

Findi Limited

ABN 98 057 335 672

Appendix 4D – 30 September 2023 Half-Year Report

1. Results for Announcement to the Market.

	30 Sep' 2023	30 Sep' 2022	% Change
	\$000	\$000	
2.1 Revenue from ordinary activities (excluding interest income)	30,370	23,778	28%
2.2 Profit/(loss) from continuing operations after tax attributable to members.	773	171	352%
2.3 Net profit/(loss) for the period attributable to members.	773	171	352%
2.4 Amount per security and franked amount per security of interim dividend.	No interim dividends have been paid or provided for during the period.		
2.5 Record date for determining entitlements to the dividends and payment date.	Not applicable		
2.6 Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.	See Directors Report – Financial Report for the Half-Year Ended 30 September 2023.		

2. Net Tangible Assets per Security

	30 Sep'2023	30 Sep' 2022
	Cents	Cents
Net tangible assets per security	59.0	2.7

3. Details of Dividend and Distribution Payments

No dividends or distributions have been paid or provided for during the period.

4. Dividend Reinvestment Plans

There are no dividend or distribution reinvestment plans in operation.

5. Associates and Joint Venture Entities

Not applicable

6. Foreign Entities

The Group includes the following overseas entities:

TSI Investments (Mauritius) Pty Ltd (Mauritius)
Transaction Solutions International (India) Private Limited

7. Audit Dispute or Qualification

None.

Findi Limited

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Condensed Consolidated Financial Statements

For the Half Year Ended 30 September 2023

Findi Limited

ABN 98 057 335 672

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For the Half Year Ended 30 September 2023

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Findi Limited

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Directors' Report

30 September 2023

Your directors of Findi Limited submit herein the interim financial report of the Group for the half year ended 30 September 2023. To comply with the provisions of the Corporation Act 2001, the Director's Report is as follows.

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

Mr Nicholas Smedley Non-executive Chairman (appointed 12 April 2021)

Mr Simon Vertullo Non-executive Director (appointed 19 April 2021)

Mr Jason Titman Non-executive Director (appointed 19 April 2021)

Review of operations

During the period, the Group secured a 10-year contract with State Bank of India (SBI) that will generate revenue of up to \$620 million, under the terms of the contract whereby the Group will provide 4,219 ATMs in India. The contract is an important cornerstone in Findi's long term strategy in India, including identifying further consolidation opportunities and synergies with its other business as it evolves to a full digital payments bank. This contract is part of the broader Findi strategy to assist the Indian economy with the Government's objective of increasing financial inclusion. Under the terms of the ATM tender by SBI, Findi was awarded an initial 3,375 ATMs and a further 844 ATMs within 12 months of the contract start date, which is expected to be in early 2025.

The contract with SBI is for 7 years with a 3-year extension and will deliver between \$550 million and \$620 million in revenue and between \$250 million and \$280 million in Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) over the extended contract period of 10 years. The contract is also expected to deliver an Internal Rate of Return (IRR) of 35+ percent. Undertaken by Findi's wholly owned subsidiary TSI India, the contract is expected to be 100 percent funded from the Company's free cash flow and new bank facilities. With a white label license, Findi will then redeploy all existing SBI ATMs as Findi branded ATMs, delivering an additional 3,000+ ATMs to the Company's network. The white label license will also provide numerous strategic advantages, such as supporting the integration of Findi's ATM and digital payments business and potential acquisitions.

The Group has recorded for the half year a statutory revenue of \$31.757m, and a net profit of \$1.098m representing the consolidated results of TSI India for the full six months ended 30 September 2023.

During the year, TSI management received additional shares in the Indian subsidiary in line with the original sale agreement reflecting the success of the local management team since Findi acquired 100% of the TSI business. These additional shares have increased their shareholding and the minority outside interest in TSI from 10% to 19.4% during the half year. There are no further shares available to management per the original sale agreement.

