

Appendix 4D

For the half year ended 30 September 2021

OFX Group Limited

ABN 12 165 602 273

Results for announcement to the market

For the half year ended 30 September 2021 (“reporting period”)

		30 September 2021	% Change from 6 months ended 30 September 2020	30 September 2020 (previous corresponding period)
		A\$'000	%	A\$'000
Revenue from ordinary activities	Up	74,267	20%	61,807
Net profit for the period attributable to members of parent (before non-controlling interest)	Up	10,895	280%	2,868

Statutory net profit after tax for the half year was \$10.9 million, up 280% from \$2.9 million in the prior corresponding period.

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
2021 interim dividend (paid 11 December 2020)	0.81	0.00	N/A
2021 final dividend	0.00	N/A	N/A
2022 interim dividend	0.00	N/A	N/A

Share buy back

On 18 May 2021, the Company announced an on-market share buyback program instead of a dividend in the near term. The on-market share buyback program will be up to 10% of the Company's fully paid ordinary shares and commenced on 7 June 2021. A total of 1,912,000 ordinary shares were bought back and subsequently cancelled in the current period. The total amount paid for the buyback was \$2.65 million.

	30 September 2021 (cents)	30 September 2020 (cents)
Net tangible asset backing per ordinary security ¹	29.76	23.46

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 2021. Refer to Note 6 to the Interim Financial Report for details on investment in joint ventures. Information should be read in conjunction with OFX Group Limited's 2021 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 2021 which has been reviewed by KPMG with the Independent Auditor's Review Report included in the Interim Report.

¹ Assumes that 242,442,234 ordinary shares on issue at 30 September 2021 and 243,872,167 were on issue at 30 September 2020.

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OFX Group Limited

ABN 12 165 602 273

Interim Financial Report

Half Year Ended 30 September 2021



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

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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 2021 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:

Steven Sargent	Chairman
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 7 to the Financial Statements.

Operating and financial review

A summary of financial results for the half year ended 30 September 2021 is below. The Group's statutory financial information for the half year ended 30 September 2021 and for the comparative periods ended 31 March 2021 and 30 September 2020 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 2021 and for the comparative periods ended 31 March 2021 and 30 September 2020 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 4. The reconciliation and the underlying information have not been audited.

Statutory results	Half year 30 September 2021 \$'000	Half year 31 March 2021 \$'000	Half year 30 September 2020 \$'000
Net operating income ¹	68,630	64,002	53,928
EBITDA ²	20,066	19,120	10,313
EBITDA margin	29.2%	29.9%	19.1%
Net profit (after tax)	10,895	9,913	2,868
Earnings per share (basic) (cents)	4.47	4.07	1.18

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.

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 2021 which has been adjusted for these items.

Underlying results	Half year 30 September 2021 \$'000	Half year 31 March 2021 \$'000	Half year 30 September 2020 \$'000
Net operating income ³	68,630	64,002	53,928
Underlying EBITDA ⁴	20,258	19,627	10,774
EBITDA margin	29.5%	30.7%	20.0%
Underlying net profit (after tax)	11,046	10,304	3,229
Underlying earnings per share (basic) (cents)	4.54	4.23	1.33

"Underlying" measures of profit exclude one-off items of revenue and expenses in order to highlight the underlying financial performance across reporting periods. The Company incurred \$0.2 million for retention payments committed by Board as part of the unsolicited M&A proposal in FY20. The following table reconciles underlying earnings measures to statutory results.

Half year 30 September 2021					Half year 31 March 2021			
\$'000	EBITDA	Profit before tax	Income tax	Profit after tax	EBITDA	Profit before tax	Income tax	Profit after tax
Statutory profit	20,066	14,151	(3,256)	10,895	19,120	12,695	(2,782)	9,913
One-off items	192	192	(41)	151	507	507	(116)	391
Underlying profit	20,258	14,343	(3,297)	11,046	19,627	13,202	(2,898)	10,304

The Group saw continued momentum in 1H22 with revenue growth of 20.1% vs 1H21 with double digit revenue growth across all regions (A&NZ up 10.5%, North America up 32.9%, UK / Europe up 26.2% and Asia up 20.1%). Net Operating Income (NOI) was up 27.3% with increased efficiencies in bank fees and a reduction in commissions to third parties. Revenue growth was driven by a rebound in average transaction size to \$25.9k, up 39.3% resulting in record turnover of \$15.0bn. As a result of the higher ATV's NOI margins were down 2bps.

