Annual Report

2024

OFX Group Limited
ABN 12 165 602 273

Contents

OFX at a glance

We're global and local ...

1m+
clients

9 offices
around the globe

690
employees

24/7
support for our clients

$38bn
transferred last year

Financial highlights

Net Operating Income

$227.5m

Up 6.3% v FY23

NOI Margin

0.59%

Up 5bps v FY23

Underlying EBITDA

$64.6m

Up 3.4% v FY23

Underlying EBITDA margin

28.4%

Down 80 bps v FY23

Underlying NPAT

$33.8m

Down 10.1% v FY23

Statutory NPAT

$31.3m

Down 0.4% v FY23

Corporate new revenue growth

+26.5%

B2B revenue

$146.1m

Up 4.8% v FY23

Net available cash

$68.2m

Up 1.2% v FY23

Basic earnings per share

12.97 cps

Up 0.5% v FY23

See pages 72 to 125 for this year's detailed financial results.

From the Chair

Fellow Shareholders,

Great companies thrive on change. With the fundamental belief that there is a better and fairer way for customers to make international payments, OFX has continued in this year to embrace change with considerable further value unlocked for our shareholders, our clients and our employees.

We exit this year with a more streamlined digital platform, significantly expanded functionality for our clients and employees, additional enhancements to our world-class risk management and a best in class leadership team.

We have done this while growing the profitability of the business and ensuring a strong balance sheet that is the envy of our competitors.

We don't shy away from making long-term investments in our company, as this is essential in fulfilling our client promise and augmenting what is already an exemplary risk framework and culture. And, we have a steady focus on execution with the knowledge that these investments take time and patience to realise their full operational potential.

The external environment offers much challenge as well as opportunity. The geopolitical landscape continues to be highly uncertain; however, supply chain disruptions are abating. Economic conditions globally have shifted to a more positive outlook providing better prospects for our North American and European businesses especially. Within Australia, our March 2024 quarter inflation rate had its fifth consecutive drop since the December 2022 quarter high of 7.8%. However, businesses and consumers are still feeling pressures in an unpredictable interest rate environment, and we have yet to understand the effects of the inflationary cycle on unemployment.

Against this backdrop, in our industry the acceleration of digital payments and infrastructure continues to gain pace, and OFX stands to benefit from this. This has been a strong year for OFX's strategic evolution – completing the integration of Firma, acquiring and growing Paytron, and finalising our strategic pivot to support clients with more products and services including card solutions, accounts payable and expense management.

None of this "just happens", and in fact all of this has been deliberate, challenging and highly important. We are determined to continue to forge a path to an even more valuable company. Your Board is acutely aware of the enterprise value of OFX, and the softer share price in the last year. In the prior year we outperformed every ASX300 financial services company as well as most of our global peers. However this year, our share price has not reflected the same performance, despite strong execution on our strategic and operational promises. We want to restore the excitement in OFX, balanced with what we have delivered consistently: execution on strategy, resilient earnings growth, a strong balance sheet and formidable risk management.

Last year, I shared the Board's view on what was critical to growing a more valuable company: access global growth, maintain sound risk management and aggressively invest in our technology and product platform so that we can provide the best customer experience amongst our peers. You will see what I've outlined about this year continues on this path and accelerates our execution. We are enthusiastic about our progress and our prospects.

Finally, on Board renewal as signalled, we have wished a fond farewell to Grant Murdoch, who made an extraordinary contribution over 10 years to OFX. Grant has been wise, entrepreneurial, highly skilled and always very encouraging. We are grateful for his business judgement and leadership, as well as his collaborative and inclusive approach to best practice risk management principles. I want to welcome Robert Bazzani and Jacqueline Hey to our Board. Both bring an exceptional blend of executive leadership and commercial acumen combined with listed company, M&A, technology and risk management experience. Rob and Jacquie will offer themselves up for election at our AGM. And I also want to thank Douglas Snedden, who served just under 10 years and will retire at the end of this month. Doug has been incredibly diligent, thoughtful, optimistic and ambitious for OFX, we will miss him.

