

# > Annual General Meeting

3 August 2023



**> Welcome**

For technical support during  
the meeting call +61 2 8667 9160

## > Agenda

- 1 Chair's address
- 2 CEO and Managing Director's address
- 3 Formal business
- 4 Q&A
- 5 Close

For technical support during  
the meeting call +61 2 8667 9160



# > Chair's Address

**Patricia Cross**  
Chair



# > CEO & Managing Director's Address

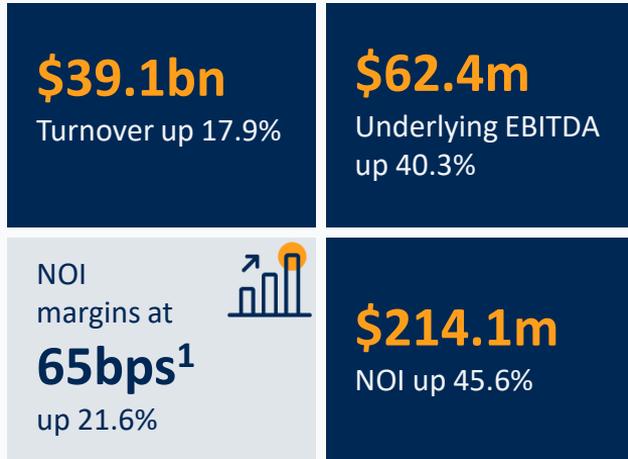
**Skander Malcolm**

Chief Executive Officer and Managing Director



# Record year driven by great execution

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## Outstanding financial outcomes

- Strong NOI driven by revenue growth in all regions, acquisition of Firma, and careful margin management
- Record underlying EBITDA of \$62.4m with underlying EBITDA margin of 29.2%
- Strong balance sheet with \$67.4m net available cash and net debt \$18.8m

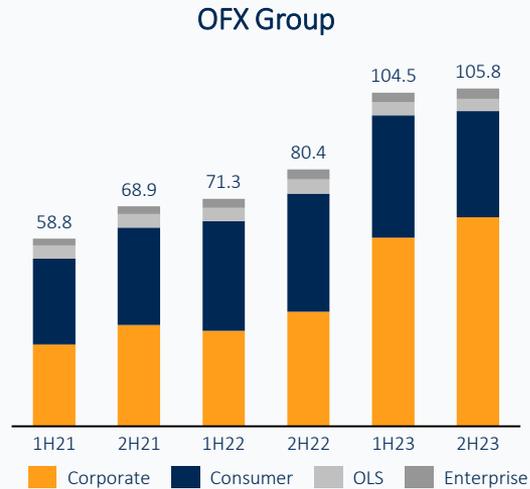
## Great execution

- Acquisition of Firma completed, integration on track with EPS accretion of > 30% in year 1
- Healthy culture: highest ever level of employee engagement, 40+ internal promotions, record low voluntary attrition
- Strong risk and compliance control: highest ever level of fraud prevention, losses of \$2.5m in line with expectations, improved controls in cyber

<sup>1</sup> FX transactions only (excluding same currency transactions)

# A strong 1H, 2H impacted by lower Consumer confidence

Revenue \$m



FY23 v FY22

**38.6%**

3.2% ex Firma

2H23 up 1.3% v 1H23

## Corporate

- Revenue growth of 10.7% on 1H23 with additional month of Firma volumes. Revenue growth was 4.5% ex Firma
- ATV's down 2.2% on 1H23 offset by 3.6% growth in transactions and a 5bp increase in margins<sup>1</sup>

## Consumer

- Rising inflation and interest rates reducing high value use cases in 2H23 resulting in 13.3% decrease in revenue v 1H23 however improved from March

## Online Sellers

- Continued eCommerce market softness in 2H23 with revenue down 6.8% v 1H23

## Enterprise

- 2H23 Revenue up 14.0% v 1H23 with existing clients continuing to scale

<sup>1</sup> Margin represents fee and trading margin which is measured at the segment level

# Building the world's leading cross-border payments specialist



## Huge opportunity

US\$206bn<sup>1</sup> cross-border payments market which keeps growing

72% market share still with banks and incumbents

~0.05%<sup>2</sup> OFX market share is still very small

Target customers' consideration for alternatives increasing as they are ready to switch for the right CVP