Post the half year end, the Company's Indian subsidiary, Transaction Solutions International (India) Pvt Ltd (TSI India), raised \$37.6 million via the placement to leading Indian investment group, Piramal Alternatives of Compulsory Convertible Debentures ("CCD"), which are compulsorily convertible to equity at IPO. The CCD's will be held by Piramal Structured Credit Opportunities Fund which is 75 percent owned by one of Canada's largest pensions funds, CDPQ. Piramal has the right to nominate a director to the TSI India Board, and the CCD's reflect a fully diluted equity interest of approximately 16.7% of the Company once converted at IPO. The unlisted CCD's have an annual coupon payment of 8 percent while TSI India has a call option to buy back the securities at a committed IRR of 18%.

Summary financial results

The operating profit after income tax for the half year ending 30 September 2023 was \$1.098m (September 2022: profit of \$0.190m). The Group recorded statutory revenue for the half year of \$31.757m.

The net assets of Findi Limited are \$23.504m at 30 September 2023 compared to \$21.301m as at 31 March 2023.

Findi Limited

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Directors' Report

30 September 2023

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 30 September 2023 has been received and can be found on page 3 of the condensed consolidated financial report.

This report is signed in accordance with a resolution of the Board of Directors.



.....
Nicholas Smedley
Chairman

Dated this 29th day of November 2023

To the Board of Directors

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

As lead audit director for the review of the financial statements of Findi Limited for the half year ended 30 September 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours faithfully

Hall Chadwick



HALL CHADWICK WA AUDIT PTY LTD
Chartered Accountants

CHRIS NICOLOFF CA
Director

Dated at Perth this 29th day of November 2023

Findi Limited

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the Half Year Ended 30 September 2023**

		30 September 2023	30 September 2022
		000's	000's
	Note	\$	\$
Revenue	4	30,532	23,815
Finance income	4	1,225	572
Total revenues		31,757	24,387
Operating expenses		(13,706)	(12,844)
Total operating expenses		(13,706)	(12,844)
Gross profit		18,051	11,543
Employee benefits expenses		(3,866)	(3,213)
Professional services		(709)	(686)
Office expenses		(201)	(254)
IT expenses		(276)	(266)
Depreciation expenses		(5,246)	(3,211)
Depreciation of right of use assets		(2,170)	(922)
Amortisation of intangible assets		(542)	(25)
Finance costs		(3,591)	(2,511)
Other expenses		(352)	(265)
Profit before tax from continuing operations		1,098	190
Income tax expense		-	-
Profit after tax from continuing operations		1,098	190
Profit for the period		1,098	190
Other comprehensive income		-	-
Other comprehensive income, net of tax		-	-
Total comprehensive income for the period		1,098	190
Less: Total comprehensive income for the period attributable to Non Controlling Interests		325	19
Total comprehensive income for the period attributable to members		773	171
Earnings/(loss) per share			
Basic earnings/(loss) per share (cents per share)		3.0079	0.0605
Diluted earnings/(loss) per share (cents per share)		3.0079	0.0605

The accompanying notes form part of these financial statements.

Findi Limited

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**Condensed Consolidated Statement of Financial Position
As At 30 September 2023**

		30 September 2023 000's	31 March 2023 000's
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	2,856	18,260
Trade and other receivables	7	22,164	18,230
Term deposits	8	30,005	7,626
TOTAL CURRENT ASSETS		55,025	44,116
NON-CURRENT ASSETS			
Plant and equipment		42,958	40,502
Right-of-use assets		13,582	8,617
Intangible assets		1,745	1,893
Other financial assets		573	7,791
Other non-current assets		2,595	4,759
TOTAL NON-CURRENT ASSETS		61,453	63,562
TOTAL ASSETS		116,478	107,678
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	5,676	16,346
Borrowings	10	23,565	22,565
Short-term provisions		18,239	6,328
TOTAL CURRENT LIABILITIES		47,480	45,239
NON-CURRENT LIABILITIES			
Borrowings	10	45,059	40,760
Long-term provisions		435	378
TOTAL NON-CURRENT LIABILITIES		45,494	41,138
TOTAL LIABILITIES		92,974	86,377
NET ASSETS		23,504	21,301
EQUITY			
Issued capital		42,739	42,191
Reserves		1,372	815
Accumulated losses		(20,593)	(21,366)
Total equity attributable to equity holders of the Company		23,518	21,640
Outside equity interest		(14)	(339)
TOTAL EQUITY		23,504	21,301

The accompanying notes form part of these financial statements.