Thank you all as shareholders for being part of our journey. Thank you to my fellow Directors, to Skander, to the Global Executive Team, and of course to the wonderful ~700 team of OFXers globally who contribute so much to this great company.

Patricia Cross AM
Chair

21 May 2024

"We have never been more excited – a strong balance sheet, a strong set of products that are well positioned for the change in digital payments that is accelerating, more product and technology capabilities than ever, stronger margins – none of which 'just happened.'"

– Patricia Cross, Chair

"We have built a great global team across OFX, at each level and in each region. Teams that are more productive, more aligned and more ambitious than we have ever been, and we can't wait to tackle the opportunities in front of us."

– Skander Malcolm, CEO

From the CEO

Fellow Shareholders,

In the year ending 31 March 2024, we delivered a good financial performance with the following key highlights:

NOI of

$227.5m

Up 6.3%

underlying EBITDA of

$64.6m

up 3.4% including Paytron or 8.2% excluding Paytron;

net available cash

$68.2m

Up 1.2%

Beyond these results, it was another year of strong execution, balanced with a substantial amount of change being delivered, to create the company we believe will be more valuable over the next five years.

Some of the strong execution includes:

- record growth in new revenue generated in our Corporate segment, enabled by the changes we have implemented in our onboarding programs globally, as well as a stronger marketing program in Corporate;
- the strongest Net Operating Income margins we have ever delivered, driven by our value proposition of 'digital+human' resonating more strongly than ever, the reduction in bank fees driven by the investments we have made with our partner banks in better payment processing, and the cumulative pricing changes we have executed through our algorithm and fixed pricing programs;
- record treasury income driven by substantial changes to our treasury operating model, and much more sophisticated cash management;
- the lowest level of voluntary employee attrition in the last five years, as a result of our investment in leadership development, flexible work practices and refreshed compensation plans being implemented globally over the last three years;
- faster and more accurate payment delivery for our clients;
- a record level of cyber threats managed successfully, whilst preserving our client experience; and
- the acquisition of Paytron, as well as completing the integration of Firma, which has substantially exceeded our objective of delivering synergies of >$5m in incremental annualised EBITDA accretion per annum from FY25.

From the CEO

Beyond execution, it has also been a very important year to implement our strategy. We highlighted at our Investor Day on 23 March 2023, that in the future, we would focus the company's growth, whether it be organic or inorganic, on B2B segments. This year, just over two thirds of our revenue came from B2B, up from just under half five years ago.

We also stated that over time, we would generate revenue from sources 'beyond spot transactions', by building a value proposition that combines the best digital platform, complemented by our 'human' service delivery and more products – risk, card and accounts payable automation, for example. This has already been put into play through the acquisition of Paytron, which is entirely B2B, and generating much of its revenue beyond spot transactions through card and subscription fee revenue. Putting that into action quickly and decisively has been a very powerful statement for our employees, our clients, our banking partners, and of course, our shareholders.

Our regulators continue to remind us, and thank us, of the need for constant vigilance in balancing this growth with sound risk management, which we continue to invest in, refine and improve. This strategy has been very well received internally and amongst the clients and prospects we tested it with, which gives me great confidence in our growth and outlook.

Every year, I have commented on the quality, integrity and dedication of our people. In the last year we saw that again, as evidenced by the execution, but in addition we have begun to see the positive effects of years of investing in learning and development at all levels, in talent management and in the benefits of bringing in fresh perspectives – such as we have from Firma and Paytron – to complement and challenge our own.

Some facts worth sharing covering the last year:

- high and stable employee engagement scores globally at 71% overall;
- the lowest level of voluntary employee attrition in the last five years;
- three new Global Executive Team members, of which two were internal promotions; and
- 24 promotions or role changes at the Senior Leadership Team level (the most senior 60 employees in OFX).

We have built a great global team across OFX, at each level and in each region. Teams that are more productive, more aligned and more ambitious than we have ever been, and we can't wait to tackle the opportunities in front of us.