Underlying operating expenses were up 12.1% on the previous corresponding period with a focus on investing for growth. Investments in our risk management capabilities have led to an improvement in Bad and doubtful debts which were down 100% on 1H21 which was a combination of fewer loss events and recoveries within the period.

Corporate revenue grew 16.2% with loyal and active customers driving consistent portfolio growth as a result of investments made in this segment over the past few years. We are winning the consumer rebound with revenue up 28.1% following a challenging year for Consumers in FY21. Online Sellers revenue grew by 0.7% (13.5% ex Asia) with eCommerce market growth flatlining as the eCommerce boom pulls back. We continue to rebuild a strong Enterprise segment with revenue up 40.5%. During 1H22 the Group activated four new clients and the pipeline of prospective clients continues to grow.

³ Net operating income, a non-IFRS measure, is the combination of 'Fee and trading income' and 'Fee and commission expense' and 'Interest income'.

⁴ Earnings before interest expense, taxation, depreciation and amortisation (EBITDA) is a non-IFRS, unaudited measure

OFX Group Limited

Directors' Report (continued)

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

	Half year 30 September 2021 \$'000	Half year 31 March 2021 \$'000	Half year 30 September 2020 \$'000
EBITDA	20,066	19,120	10,313
Share of loss of equity-accounted investees, net of tax	(270)	-	-
Less interest expense	(365)	(652)	(707)
Less income tax expense	(3,256)	(2,782)	(766)
Less depreciation and amortisation	(5,280)	(5,773)	(5,972)
Net profit after tax	10,895	9,913	2,868

	As at 30 September 2021 \$'000	As at 31 March 2021 \$'000	As at 30 September 2020 \$'000
Cash and cash equivalents	277,092	275,261	209,262
Deposits due from financial institutions	22,216	27,119	27,133
Total cash	299,308	302,380	236,395
Cash held for subsequent settlement of client liabilities	(236,163)	(241,807)	(183,555)
Net cash held	63,145	60,573	52,840
Collateral and Bank Guarantees	(25,541)	(23,756)	(25,582)
Net available cash	37,604	36,817	27,258

The Group's financial position remains strong. The balance sheet consists predominantly of cash and client liabilities, with a cash position net of client liabilities of \$63.15 million at 30 September 2021, up from \$52.8 million at 30 September 2020.

The Group currently has no external debt. The financial position provides a good platform to pursue future growth opportunities and, coupled with our regulatory record, provides our banking partners with assurance on our capability and diligence.

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 2021 is on page 7 of this report.

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

On behalf of the Board



Steven Sargent
Chairman



Skander Malcolm
Chief Executive Officer and Managing Director

09 November 2021



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 2021 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.

The KPMG logo, consisting of the letters 'KPMG' in a stylized, handwritten-style font.

KPMG

A handwritten signature in black ink, appearing to read 'Shaun Kendrigan'.

Shaun Kendrigan

Partner

Sydney

9 November 2021

OFX Group Limited

Consolidated Statement of Comprehensive Income For the half year ended 30 September 2021

	Notes	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Fee and trading income		73,952	61,572
Fee and commission expense		(5,637)	(7,879)
Net income		68,315	53,693
Interest and other income		315	235
Net operating income		68,630	53,928
Employment expenses		(31,759)	(28,324)
Promotional expenses		(7,939)	(6,898)
Information technology expenses		(3,850)	(2,782)
Occupancy expenses		(351)	(355)
Bad and doubtful debts	3	3	(1,157)
Other operating expenses	3	(4,668)	(4,099)
Earnings before interest expense, tax, depreciation and amortisation (EBITDA)		20,066	10,313
Depreciation and amortisation expense		(5,280)	(5,972)
Interest expense		(365)	(707)
Share of loss of equity-accounted investees, net of tax	6	(270)	-
Net profit before income tax		14,151	3,634
Income tax expense	4	(3,256)	(766)
Net profit attributable to ordinary equity holders of the Company		10,895	2,868
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		621	505
Total comprehensive income attributable to ordinary equity holders of the Company		11,516	3,373
Earnings per share attributable to ordinary equity holders of the Company:		Cents	Cents
Basic		4.47	1.18
Diluted		4.33	1.15