## Target segments



Corporate ++



Online Seller ++



Enterprise ++



High Value Consumer +



## Competitive positioning

### Distinctive CVP



Digital ease

+



Human support & expertise

### Global operating model

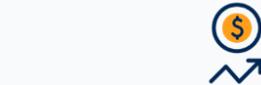
Payments excellence

Customer service



World class team

Risk management



## More valuable company

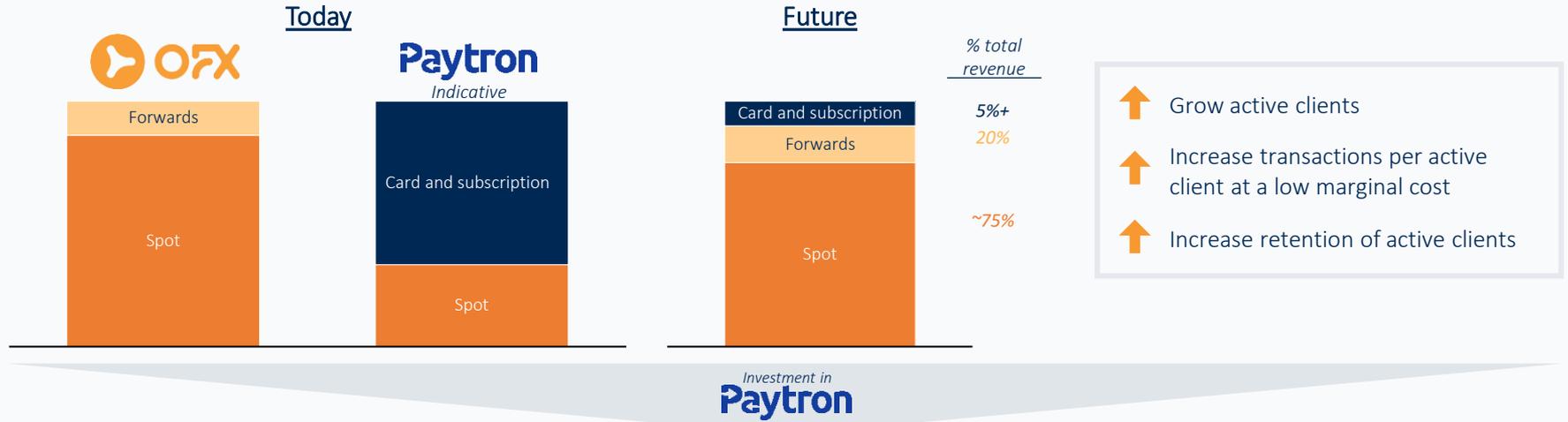
- ✓ Healthy revenue growth
- ✓ High recurring revenue
- ✓ Strong EBITDA margins
- ✓ Highly cash generative
- ✓ Capital light
- ✓ Well-positioned to participate in industry consolidation
- ✓ Generating revenue beyond spot FX

<sup>1</sup> Triangulation of multiple sources including McKinsey Global Payments map 2021

<sup>2</sup> Global Cross-border payments revenue, 2021 – The 2022 McKinsey Global Payments Report

# Generating value from B2B clients beyond spot FX

## OFX B2B portfolio revenue composition



### Accelerating time to market ...

- ✓ Live platform with modern user interface, multi-currency account and card (MVP)
- ✓ New Corporate revenue streams, e.g. card and subscription revenue
- ✓ Accounts payable / Invoicing solution, integrated to major accounting platforms

### ... creating long-term value

- ✓ Acquiring 100% of equity, IP and team
- ✓ Consideration is up to 11.25m deferred (2-3 years) performance securities based on development and revenue milestones
- ✓ \$6m cash funding in first year and dynamic cash funding thereafter, based on revenue milestones

# Benefit to shareholders through active capital management

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## 1 Initiate share buyback

- Commitment to generate value and return capital to shareholders
- Sharing the upside of our strong cash flow generation
- Expected to be ROE and EPS accretive
- 12-month program
- On-market buyback
- Up to 10% of shares