Thank you for your ongoing support as shareholders. Thank you also to Tricia and my fellow Directors for your wise counsel, for your support of our strategy and the investments, and a big thank you to my Global Executive Team, as well as all our incredibly talented and dedicated OFXers globally, for everything you bring, and the way you bring it.

Skander Malcolm
Chief Executive Officer
and Managing Director

21 May 2024

About us

We’re digital + human

OFX grew from an idea that there had to be a better, fairer way to move money around the world. That was over 25 years ago, and since then over 1 million clients have trusted us with transfers in 50+ currencies to 170+ countries.

We know FX can be complicated, which is why we are committed to keeping it simple, with 24/7 phone access to currency experts – we call them OFXperts – and an easy-to-use online platform. Our approach combines the human touch with convenient technology, whenever you need it, wherever you are.

Our company values:

- **Always keep learning.**
  Share your expertise, learn from others.
- **Get the right stuff done.**
  Own it, execute it, deliver the exceptional.
- **Inspire client confidence.**
  Keep the client at the centre of everything we do.
- **Push boundaries.**
  Discover what is possible.
- **We’re better together.**
  We are stronger as one team.

Case study

Corporate client

North American Produce Buyers

How one produce buyer found success with OFX's forward contracts

The COVID-19 pandemic created market fluctuations and inconsistent produce availability, leading North American Produce Buyers and their OFXpert to develop a hedging strategy that has provided currency confidence.

North American Produce Buyers, a partially family-owned business in Etobicoke, Canada, has been in the produce industry for over 50 years and sources fruit from around the world to resell to grocery stores in Canada.

Due to the nature of the produce business, North American Produce Buyers is continuously leveraging FX products like spot transfers for payments to overseas suppliers and forward contracts to navigate the inconsistent produce industry. When Vice President of Finance, Steven Moffat started at North American Produce Buyers they were using their bank for all of their FX needs. "The day we needed something we would go to the bank and they would give us whatever the exchange rate was that day, there was no tactical approach to FX," Moffat said.

After years of using their banks for day-of FX rates, Moffat began looking into alternative FX partners, "I knew someone who used OFX and had a really good experience so they referred me." North American Produce Buyers started working with OFX in 2011 and have continued to build up their business, customer base and FX strategy alongside the support of their OFXpert, Jeff.

After North American Produce Buyers began working with OFX, Moffat and his team quickly learned the value that OFX brings to their business and their ongoing foreign exchange needs, "I like to communicate and have a real relationship with business partners, Jeff knows how I like to do business so our relationship is symbiotic. It's never a sales pitch, it's gathering information and sharing solutions," Moffat said.

OFXpert Jeff quickly learned about all the places that North American Produce Buyers sourced their fruit from, as well as how unpredictable the produce industry can be. Depending on weather, sourcing produce can be unexpectedly expensive. Jeff helped Moffat's team find the right FX solutions and products to balance the cost of currency exchange. "We would have these rap sessions and plan ahead. He knows my business's busy seasons and he prepares for that, we talk about rates and always have open communication," Moffat said.

Like all of our OFXperts, Jeff became a part of the team, letting Moffat know when a Federal Reserve announcement was coming out or a recent Bank of Canada decision that could impact rates. "I can buy dollars anywhere and one competitor or another will always say they can beat the rate, but anyone can beat a rate. What makes our OFXpert different is the relationship and the easy process," Moffat said. Moffat and his OFXpert developed a FX hedging strategy to ensure that North American Produce Buyers was getting the most out of their FX.

"I use short-term forwards, I like the stability and knowing that I'm not getting taken advantage of if the market dips." Moffat said.

"Having a reliable dealer and a good relationship goes beyond business with my OFXpert, Jeff. There is a mutual respect there and an open channel of communication."

"We would have these rap sessions and plan ahead. He knows my business's busy seasons and he prepares for that, we talk about rates and always have open communication."

