxable	(1,000)	-
Research and development tax credits	(754)	(538)
Other items ¹	(160)	(223)
Total income tax expense	2,796	4,278

The effective tax rate for the period was 15% (2022: 22%) due to the cessation of the Offshore Banking Unit (OBU) regime at 31 March 2023, and return of non-taxable capital that was received during the period.

¹ Prior period comparative has been restated as a result of a correction of a prior-period measurement error.
OFX Group Limited - Interim Report

OFX Group Limited

Note 5. Fair values of assets and liabilities

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement:

Level	Instruments	Valuation process
Level 1 – Traded in active markets and fair value is based on recent unadjusted quoted prices.	Cash and cash equivalents, amounts due from financial institutions, client liabilities, creditors and receivables.	These instruments are held at amortised cost. Fair values are considered to approximate to their carrying amounts as they are short term in nature.
Level 2 – Not actively traded and fair value is based on valuation techniques which maximise the use of observable market prices.	Over the counter derivatives.	Foreign currency forward contract valuations are based on observable spot exchange rates and the yield curves of the respective currencies.
Level 3 – Not actively traded and fair value is based on at least one input which is not observable in the market due to illiquidity or complexity.	Contingent consideration.	Fair value measurement is based on weighted average fair value share price, dividend yield and a probability of achievement of defined performance hurdles.

All derivative financial instruments held by the Group at fair value are categorised within Level 2.

Note 6. Equity-accounted investees

	As at 30 September 2023 \$'000	As at 31 March 2023 \$'000
Investment in joint venture	5,271	5,173
Closing balance	5,271	5,173

Investment in joint venture

Acquired on 11 June 2021, TreasurUp B.V. (TreasurUp) is a joint venture in which the Group has joint control and a 44.98% ownership interest. TreasurUp is a treasury management software company, incorporated in the Netherlands, which will allow the Group to provide automated hedging and risk management solutions for small and medium size corporates to manage their foreign exchange risk. TreasurUp is not publicly listed. TreasurUp is structured as a separate vehicle and the Group has a residual interest in the net assets of TreasurUp. Accordingly, the Group has classified its interest in TreasurUp as a joint venture.

In accordance with the agreement under which the Group's investment in TreasurUp was established, The Group provided a loan to the Company in an amount of €0.75m with an annual interest rate of 8%. The balance of this as at 30 September 2023 is A\$1.480m (31 March 2023: A\$1.405m) and is included in 'Other receivables' on the Consolidated Statement of Financial Position.

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Note 7. Acquisition of subsidiary

On 3 July 2023, the Group completed its acquisition of 100% of the issued capital of the Australian corporate payment platform, Paytron Holdings Pty Ltd ("Paytron"). Paytron is a Sydney-based B2B payments company that has developed a platform that has a modern interface and offers card and multi-currency account capabilities.

For the three months ended 30 September 2023, Paytron contributed net operating income of \$0.1m and underlying EBITDA of (\$0.9m) to the Group's results.

The details of the business combination are as follows:

	OFX Group \$'000
Fair value of consideration transferred	
Contingent consideration – performance securities	8,098
Total consideration transferred	8,098
Recognised amounts of identifiable net assets	
Cash and cash equivalents	982
Cash held for settlement of client liabilities	10,646
Other receivables	2,058
Intangible assets	2,949
Total assets	16,635
Client liabilities	(10,646)
Other liabilities	(599)
Loans and borrowings	(2,035)
Provisions	(407)
Total liabilities	(13,687)
Identifiable net assets	2,948
Provisional Goodwill on acquisition	5,150

Contingent consideration is comprised of up to 11.25m deferred performance securities that have been granted to the former owners of Paytron at no cost and may convert to OFX Group fully paid ordinary shares on a one-to-one basis, subject to development and revenue vesting conditions being met. The final number of performance securities that may vest has a fair value of up to a maximum of \$22.3m. There is no minimum amount payable. The fair value of the contingent consideration determined at the grant date of the securities is \$8.1m and this has been separately disclosed on the Condensed Consolidated Statement of Financial Position. This has also been determined to be the contingent consideration fair value as at 30 September 2023.

The fair value of the contingent consideration is estimated using a weighted average fair value share price of \$1.98, a dividend yield of 0% and an expected number of performance rights that may vest based on probability of achievement of defined revenue and development performance hurdles. The total fair value would increase or decrease with a respective change in probability assumptions.

Acquisition-related costs amounting to \$0.06m have been recognised as an expense in profit or loss in the half-year.

The goodwill that arose on the combination can be attributed to the synergies expected to be derived, including the acceleration of services to B2B clients to generate revenue beyond spot FX. Goodwill of \$5.2m has been provisionally allocated to cash-generating units at 30 September 2023 and is attributable to the APAC segments. The goodwill that arose from this combination is not expected to be deductible for tax purposes.