## 2 Capital action that maintains flexibility

- Part of ongoing capital management to maintain capital flexibility to execute on growth investments
- Continued interest and ability to execute selective, value-accretive M&A

# > 1Q24 Update

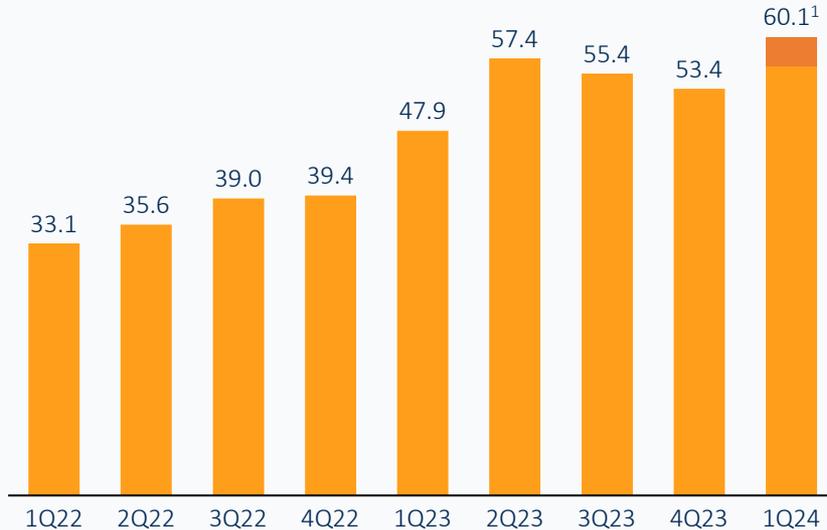
**Skander Malcolm**

Chief Executive Officer and Managing Director



# 1Q24: NOI up 25.5% v 1Q23 and 12.6% v 4Q23

## OFX quarterly NOI



## 1Q24 Highlights v 1Q23

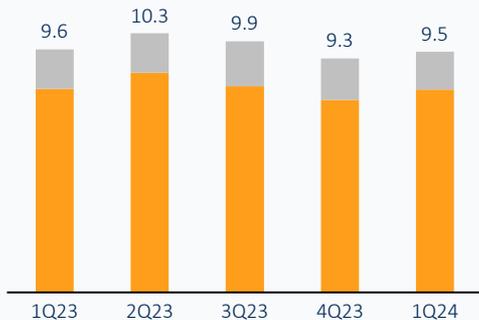
- Revenue growth in all regions:
  - APAC up 6.1%
  - North America up 4.5%
  - EMEA up 34.3% (8.5% ex Firma<sup>2</sup>)
- Strong portfolio:
  - B2B revenue up 16.9% with Corporate up 19.3%, Enterprise up 29.2% and OLS down (22.6)%
  - B2C revenue down (3.1)%, but up 10.8% on 4Q23
- ATVs down (4.4)% but steady v 4Q23 down (1.3)%
- Transactions up 3.6% to 340.4k
- Paytron acquisition completed on 3 July

<sup>1</sup> Includes \$3.7m in Other Income which was an escrow release relating to the Firma transaction

<sup>2</sup> APAC and North America 1Q23 revenue includes 2 months of Firma as the transaction completed on 1-May-22. EMEA revenue in 1Q23 does not include Firma as the transaction closed on 2 Sep 22