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

OFX Group Limited

Consolidated Statement of Financial Position As at 30 September 2021

	As at 30 September 2021 \$'000	As at 31 March 2021 \$'000
Assets		
Cash held for own use	40,929	33,454
Cash held for subsequent settlement of client liabilities	236,163	241,807
Deposits due from financial institutions	22,216	27,119
Derivative financial assets	22,406	22,546
Prepayments	4,367	4,680
Other receivables	5,248	5,037
Equity accounted investees	6 4,686	-
Property, plant and equipment	1,012	1,054
Intangible assets	19,283	18,048
Right-of-use assets	6,483	13,899
Current tax assets	6,619	6,273
Total assets	369,412	373,917
Liabilities		
Client liabilities	238,072	247,094
Derivative financial liabilities	16,471	16,733
Lease liabilities	9,222	17,302
Other creditors and accruals	6,170	4,261
Provisions	6,165	6,059
Deferred tax liabilities	1,875	1,239
Total liabilities	277,975	292,688
Net assets	91,437	81,229
Equity		
Share capital	28,212	28,990
Retained earnings	62,388	51,493
Foreign currency translation reserve	(609)	(1,230)
Share based payments reserve	1,446	1,976
Total equity attributable to shareholders	91,437	81,229

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

OFX Group Limited

Consolidated Statement of Changes in Equity For the half year ended 30 September 2021

		Share capital	Retained earnings	Foreign currency translation reserve	Share based payments reserve	Total equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2020		28,774	46,502	73	638	75,987
Net profit		-	2,868	-	-	2,868
Other comprehensive income		-	-	505	-	505
Total comprehensive income		-	2,868	505	-	3,373
Transactions with equity holders in their capacity as equity holders:						
Dividends paid	8	-	(5,798)	-	-	(5,798)
Shares issued under ESS		216	-	-	-	216
Share based payment expense		-	-	-	331	331
		216	(5,798)	-	331	(5,251)
Balance at 30 September 2020		28,990	43,572	578	969	74,109
Balance at 1 April 2021		28,990	51,493	(1,230)	1,976	81,229
Net profit		-	10,895	-	-	10,895
Other comprehensive income		-	-	621	-	621
Total comprehensive income		-	10,895	621	-	11,516
Transactions with equity holders in their capacity as equity holders:						
Shares bought back/cancelled	7	(2,656)	-	-	-	(2,656)
Shares vested under the GEP and ESP		1,878	-	-	(1,634)	244
Share based payment expense		-	-	-	1,104	1,104
		(778)	-	-	(530)	(1,308)
Balance at 30 September 2021		28,212	62,388	(609)	1,446	91,437

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

OFX Group Limited

Consolidated Statement of Cash Flows For the half year ended 30 September 2021

	Notes	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Cash flows from operating activities			
Profit from ordinary activities after income tax		10,895	2,868
Adjustments to profit from ordinary activities			
Depreciation and amortisation		5,280	5,972
Interest expense		365	707
Share of loss of equity-accounted investees, net of tax		270	-
Share based payment expense		1,104	546
Foreign exchange revaluation		949	2,190
Fair value changes on financial assets and liabilities through profit or loss		(122)	(2,238)
Movement in foreign currency translation reserve		621	505
Operating cash flow before changes in working capital		19,362	10,550
Changes in assets and liabilities:			
Decrease in debtors and prepayments		1,304	3,027
Decrease in deferred tax assets		-	1,798
Decrease in cash held for client liabilities		5,644	23,483
(Decrease) in amounts due to customers		(9,022)	(22,677)
Increase/(decrease) in accrued charges and creditors		1,909	(960)
Increase in deferred tax liabilities		635	2,331
Increase/(decrease) in provisions		106	(1,594)
(Increase) in tax provision		(346)	(7,266)
Net cash flows from operating activities		19,592	8,692
Cash flows from investing activities			
Payments for property, plant and equipment		(465)	(329)
Payments for intangible assets		(5,100)	(5,507)
Cash received from financial institutions		4,903	5,143
Payments for issuance of loan to associates	7	(1,170)	-
Payments for equity accounted investees		(4,985)	-
Net cash flows from investing activities		(6,817)	(693)
Cash flows from financing activities			
Dividends paid	8	-	(5,798)
Payments for lease liabilities		(2,517)	(3,298)
Net payments for shares issued and shares bought back		(2,411)	-
Net cash flows from financing activities		(4,928)	(9,096)
(Decrease)/increase in cash held for own use		7,847	(1,097)
Cash held for own use at the beginning of the period		33,454	28,771
Exchange (loss) on cash held for own use		(372)	(1,967)
Cash held for own use at the end of the period		40,929	25,707
Including cash held for settlement of client liabilities			
Cash held for settlement of client liabilities at the beginning of the period		241,807	207,038
Cash inflows from clients		14,951,584	11,231,117
Cash outflows to clients		(14,963,091)	(11,247,932)
Exchange (loss)/gain on cash held for client liabilities		5,863	(6,668)
Cash held for settlement of client liabilities at the end of the period		236,163	183,555
Total cash and cash equivalents		277,092	209,262