The initial accounting for the acquisition of Paytron including the fair value of Paytron's intangible assets (the Paytron Platform) has been measured provisionally, pending completion of an independent valuation.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

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Note 8. Loans and borrowings

	As at 30 September 2023 \$'000	As at 31 March 2023 \$'000
Loans and borrowings (current)	108	148
Loans and borrowings (non-current)	54,561	65,035
Closing balance	54,669	65,183

On 2 May 2022 (1 May 2022 Edmonton time), the Group obtained a syndicated bank loan to the amount of \$100m, used to fund the acquisition of Firma Foreign Exchange Corporation Limited. The interest period has been elected at 3 months. The loan bears interest at 3.5% above the 3-month BBSY and is repayable in five years by May 2027. There are no penalties for early repayment, and the Group commenced principal repayment from 9 May 2022.

During the period ended 30 September 2023, \$13.4m (2022: \$20.1m) has been paid of which \$11m (2022: \$18.5m) is for early repayments of principal.

Interest expense of \$2.9m (2022: \$2.2m) for the period ended 30 September 2023 has been recognised in the Consolidated Statement of Comprehensive Income. These balances are also reflected in the investing activities in the Consolidated Statement of Cash Flows.

The loan is secured by a combination of floating and fixed charges over property of the Group.

The Group is required to adhere to financial covenants as of compliance dates: 30 September and 31 March each year. These are as follows:

1. The Net Leverage Ratio is not greater than 3.00x
2. The Interest Cover Ratio is not less than 3.00x
3. The gearing ratio is not greater than
 - (i) 60% at each compliance date up to 31 March 2023;
 - (ii) 55% at each compliance date during the 24-month period up to 31 March 2025;
 - (iii) 50% at each compliance date thereafter.

Note 9. Share capital

Share capital is classified as equity and measured based on the proceeds from issuing the shares less the directly attributable incremental costs, net of tax.

There are 241,616,843 fully paid ordinary shares (as at 31 March 2023: 243,599,470). Ordinary shares entitle the holder to vote and to receive dividends and the proceeds of the Company if it is liquidated in proportion to the number of shares held.

There are 3,394,406 (as at 31 March 2023: 4,135,718) restricted ordinary shares, of which 3,394,406 (as at 31 March 2023: 3,936,044) are issued in connection with the Executive Share Loan Plan, and nil (as at 31 March 2023: 199,674) are unallocated shares for fulfillment of future share based payment awards.

On 23 May 2023, the Company announced an on-market share buyback program. The on-market share buyback program was able to be up to 10% of the Company's fully paid ordinary shares and commenced on 7 June 2023. The expected end date of this program is 6 June 2024. A total of 3,613,839 ordinary shares were bought back and cancelled during the current period. The total amount paid for the buyback during the period was \$7.0m.

Note 10. Dividends paid or provided for

Dividends are recognised as a liability and a reduction to retained earnings when declared. There were no dividends paid in the current or the prior period.

Note 11. Events occurring after balance sheet date

There were no material post balance sheet events occurring after the reporting date requiring disclosure in these financial statements.

OFX Group Limited

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes for the half year ended 30 September 2023 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 30 September 2023 and of its performance for the financial period ended on that date, and

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

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

On behalf of the Board:



Patricia Cross
Chairman



Skander Malcolm
Chief Executive Officer and Managing Director

14 November 2023



Independent Auditor's Review Report

To the shareholders of OFX Group Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying **Interim Financial Report** of OFX Group Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of OFX Group Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 30 September 2023 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 30 September 2023;
- Condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The **Group** comprises OFX Group Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*; and
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including:

- giving a true and fair view of the Group's financial position as at 30 September 2023 and its performance for the Half Year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Shaun Kendrigan

Partner

Sydney

14 November 2023

OFX Group Limited

Corporate Information

Directors	Ms Patricia Cross (Chair) Mr John ('Skander') Malcolm (Chief Executive Officer and Managing Director) Mr Douglas Snedden Mr Grant Murdoch Ms Cathy Kovacs Ms Connie Carnabuci
Company Secretary	Mr Adrian Wong
Registered office and principal place of business in Australia	Level 19 60 Margaret Street Sydney NSW 2000 Australia Ph +61 2 8667 8000 Fax +61 2 8667 8080 Email investors@ofx.com.au
Share register	Link Market Services Limited Level 12 680 George Street Sydney NSW 2000 Ph +61 1300 554 474 (toll free within Australia) Email registrars@linkmarketservices.com.au
Auditor	KPMG Tower Three, International Towers, 300 Barangaroo Ave, Sydney NSW 2000
Securities exchange listing	OFX Group Limited shares are listed on the Australian Securities Exchange: OFX
Website address	www.ofx.com