– Steve Moffat, V.P. of Finance, North American Produce Buyers

Case study

Corporate client

United Rugby Championship

There's a story behind every transfer

The United Rugby Championship (URC) rings in its 3rd season with no signs of slowing down after last year's season saw fans turn up in record numbers. As the URC's popularity grows in Europe and the United Kingdom, so do the revenue streams coming in from various avenues. OFX is thrilled to sponsor the URC as the competition's Official Currency Exchange Partner. URC's Head of Finance, Carla McCallion reflected on how OFX has helped the URC foster growth through foreign exchange (FX) even in testing situations.

In 2021, the URC launched its very own global streaming service with RTE, Ireland's national broadcasting channel. With this streaming service being available both online and via The URC TV app, fans could catch all the games on demand more easily than ever before.

With their ongoing expansions and offerings, the URC found themselves searching for the right FX provider who could help them transfer their incoming Euros and US dollars into their home currency of pounds. Carla began to search for an FX provider who could not only facilitate fast, easy, low-cost transfers but would also be available when the URC needed to connect.

Enter OFX. When the URC connected with OFX they found an FX partner willing to not only make transfers but also bring a wealth of knowledge and sophisticated FX tools to the table. Carla first connected with her dedicated OFXpert, Alex, back in 2022 and he quickly became the URC's right-hand man for FX.

"Alex is a mountain of knowledge, a true expert in his area. OFX and Alex take the time to build a positive customer-client relationship."

As Carla became more acquainted with OFX's tools and the level of service the URC could expect to receive the relationship between her and Alex grew to that of an extended team member, available 24/7. Alex and Carla eventually met in person when Alex travelled from London to Dublin.

"He (Alex) is very accommodating and travelled over for a face-to-face meeting, which helped build our relationship."

With the Euro dipping more than anticipated in the last year, the economic situation put added pressure on many businesses dealing in Euros including the URC. Carla was glad to have an OFXpert on hand to help and offer a new OFX tool to help URC navigate the fluctuating FX market through forward contracts.

"We mainly used OFX for spot transfers, helping us save on our FX transactions. Recently we started using forward contracts to improve the management of our funds and reduce our exposure to currency risk."

With the URC set up to help manage currency risk through forward contracts, Carla and her team gained a sense of security through working with OFX.

"OFX aided us in managing our currency exchange needs and mitigated our risk which, in turn, helped manage our profits and losses. This helped us give back to the sport as a whole."

Through their relationship with OFX, the URC was able to bring its focus back to where it all started, on the rugby pitch.

"When the URC connected with OFX they found an FX partner willing to not only make transfers but also bring a wealth of knowledge and sophisticated FX tools to the table."

Carla McCallion, Head of Finance, URC

Case study

Corporate client

BikesOnline

There's a story behind every transfer

Riding the momentum of their local bicycle tour business on Sydney's northern beaches, eCommerce retailer BikesOnline was born.

Co-founders Jonathon Allara and James van Rooyen identified a gap in the market and set out to transform the traditional bicycle market industry. At the time, the industry was dominated by a few players with steep prices.

Here lay the opportunity to shift gears: eliminate the wholesale middleman and tap into a growing market that traditionally favoured in-store purchases. In true Australian spirit, the duo decided to give it a red-hot go, testing the waters on eBay with a container of bikes sourced directly from overseas manufacturers. The bikes sold out within three weeks.

Buoyed by this success, they established their online bike store, evolving into a full-fledged eCommerce business.

Today, BikesOnline boasts an impressive handful of brands, introducing the Polygon and Marin brand to Australia and the US, along with their own brand of everyday bike parts and accessories. They've embraced the rising demand for e-bikes, a savvy move that not only caters to a growing trend but also dismantles traditional barriers to cycling.

Managing a global operation with suppliers in Indonesia and China, the business largely handles payments in US dollars. Seeking a better exchange rate than what their bank was offering, BikesOnline turned to OFX in 2017.

"I was recommended to use OFX, but honestly I wish I knew about it sooner. By far OFX is the most competitively priced and easiest platform we've ever used. The user experience and customer service have been a lot better for our finance teams to manage," said Jonathon.