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

Note 1. Basis of preparation

This condensed consolidated interim financial report for the half year ended 30 September 2021 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 2021 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 2021 and have been consistently applied by each entity in the Group.

The Group has applied AASB 128 *Investments in Associates and Joint Ventures* in the application of the equity method when accounting for investments in associated and joint ventures. The accounting policy is set out at Note 6, along with details of the Group's investment in a joint venture during the period.

Cloud computing arrangements

The IFRS Interpretations Committee published an agenda decision 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)' on 27 April 2021. The decision clarifies when configuration or customisation expenditure relating to cloud computing arrangements meets the definition of and recognition criteria for an intangible asset. It also clarifies whether the expenditure is recognised as a prepayment asset and amortised over the contract term or as an operating expense when the services are received. The adoption of this IFRIC agenda decision is a change in accounting policy. This will result in the restatement of the comparative reporting period and an adjustment to the opening retained earnings of the comparative reporting period.

The Group has historically capitalised amounts relating to the configuration and customisation of software that is part of a Software-as-a-Service (SaaS) arrangement as an intangible asset in the Balance sheet. This amount is included as part of Software intangible assets which has a balance of \$19.3m (2020: \$18.0m).

The Group has not adopted this IFRIC agenda decision. Management has commenced, but has not completed, a full review of capitalised software costs before the signing of the interim financial statements and the impact of the change is not reasonably estimable. This IFRIC decision will be adopted in the 31 March 2022 full year financial statements.

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 product and geographic perspective and have identified five reportable segments.

The two products are international payment services and international payment solutions:

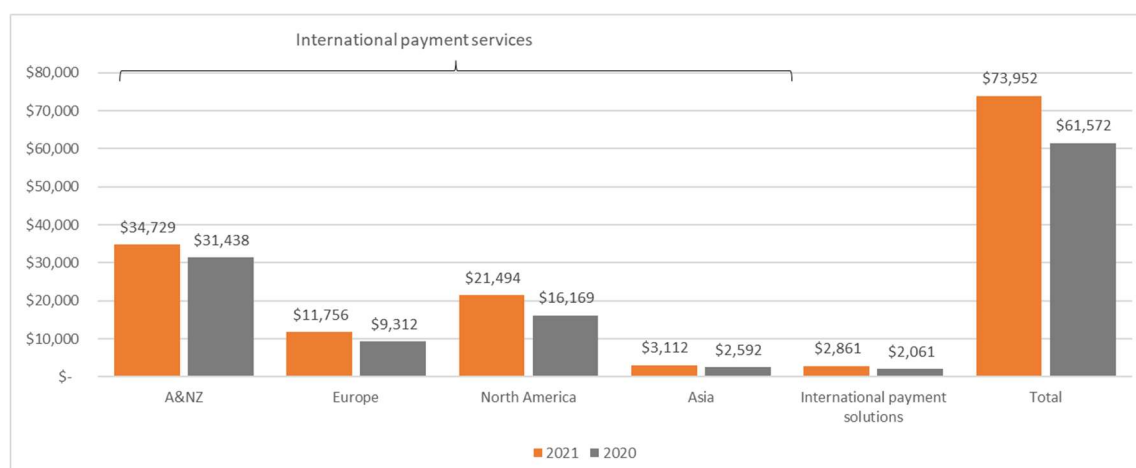
- International payment services are managed by geographic region (based on client location) and provide bank to bank currency transfers servicing businesses and consumers.
- International payment solutions are monitored globally and provide strategic partners with a package which includes: OFX technology platform; client service; compliance sophistication; banking relationships; and payments capabilities.