# Positive momentum into 2Q24

## Turnover (\$bn)



■ FX ■ Same Currency

1Q24 v 1Q23

**(1.0)%**

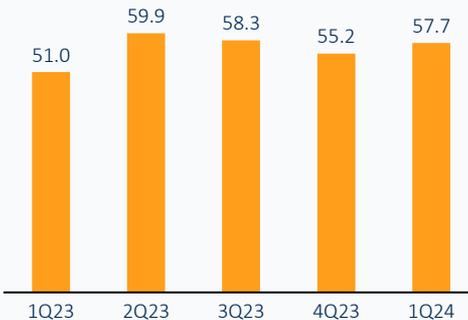
Ex Same currency (0.4)%

1Q24 v 4Q23

**2.9%**

Ex Same currency 5.4%

## Fee & Trading Income (\$m)



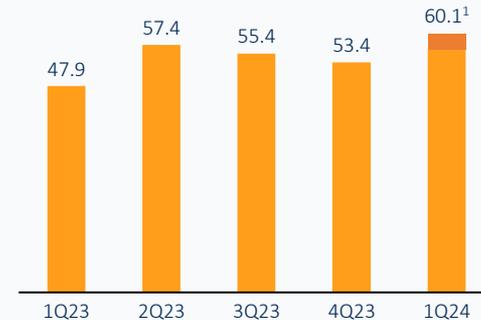
1Q24 v 1Q23

**13.3%**

1Q24 v 4Q23

**4.6%**

## Net Operating Income (\$m)



1Q24 v 1Q23

**25.5%**

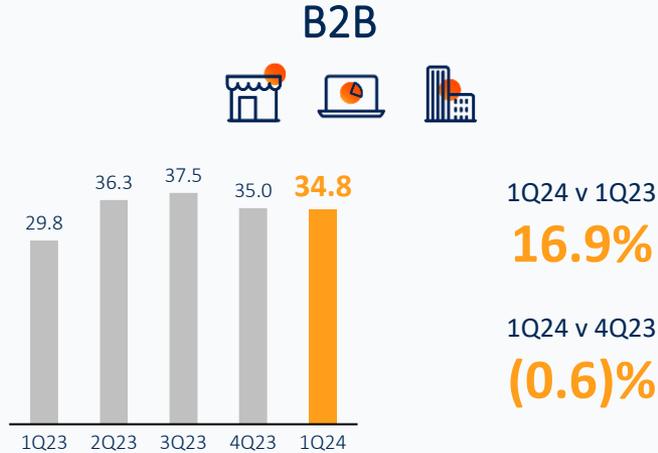
1Q24 v 4Q23

**12.6%**

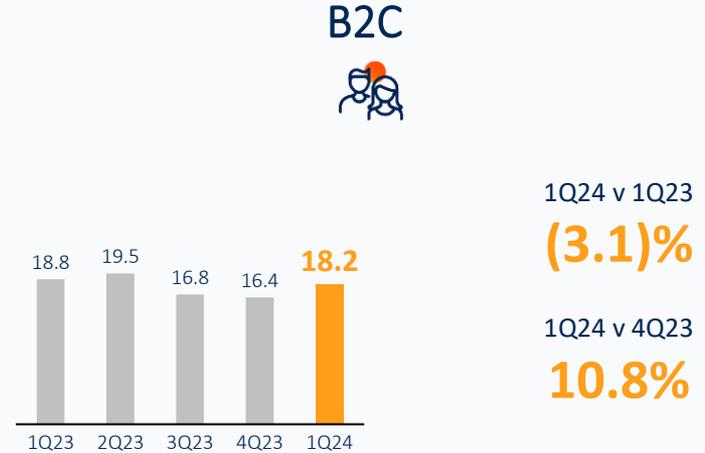
<sup>1</sup> Includes \$3.7m in Other Income which was an escrow release relating to the Firma transaction

# Continued growth in B2B with strong B2C rebound

Revenue \$m<sup>1</sup>



- Softer April due to fewer trading days. Average daily revenue per trading day building momentum, May/June daily trading up 4.7% on April
- ATVs down (5.4)% v 4Q23 offset by transactions up 5.3%



- 1Q24 stronger consumer performance, up 10.8% on 4Q23 and May/June daily trading up 5.3% on April
- ATVs up 12.4% v 4Q23 with returns of higher value use cases in A&NZ and EMEA (property & salary transfers).

<sup>1</sup> Revenue represents "Fee & Trading Income" in the statutory accounts excluding Treasury Revenue

# FY24 Outlook: expect to grow

<p>NOI</p> <p><b>\$225m - \$243m</b></p> <p>Plus Paytron ~\$1m<sup>1</sup></p>	<p>Core Underlying EBITDA</p> <p><b>\$63m - \$74m</b></p> <p>Less Paytron ~\$(4)m<sup>1</sup></p>
<p>Deliver Firma synergies of</p> <p><b>\$5m</b></p> <p>(exit run rate)</p>	<p>Intangible investment</p> <p><b>\$17m - \$19m</b></p> <p>Plus Paytron ~\$1m<sup>1</sup></p>