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Condensed Consolidated Statement of Changes in Equity

For the Half Year Ended 30 September 2023

	Contributed Equity 000's \$	Convertible Note Reserve 000's \$	Foreign currency translation reserve 000's \$	FVOCI reserve 000's \$	Share Based Payment Reserve 000's \$	Options Reserve 000's \$	Outside Equity Interest 000's \$	Accumulated Losses 000's \$	Total 000's \$
Balance at 1 April 2023	42,191	-	186	372	19	238	(339)	(21,366)	21,301
Net profit for the period	-	-	-	-	-	-	325	773	1,098
Foreign Currency Translation Reserve (net movement)	-	-	557	-	-	-	-	-	557
Transactions with owners in their capacity as owners									
Issue of shares	600	-	-	-	-	-	-	-	600
Transaction costs	(52)	-	-	-	-	-	-	-	(52)
Balance at 30 September 2023	42,739	-	743	372	19	238	(14)	(20,593)	23,504
Balance at 1 April 2022	38,161	-	(198)	-	19	238	(771)	(23,391)	14,058
Net profit/(loss) for the period	-	-	-	-	-	-	19	171	190
Foreign Currency Translation Reserve (net movement)	-	-	911	-	-	-	-	-	911
Transactions with owners in their capacity as owners									
Balance at 30 September 2022	38,161	-	713	-	19	238	(752)	(23,220)	15,159

The accompanying notes form part of these financial statements.

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**Condensed Consolidated Statement of Cash Flows
For the Half Year Ended 30 September 2023**

	30 September 2023 000's \$	30 September 2022 000's \$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	31,757	20,474
Payments to suppliers & employees	(12,356)	(21,498)
Net cash provided by/(used in) operating activities	<u>19,401</u>	<u>(1,024)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for plant and equipment	(6,996)	(3,410)
Net cash inflow/(outflow) on capital advance	1,220	-
Net cash inflow/(outflow) on term deposits	(22,578)	(4,086)
Net cash provided by/(used in) investing activities	<u>(28,354)</u>	<u>(7,496)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	600	-
Share issue costs paid	(121)	-
Net cash inflow/(outflow) on borrowings	(3,834)	16,341
Net cash inflow/(outflow) on long-term loans	(3,096)	(7,785)
Net cash provided by/(used in) financing activities	<u>(6,451)</u>	<u>8,556</u>
Net increase/(decrease) in cash and cash equivalents held	(15,404)	36
Cash and cash equivalents at beginning of year	<u>18,260</u>	<u>1,185</u>
Cash and cash equivalents at end of the half year	<u>6</u> <u>2,856</u>	<u>1,221</u>

The accompanying notes form part of these financial statements.

Findi Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2023

1 General Information

Corporate information

Findi Limited is a company domiciled in Australia. These consolidated financial statements comprise Findi Limited, a company incorporated in Australia and its subsidiaries ("the Group") as at and for the six months ended 30 September 2023.

The annual financial report of the Company for the year ended 31 March 2023 is available on ASX: FND.

Basis of preparation

This condensed interim financial report for the reporting period ending 30 September 2023 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Findi Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within Findi Limited. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of Findi Limited for the year ended 31 March 2023, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

Statement of compliance

These general-purpose financial statements for the interim half-year reporting period ended 30 September 2023 have been prepared in accordance with Australian Accounting Standard Board (AASB) 134 *'Interim Financial Reporting'* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *'Interim Financial Reporting'*.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 March 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Findi Limited

ABN 98 057 335 672

Notes to the Financial Statements

For the Year Ended 30 September 2023

1 General Information

Components of the Company

The Company financial statements represent the financial position of Findi Limited, and the other entities within the Company at 30 September 2023 and their financial performance, cash flows and changes in equity for the half year ended on that date.