Segments are managed on an underlying basis. Segment EBITDA excludes \$0.2m of one-off items that are excluded from underlying results.

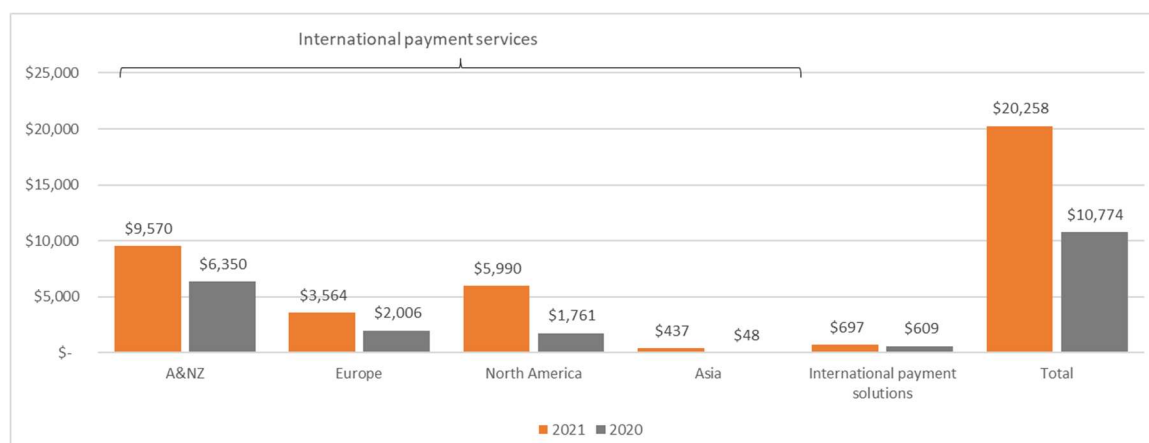
Segment fee & trading income consists of the foreign currency transaction margins and fees charged. It also includes the changes in exchange rates between when a client rate is agreed and a subsequent hedge transaction is entered into by the group. This difference is managed centrally and allocated to each region.

Presidents are located in each region. As part of these appointments, the chief operating decision makers have reviewed how each segment is managed and reassigned key customer relationships to the region responsible.

Segment fee and trading income – half year 30 September 2021 v half year 30 September 2020 (\$'000)



Segment EBITDA – half year 30 September 2021 v half year 30 September 2020 (\$'000)



Note 2. Segment information (continued)

	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Group underlying EBITDA	20,258	10,774
Depreciation and amortisation	(5,280)	(5,972)
Interest expense	(365)	(707)
Underlying net profit before income tax	14,613	4,095
Income tax expense	(3,256)	(766)
Share of loss of equity-accounted investees	(270)	-
One-off items ¹	(192)	(461)
Statutory net profit	10,895	2,868

	International payment services				International Payment Solutions	Consolidated
	Australia & New Zealand	Europe	North America	Asia		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 September 2021						
Segment assets	200,212	77,521	89,847	26,730	-	394,310
Intergroup eliminations	(9,932)	(14,966)	-	-	-	(24,898)
Deferred tax assets						-
Total assets						369,412
Segment liabilities	(130,381)	(53,522)	(86,314)	(30,781)	-	(300,998)
Intergroup eliminations	-	-	12,340	12,558	-	24,898
Deferred tax liabilities						(1,875)
Total liabilities						(277,975)
31 March 2021						
Segment assets	193,442	78,328	80,967	37,402	-	390,139
Intergroup eliminations	(4,159)	-	(12,063)	-	-	(16,222)
Deferred tax assets						-
Total assets						373,917
Segment liabilities	(142,008)	(71,037)	(65,165)	(29,461)	-	(307,671)
Intergroup eliminations	-	7,066	-	9,156	-	16,222
Deferred tax liabilities						(1,239)
Total liabilities						(292,688)

¹ One-off items are gross of tax.

OFX Group Limited

Note 3. Other expenses

Other operating expenses

	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Compliance	(1,237)	(1,148)
Professional fees	(994)	(908)
Insurance	(1,248)	(929)
Communication	(146)	(167)
Non-recoverable GST	(126)	(119)
Other expenses	(917)	(828)
Total other operating expenses	(4,668)	(4,099)

Bad and doubtful debt expense

Within bad and doubtful debt expense an insurance recovery of \$1.6m (2020: \$0) has been recognised.