Navigating the complexities of global trade, particularly the unpredictable shifts in exchange rates on invoices, can pose many challenges for businesses. The potential impact on budgeted costs underscores the substantial risks associated with FX volatility.

In this regard, the business found a reliable ally in OFX's currency hedging tools.

"By locking in exchange rates for future transactions, forward contracts have provided us with cost certainty. This is especially beneficial when ordering new stock from Asia, as it ensures that the cost of these orders does not increase due to unfavourable shifts in exchange rates."

"Knowing the exact cost of the bikes we have purchased in advance allows for more accurate cash flow forecasting. This predictability helps in planning for other expenses and investments, ensuring that the business operates smoothly without facing liquidity issues," said Jonathon.

The business experienced a further notable boost in operational efficiency upon discovering Paytron's unique offering. This solution not only eliminated the risk and frustration of double-handing across multiple platforms, but Paytron's proactive team ensured no challenge was deemed "too-hard", delivering tailored solutions that addressed the specific needs of the business.

“I was recommended to use OFX, but honestly I wish I knew about it sooner. By far OFX is the most competitively priced and easiest platform we’ve ever used. The user experience and customer service have been a lot better for our finance teams to manage.”

– Jonathon Allara, Co-founder, BikesOnline

“Paytron has been a game changer for us as we have been able to create forward contracts, process approvals, have greater visibility over our team corporate cards and introduce an expense reimbursement process all within one cohesive system,” said Jonathon.

BikesOnline has experienced exceptional growth since their inception, attracting families, professional cyclists and weekend warriors alike in Australia and the US. Safe to say, the business has gained serious pedal power, simplifying their financial operations and optimising their global payment processes along the way.

Executive team

Key Management Personnel

John ('Skander') Malcolm
Chief Executive Officer and Managing Director

Skander joined OFX in February 2017 as CEO and Managing Director.

He has more than 30 years' experience in financial services and healthcare. In financial services, he has particular depth across consumer payments, consumer finance, joint ventures, partnerships, commercial lending and leasing, and digital. His global experience includes having lived and worked in Australia and New Zealand, the UK, the US, Turkey, the Middle East, Africa and Eastern Europe.

Prior to joining OFX, Skander was President Eastern and African Growth Markets for GE Healthcare, and prior to that, President, GE Capital, Australia and NZ. He worked for GE from 2003 to 2016, and prior to that worked at Westpac Banking Corporation and Household International.

He holds a Bachelor of Economics from the University of Sydney.

Selena Verth
Chief Financial Officer

Selena joined OFX in October 2017 and has more than 25 years' experience in finance, analytics, M&A and risk across various roles.

Her most recent role was Head of Finance – Platforms, Superannuation and Investments at BT Financial Group Australia. Prior to this, Selena held a number of senior financial roles within GE, including Leader, Financial Planning and Analysis and Commercial Finance for GE Global Growth and Operations, Australia and New Zealand and Director of Business Development for GE Australia.

Selena has a Bachelor of Commerce and Executive MBA from the Australian Graduate School of Management. She is a fellow of CPA Australia and is a Graduate of the Australian Institute of Company Directors.

Mark Shaw
Chief Operating Officer

Mark joined OFX in January 2018 and is responsible for the Group's global operations. Mark was also Chief Risk Officer until February 2023.

Mark has over 20 years' experience in financial services gained at leading Australian and New Zealand banks. Most recently he led the Operational Risk and Compliance function for the Australia Division at ANZ. Mark held several other senior roles within ANZ, including Head of Compliance in both Australia and New Zealand. Before joining ANZ in 2007, Mark worked at Suncorp managing the group's governance, policy and regulatory training frameworks and overseeing compliance and operational risk teams across Australia.

Mark holds Bachelor's degrees in Computer Science and Law from the University of Queensland and has also completed all three levels of the Chartered Financial Analyst (CFA) program.