The Company comprises of the following entities:

	Extent of Control			
	Incorporation	30 Sep 2023	31 Mar 2023	30 Sep 2022
Accounting parent Findi Limited	Australia			
Controlled entities				
Transaction Solutions International Pty Ltd	Australia	100%	100%	100%
Transaction Solutions International (Mauritius) Pty Limited	Mauritius	100%	100%	100%
Transaction Solutions International (India) Private Limited	India	80.6%	90%	90%

2 Comparative amounts

Comparatives are consistent with prior years, unless otherwise stated.

3 Rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars.

4 Revenue and other income

Revenue from continuing operations

	30 September 2023	30 September 2022
	000's	000's
	\$	\$
Revenue	30,370	23,778
Finance income	1,225	572
Other income	162	37
Total revenue	31,757	24,387

Notes to the Financial Statements

For the Year Ended 30 September 2023

5 Segment Information

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses and whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) in order to effectively allocate Group resources and assess performance.

One segment being TSI India, a specialist in providing solutions in the payments, electronic surveillance and managed service space.

6 Cash and Cash Equivalents

	30 September 2023 000's \$	31 March 2023 000's \$
Cash at bank and in hand	2,856	18,260
Total cash and cash equivalents	2,856	18,260

7 Trade and Other Receivables

	30 September 2023 000's \$	31 March 2023 000's \$
CURRENT		
Trade receivables	22,124	18,210
Other receivables	40	20
Total current trade and other receivables	22,164	18,230

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

8 Term Deposits

	30 September 2023 000's \$	31 March 2023 000's \$
In deposit accounts having remaining maturity of more than 3 months but not more than 12 months	30,005	7,626
Total term deposits	30,005	7,626

Findi Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2023

9 Trade and Other Payables

	30 September 2023 000's \$	31 March 2023 000's \$
CURRENT		
Trade payables	5,503	6,355
Other payables	173	9,991
Total trade and other payables	5,676	16,346

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

10 Borrowings

	30 September 2023 000's \$	31 March 2023 000's \$
CURRENT		
Short-term borrowings	18,457	19,269
Finance lease liabilities on ROU assets	5,108	3,296
Total current borrowings	23,565	22,565
NON-CURRENT		
Long-term borrowings	36,026	35,184
Finance lease liabilities on ROU assets	9,033	5,576
Total non-current borrowings	45,059	40,760

The above short-term and long-term borrowings include term loans and a working capital loan facility which carry security over fixed assets of the company both present and future. Further, a fixed cash term deposit (including accrued interest) under lien is being maintained.

11 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 September 2023 (31 March 2023:None).

Findi Limited

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Notes to the Financial Statements

For the Year Ended 30 September 2023

12 Events Occurring After the Reporting Date

The condensed consolidated financial report was authorised for issue on 29 November 2023 by the board of directors.

The Company's Indian subsidiary, Transaction Solutions International (India) Pvt Ltd (TSI India), raised \$37.6 million via the placement to leading Indian investment group, Piramal Alternatives of Compulsory Convertible Debentures ("CCD"), which are compulsorily convertible to equity at IPO. The CCD's will be held by Piramal Structured Credit Opportunities Fund which is 75 percent owned by one of Canada's largest pensions funds, CDPQ. Piramal has the right to nominate a director to the TSI India Board, and the CCD's reflect a fully diluted equity interest of approximately 16.7% of the Company once converted at IPO. The unlisted CCD's have an annual coupon payment of 8 percent while TSI India has a call option to buy back the securities at a committed IRR of 18%.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

13 Statutory Information

The registered office and principal place of business of the company is:
Findi Limited
Level 4, 90 William Street
Melbourne VIC 3000

Findi Limited

ABN 98 057 335 672

Directors' Declaration

The directors of the Company declare that:

1. The condensed consolidated financial statements and notes, as set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the consolidated group's financial position as at 30 September 2023 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



.....
Nicholas Smedley
Chairman

Dated this 29th day of November 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FINDI LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Findi Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 September 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

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 Findi Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Findi Limited financial position as at 30 September 2023 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

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 Company 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* 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors for the Financial Report

The directors of the Findi Limited 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 for such 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 Responsibility for the Review of the 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 is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 September 2023 and its performance for the half-year ended on that date, and complying with 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.



HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated Perth, Western Australia this 29th day of November 2023