	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Bad and doubtful debts	3	(1,157)
Total bad and doubtful debts	3	(1,157)

Note 4. Income tax expense

	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Current tax expense	1,706	(3,296)
Adjustments to current tax of prior years	486	-
Total current tax expense	2,192	(3,296)
Deferred income tax (benefit)	1,064	4,062
Total income tax expense	3,256	766

Reconciliation of income tax expense to prima facie tax payable

Net profit before income tax	14,151	3,634
Prima facie income tax expense at 30% (2020: 30%)	4,245	1,090
Effect of lower tax rates in overseas jurisdictions	(340)	(215)
Decrease in tax expense as a result of operating as an OBU in the current period	(771)	(441)
Research and development tax credits	(265)	(643)
Share of non-taxable loss of equity-accounted investees	81	-
Recognition of previously unrecognised deductible temporary differences	-	(71)
Other items	306	1,046
Total income tax expense	3,256	766

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.	None – the Group does not hold any of these instruments.	Not applicable.

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 2021 \$'000	As at 31 March 2021 \$'000
Investment in joint venture	4,686	-
Closing balance	4,686	-

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 €750,000, with an annual interest rate of 8%. The balance of this is included in 'Other receivables' on the Consolidated Statement of Financial Position.

Accounting policy

The Group's interest in equity accounted investees includes a joint venture. A joint venture is an arrangement in which the Group has joint control over the key financial and operating policies and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method.

Under the equity method, the investment is initially recognised at cost, which includes transactions costs. The investment is subsequently adjusted to recognise the Group's share of the joint venture's profit or loss and other comprehensive income until the date on which joint control ceases. The Group's share of the joint venture's profit or loss and other comprehensive income is included in the Group's profit and loss.

Unrealised gains arising from transactions with equity accounted investments are eliminated against the investment to the extent of the Group's interest in the investment. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

At each reporting date, the Group determines whether there is objective evidence that an investment in joint venture is impaired. If there is such evidence, an impairment loss, measured by comparing the recoverable amount of the investment with its carrying value, is recognised in the profit or loss.

OFX Group Limited

Note 7. 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 242,442,234 fully paid ordinary shares (as at 31 March 2021: 243,872,167). 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 5,292,954 (as at 31 March 2021: 5,775,021) restricted ordinary shares, of which 4,157,363 are issued in connection with the Executive Share Loan Plan, and 1,135,591 are unallocated shares for fulfillment of future share based payment awards.

On 18 May 2021, the Company announced an on-market share buyback program instead of a dividend in the near term. The on-market share buyback program will be up to 10% of the Company's fully paid ordinary shares and commenced on 7 June 2021. A total of 1,912,000 ordinary shares were bought back and cancelled in the current period. The total amount paid for the buyback was \$2.65 million.

Note 8. 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 period. The dividend paid in prior period was franked at 0%.

	Half year 30 September 2021 \$'000	Half year 30 September 2020 \$'000
Final dividend from the preceding year \$0.0000 (2020: \$0.0235) per share	-	(5,798)
Total dividends recognised and paid	-	(5,798)

Note 9. 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.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes for the half year ended 30 September 2021 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, 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 2021 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:



Steven Sargent
Chairman



Skander Malcolm
Chief Executive Officer and Managing Director

09 November 2021

Independent Auditor's Review Report

To the shareholders of OFX Group Limited

Report on the Half-year Financial Report

Conclusion

We have reviewed the accompanying **Half-year 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 Half-year 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 2021 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 **Half-year Financial Report** comprises:

- Consolidated statement of financial position as at 30 September 2021;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 9 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 the Code.

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

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

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

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report 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 2021 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 a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


KPMG


Shaun Kendrigan

Partner

Sydney

9 November 2021

OFX Group Limited

Corporate Information

Directors	Mr Steven Sargent (Chairman) Mr John ('Skander') Malcolm (Chief Executive Officer and Managing Director) Mr Douglas Snedden Mr Grant Murdoch Ms Cathy Kovacs Ms Connie Carnabuci
Company Secretary	Ms Elisabeth Ellis
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