Executive team

Other Executives

Josh Goines

President, North America

Josh joined OFX in February 2024 as President, North America.
Josh has over 20 years' experience of establishing and growing innovative new businesses at the intersection of financial services, payments and software. He has worked in a variety of roles, including business development, general management, strategy and finance. He has worked across B2C and B2B, led large global teams and worked in both public and private companies.

Josh has worked in a variety of senior roles, most recently at BILL, which provides financial process automation for small businesses and mid-size companies. He has also worked at PayPal, Intuit, Tempo Payments and Green Dot. In addition, he acted as an advisor to Costanoa Ventures, a Silicon Valley based venture capital firm.

Josh holds a Master of Business Administration from Stanford Graduate School of Business and a Bachelor of Arts in Economics and Spanish from Claremont McKenna College.

Maeve McMahon

President, EMEA

Maeve joined OFX in December 2021 as CEO of OFX Ireland and Head of Europe. She was promoted to President, EMEA in August 2023.

Maeve has over 25 years' experience in payments and financial services, gained in Ireland, the UK and internationally. She has worked in a variety of senior roles at large organisations, including at Ulster Bank, NatWest, GE Capital International, MasterCard and American Express. Passionate about customers and customer centricity, her experience spans sales, partnerships, customer experience, marketing and product development.

Maeve holds an honours degree in Business Studies and French from the University of Limerick, Ireland, a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing UK and she is a Certified Director from the Institute of Directors. Maeve is also a Non-Executive Director of the Football Association of Ireland.

Yung Ngo

President, Asia Pacific

Yung joined OFX in March 2019 as President, Asia Pacific.

Yung has over 25 years' financial services experience in the payments, banking and insurance industries. Prior to joining OFX, Yung has held senior executive positions at Westpac, St. George Bank and GE Capital leading businesses across retail banking, home lending and commercial finance. He has extensive experience driving growth across multiple channels including consumer and corporates, business partnerships and third-party channels as well as call centre distribution.

Yung holds a Bachelor of Jurisprudence and a Bachelor of Laws from UNSW and is also a Graduate of the Australian Institute of Company Directors.

He is currently a non-executive director for Thrive Refugee Enterprise, a not-for-profit organisation dedicated to assisting refugees and asylum seekers to become financially independent by starting or growing their own small business. He was previously a non-executive director for Settlement Services International, a not-for-profit organisation supporting the humanitarian sector.

Executive team

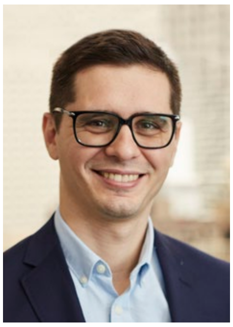
Lucy Allen
Chief Marketing Officer

Lucy joined OFX in November 2015 and was promoted to Chief Marketing Officer in January 2024. She has held various leadership roles at OFX, including leading the Paytron integration, leading the Global Online Seller segment and as the Head of Marketing Asia Pacific.

With over 15 years in B2C and B2B companies, Lucy has extensive experience in the translation of customer and market insights into effective business portfolio strategies, with proven experience across a diverse mix of geographies and market types.

Prior to OFX, Lucy led Marketing at a treasury risk advisory firm in Australia. Prior to that she was the Senior Account Director for a full-service agency in the UK, leading the largest accounts across insurance, banking, construction, telecoms, travel and logistics.

Lucy holds a Bachelor of Tourism: Marketing from Bournemouth University, UK and is a scholar of the Marketing Academy.



Axel Freytag
Chief Strategy and Corporate Development Officer

Axel commenced as Chief Strategy and Corporate Development Officer in April 2023, having joined OFX in October 2020 as Head of Corporate Development.

Axel's ~15 years' experience spans corporate strategy, finance and M&A. Prior to OFX, Axel was a management consultant at Strategy& (formerly Booz & Co). Previously, he held varied corporate finance roles at GE. Axel has also spent time in private equity and working with entrepreneurs.

Axel holds a Master of Business Administration from Columbia Business School and a Bachelor of Arts in Economics from McGill University.