FY24 Assumptions	FY24 Expectations
Global Corporate activity to trend higher as interest rates approach peak	Corporate growth in line with historic CAGR. Enterprise steady growth
High Value Consumer use cases begin to improve	Consumer and OLS in line with FY23
<p> <b>Potential Tailwinds</b></p> <p>Consumer confidence driving high value use cases ↑ ATVs, transactions</p> <p>Recession risk stabilising ↑ SME confidence / transactions</p>	<p> <b>Potential Headwinds</b></p> <p>Cyber / Fraud / credit ↑ losses</p> <p>US hard landing driving US Corporate decline ↓ revenue</p>

<sup>1</sup> Assuming 1 July 2023 completion date. FY24 outlook including Paytron: NOI \$226m - \$244m, EBITDA \$59m - \$70m, Intangible investment \$18m - \$20m

A large orange arrow pointing to the right, with a white chevron symbol at its tip.

## > **Formal business**

# How to vote online

➔ If you have any issues voting: Call +61 2 8667 9160

## Step 1: Complete the voting card

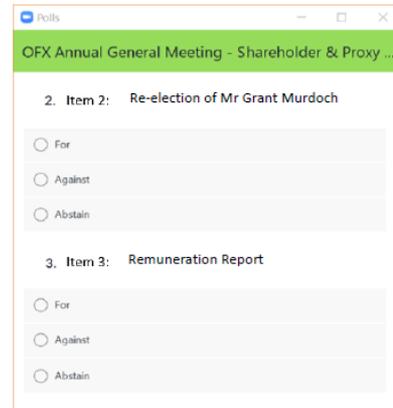
During the meeting, the Chair will indicate that the voting is open and the voting card will be shown.

The voting card can be repositioned on your screen.

There are 5 items to be voted on by shareholders at the AGM (as set out in the Notice of Meeting). In order to submit your voting card you must select one of the following options for each item:

- For
- Against
- Abstain

Please use the scroll bar on the right-hand side of the voting card to view and respond to all items on the voting card.



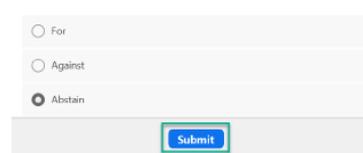
The screenshot shows a web browser window titled "Polls" with a green header bar that reads "OFX Annual General Meeting - Shareholder & Proxy ...". The main content area displays two voting items:

- 2. Item 2: Re-election of Mr Grant Murdoch**
  - For
  - Against
  - Abstain
- 3. Item 3: Remuneration Report**
  - For
  - Against
  - Abstain

A vertical scrollbar is visible on the right side of the voting card, indicating that there are more items to view.

## Step 2: Submit your vote

After completing all items in the vote, please click the Submit button at the bottom of the voting card.



The screenshot shows the bottom portion of the voting card. The "Abstain" option is selected with a radio button. Below the options is a blue "Submit" button.

# How to ask questions online

➔ If you have any issues voting: Call +61 2 8667 9160

## Step 1: Select the Q&A Button from the bottom menu bar.

Navigate to the lowest section of your Zoom window and the bottom menu bar will appear.

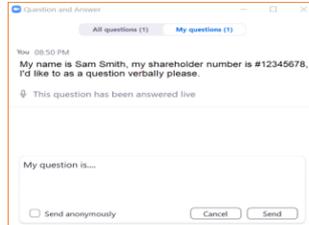
Click on the Q&A button, shown to the right by the green box.



## Step 2: Enter your full name, your shareholder number or proxy code and indicate if you will:

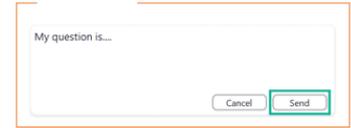
- type your question into the Q&A box; or
- ask your question verbally.

As only shareholders and proxyholders can ask questions, your name and shareholder number or proxy code must be validated before your question can be asked.



## Step 3a: Type in your question

If you would like to submit your question online, please type in your question in the Q&A box and click send.



## Step 3b: Ask your question verbally during the AGM

If you would like to ask your question verbally during the AGM, at the appropriate time, the moderator will indicate directly to you via the Q&A Box that you can ask your question and your microphone will be turned on enabling you to ask your question.

In the event your question can not be heard, the moderator will ask you to type your question into the Q&A box and the moderator will ask the question on your behalf.

# Item 1 - Financial statements and Reports of the Directors and Auditors

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To receive and consider the Financial Report, the Directors' Report and the Independent Auditor's Report for the Company for the financial year ended 31 March 2023.

There is no vote on this item.

## Item 2 - Re-election of Mr Grant Murdoch

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➤ To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“ That Grant Murdoch, who retires in accordance with Article 47(a) of the Company’s Constitution, and being eligible for re-election, be re-elected as a Director of the Company. ”

## Item 2 - Re-election of Mr Grant Murdoch

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### Grant Murdoch

MCom (Hons), FAICD, CAANZ

Chair of the Audit, Risk and Compliance Committee; Member of the Nomination Committee

Grant has over 36 years' experience in accounting and corporate finance. Grant's prior professional experience includes Head of Corporate Finance for Ernst & Young Queensland and he is a graduate of the Kellogg Advanced Executive Program at the North Western University, Chicago, United States.

**Current directorships** (Listed companies): Director Lynas Corporation Limited, Director Auswide Bank Limited.

**Previous directorships** (Listed companies): Director Redbubble Limited (December 2016 to November 2019), Director ALS Limited (August 2011 to July 2020), Director Cardno Limited (January 2013 to November 2015).

**Interest in shares:** 345,000 ordinary shares.

# Votes on Item 2 - Re-election of Mr Grant Murdoch

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	Votes
For*	97.72%
Against	1.73%
Open votes (other than the Chair)	0.55%
Total votes	187,845,491 (76.25%)
Abstain	60,416

Figures relate to proxy votes lodged up to 2:00pm AEST on 1 August 2023. \* Votes in favour consist of direct and open proxies to the Chair.

## Item 3 - Remuneration Report

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> To consider and, if thought fit, pass the following non-binding resolution as an ordinary resolution:

“ That the OFX Group Limited Remuneration Report for the financial year ended 31 March 2023 be adopted. ”

This is a non-binding advisory vote.

# Item 3 - Remuneration Report

	Year	Short-term benefits		Post-employment benefit	Long-term benefits	Share-based payments			Total \$
		Cash salary and fees \$	Cash bonus \$	Super-annuation \$	Annual and Long service leave \$	Deferred STI - Performance Rights \$	STI - Retention and One-off awards <sup>1</sup> \$	LTI - ESP and Performance Rights <sup>2</sup> \$	
<b>Executive KMP</b>									
S Malcolm	2023	696,000	468,255	24,861	34,144	453,867	-	567,441	2,244,568
	2022	676,000	442,477	23,100	12,311	193,575	6,222	485,102	1,838,787
S Verth	2023	396,500	216,585	24,861	18,156	74,486	18,807	121,077	870,472
	2022	379,000	185,986	23,100	5,290	36,306	38,286	109,259	777,227
M Shaw	2023	375,833	187,239	24,861	6,413	64,277	18,545	114,405	791,573
	2022	355,000	158,999	23,100	4,793	35,268	20,004	101,956	699,120
<b>Total KMP remuneration</b>									
	2023	1,468,333	872,079	74,583	58,713	592,630	37,352	802,923	3,906,613
	2022	1,410,000	787,462	69,300	22,394	265,149	64,512	696,317	3,315,134

1. Ms Verth's awards also include remuneration of \$18,807 in respect of 35,848 one-off performance rights that were granted on 30 July 2021 with a vesting date of 31 May 2023, and 21,916 one-off performance rights that were granted on 15 June 2022 with a vesting date of 15 June 2023. There are performance conditions that reflect specific outcomes relating to transactions attached to these vesting. Mr Shaw's awards also include remuneration of \$18,545 in respect of 10,958 one-off performance rights that were granted on 15 June 2022 with a vesting date of 15 June 2023. There are performance conditions that reflect specific outcomes relating to a transaction attached to this vesting.

2. The Executive Share Plan (ESP) includes the F Y20 and F Y21 LTI issuances. Mr Malcolm's remuneration includes \$104,814 in respect of the ESP, and \$462,627 in respect of LTI performance rights. Ms Verth's remuneration includes \$26,153 in respect of the ESP, and \$94,924 in respect of LTI performance rights. Mr Shaw's remuneration includes \$24,504 in respect of the ESP, and \$89,901 in respect of LTI performance rights.

# Item 3 - Remuneration Report

## Short Term Incentive Scheme (STI)

### FY23 Company STI metrics and weightings

Metric	Weighting
Underlying NOI	30%
Underlying EBT	30%
<b>Financial</b>	<b>60%</b>
Strategic investments	20%
ESG	20%
<b>Non Financial</b>	<b>40%</b>
<b>Total</b>	<b>100%</b>

### STI outcomes

- Calculated using: target percentage of TFR<sup>1</sup> x Company performance measures x individual performance measures which are equally weighted.
- Company STI funding for FY23 was 102.7% of target as financial and operating targets were either met or exceeded (FY22 STI funding was 100%).

## Long Term Incentive Scheme (LTI)

### FY23 LTI plan performance measures

Performance measure	Weighting
Underlying EPS CAGR	50%
Absolute TSR CAGR	50%
<b>Total</b>	<b>100%</b>

### LTI outcomes

- LTI incentives granted in FY23 were approved by shareholders at the 2022 AGM.
- The performance conditions were met for the FY20 Executive Loan Share plan grant resulting in a 28% loan forgiveness of the Executive KMP's outstanding loan balance. The shares have vested but remain restricted until the outstanding loan balance is repaid in full. No Executive KMP has repaid their loan balance during FY23.
- The LTI plan was reviewed in FY21 and the Executive Loan Share plan was retired. LTI incentives from FY22 onwards have been issued as performance rights.
- The performance period for the LTI Plan remains as three years with performance rights vesting after three years if performance conditions are met.

<sup>1</sup>Total Fixed Remuneration (TFR) = base salary + superannuation

# Votes on Item 3 - Remuneration Report

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	Votes
For*	99.26%
Against	0.49%
Open votes (other than the Chair)	0.25%
Total votes	186,737,430 (75.80%)
Abstain	2,415

Figures relate to proxy votes lodged up to 2:00pm AEST on 1 August 2023. \* Votes in favour consist of direct and open proxies to the Chair.

## Item 4 - Ratification of the granting of performance rights

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- To consider and, if thought fit, pass the following resolution as an ordinary resolution:
  - “ That the granting of performance rights on or around 3 July 2023 for the issue of up to 11,250,000 ordinary shares by the Company in connection with its acquisition of Paytron Holdings Pty Ltd, as announced to the ASX on 23 May 2023 and described in the Explanatory Memorandum, be approved for the purposes of ASX Listing Rule 7.4 and for all other purposes. ”

## Votes on Item 4 - Ratification of the granting of performance rights

---

	Votes
For*	98.20%
Against	1.26%
Open votes (other than the Chair)	0.55%
Total votes	187,905,492 (76.27%)
Abstain	20,415

Figures relate to proxy votes lodged up to 2:00pm AEST on 1 August 2023. \* Votes in favour consist of direct and open proxies to the Chair.

## Item 5 - Issue of Short Term Performance Rights to Mr John Alexander ('Skander') Malcolm under the OFX Group Limited Global Equity Plan in respect of FY23 Short Term Incentives

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➤ To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“ That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for:

(a) the issue to Mr John Alexander Malcolm, Chief Executive Officer and Managing Director of 256,346 performance rights under the OFX Group Limited Global Equity Plan in respect of his FY23 Short-Term Incentives on the terms described in the Explanatory Memorandum that forms part of the Notice of Meeting; and

(b) the transfer or allocation of securities to Mr Malcolm upon vesting of the performance rights.

”

# Item 5 - FY23 STI performance rights

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Shareholder approval is being sought for the granting of performance rights to Mr Malcolm pursuant to Mr Malcolm's achievement of STI for FY23 under the Company's Global Equity Plan

- FY23 Company Performance Measures were set at:
  - Underlying NOI (30%);
  - Underlying EBIT (30%);
  - Strategic Investments (20%);
  - Risk and ESG (20%)
- For FY23 Mr Malcolm's STI target was AU\$829,990 and his individual STI achievement, as assessed by the Board was 110%. This was calculated based on a 100% funding from the Company Performance Measures and an individual performance of "Exceeds Expectations" measured against his individual KPIs.
- Mr Malcolm's STI equity grant for FY23 is \$468,255 equating to a **maximum of 256,346 Performance Rights** rounded to the nearest whole performance right.
- The number of Performance Rights that Mr Malcolm will be granted has been determined as at 15 June 2023 by dividing the dollar value of Mr Malcolm's grant by the fair value of a Performance Right using the volume weighted average price of the ordinary shares of the Company during the ten trading days from 23 May 2023 to 5 June 2023, being \$1.82665.

## Votes on Item 5 - Issue of Short Term Performance Rights to Mr John Alexander ('Skander') Malcolm under the OFX Group Limited Global Equity Plan in respect of FY23 Short Term Incentives

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	Votes
For*	99.40%
Against	0.35%
Open votes (other than the Chair)	0.25%
Total votes	187,022,892 (75.92%)
Abstain	2,915

Figures relate to proxy votes lodged up to 2:00pm AEST on 1 August 2023. \* Votes in favour consist of direct and open proxies to the Chair.

## Item 6 - Issue of Long Term Performance Rights to Mr John Alexander ('Skander') Malcolm under the OFX Group Limited Global Equity Plan in respect of FY24 Long Term Incentives

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➤ To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“ That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, approval is given for:

(a) the issue to Mr John Alexander Malcolm, Chief Executive Officer and Managing Director of 704,761 performance rights under the OFX Group Limited Global Equity Plan in respect of FY24 Long Term Incentives on the terms described in the Explanatory Memorandum that forms part of the Notice of Meeting; and

(b) the transfer or allocation of securities to Mr Malcolm upon vesting of the performance rights.

”

# Item 6 - FY24 LTI performance rights

Shareholder approval is being sought for the granting of performance rights to Mr Malcolm in respect of Mr Malcolm's FY24 Long Term Incentives under the Company's Global Equity Plan.

Mr Malcolm's FY24 LTI Grant value is \$858,236 equating to a maximum of 704,761 performance rights, each with a value of \$1.82665 determined on the following basis:

Total Fixed Remuneration as at 15 June 2023 x LTI Grant Value % x 150% (stretch target %) divided by the Issue Price (being the VWAP for the 10 trading days following results announcement on 23 May 2023)

Performance rights are issued in 2 separate tranches with separate vesting conditions:

Tranche	Threshold	Target	Stretch
<b>Tranche A (EPS): 50% of FY24 LTI Grant</b> Compound Annual Growth Rate (CAGR) of Normalised Earnings Per Share (Normalised EPS) over a performance period of three financial years commencing 1 April 2023.	5%	8%	15%
<b>Tranche B (aTSR) 50% of FY24 LTI Grant</b> CAGR of Absolute Total Shareholder Return (aTSR) over a performance period of three financial years commencing on 1 April 2023.	5%	10%	15%

Each of Tranche A and Tranche B will vest in accordance with the following vesting schedule:

Performance measure	% of performance rights in the relevant tranche that vest
Below threshold	Nil
Threshold	17%
Between Threshold and Target	17%-67% on a straight line sliding scale
Target	67%
Between Target and Stretch	67%-100% on a straight line sliding scale
Stretch and above	100%

## Votes on Item 6 - Issue of Long Term Performance Rights to Mr John Alexander ('Skander') Malcolm under the OFX Group Limited Global Equity Plan in respect of FY24 Long Term Incentives

---

	Votes
For*	99.35%
Against	0.40%
Open votes (other than the Chair)	0.25%
Total votes	187,022,892 (75.92%)
Abstain	2,915

Figures relate to proxy votes lodged up to 2:00pm AEST on 1 August 2023. \* Votes in favour consist of direct and open proxies to the Chair.

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## > Questions

# Thank you

The material contained in this document is a presentation of general information about OFX Group Limited (Company) and its activities current as at 3 August 2023. Material is provided in summary only and does not purport to be complete. The material contained in this document has been prepared without taking into account the investment objectives, financial situation and particular needs of any particular person and should not be taken as advice for investment purposes or a recommendation in relation to the Company.

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