Gavin Groll
Chief Risk Officer

Gavin joined OFX in January 2023 as Chief Risk Officer and is responsible for OFX's Risk and Compliance functions globally.

He has over 25 years' experience in senior management positions across financial services, banking and insurance in Australia and South Africa. Gavin has deep experience in maturing risk management and culture and is passionate about building capabilities that drive sustainable and robust organisational outcomes. Prior to OFX, Gavin held senior risk roles at Genworth Mortgage Insurance (now Helia), Westpac and FirstRand Bank.

Gavin holds a Bachelor of Arts and a Bachelor of Laws from the University of Cape Town, South Africa, including an LLB conversion from the University of Sydney, and is a qualified lawyer.

Executive team

Kate Svoboda

Chief People and Culture Officer

Kate joined OFX in January 2021.

Kate has over 20 years' experience in people and culture across a range of roles in the financial services industry. Her previous role was as Chief People and Culture Officer at Genworth Australia where she led culture and engagement, organisational design and effectiveness, capability and workforce planning, talent acquisition and development, diversity and inclusion and remuneration and benefits. Prior to Genworth, Kate worked as a Senior Human Resources Business Partner for Challenger and held various human resources roles at the Commonwealth Bank of Australia. She has also worked in a range of management and clinical roles in public health. Kate has deep experience developing people and culture strategies that support and enable business strategy.

Kate has a Master of Business Administration from the University of New England and a Bachelor of Speech Pathology from the University of Queensland.

Adam Thomas

Chief Technology Officer

Adam joined OFX in December 2019 and was promoted to Chief Technology Officer in August 2020.

He has more than 20 years' experience in IT and product development across finance, media and telecommunications and management consulting across many more industries. His speciality is combining agile, product-led engineering teams with commercial enterprise architecture to provide scalable capability for business growth and product innovation.

Before joining OFX, Adam was Global Chief Architect for News Corp and Head of Architecture and Technology Strategy for News Corp Australia, leading the transformation of the many mastheads towards digital sustainability. Prior to that he was Head of Platforms, leading large-scale engineering and systems integration teams providing cost efficient delivery of capabilities and innovation. Adam previously worked in Management Consulting for PwC and IBM.

Adam holds a Bachelor of Science (Business Information Technology) from the University of NSW.

Adrian Wong

Chief Legal Officer and Company Secretary

Adrian joined OFX as Chief Legal Officer and Company Secretary in December 2022.

He has over 25 years' experience in legal, risk, governance and compliance matters, including over 15 years in financial services.

Prior to OFX, Adrian was General Counsel and Company Secretary at Latitude Financial Services. He previously held the position of Executive Counsel – Mergers & Acquisitions at GE, where he was responsible for all M&A activity in Australia and New Zealand. Adrian has also worked with EnergyAustralia, Linklaters in London and Ashurst in Australia.

Adrian has a Bachelor of Laws (Honours) and a Bachelor of Commerce degree from Monash University.

Environmental, Social and Governance

A message from the CEO

We're committed to creating long-term sustainable value for our people, our clients, the communities in which we operate, our regulators and for our shareholders. By continuing to embed sustainability into our strategy and through the delivery of our risk management practices, our governance and our people approach, we're building a stronger and more resilient OFX for today and tomorrow.

In FY24, we continued to 'Make a Difference' in what and how we delivered for our stakeholders, recognising and responding to the rapidly changing operating landscape. We invested in our cyber defences and risk management in response to the dramatic increases in cybercrime, scams and fraud. We improved how we assess and protect client privacy, and we strengthened our governance practices and procedures for how we operate globally. For example, putting in place more sophisticated regional subsidiary boards and improving decision making authority in our regional operations to better meet the needs of regulators.

We continued investing in our employee offering, focusing on embedding a diverse and inclusive culture, ensuring that we pay our people fairly and equitably, promoting from within and providing a work environment and benefits which are valued by our employees. As a result, we experienced the lowest level of voluntary employee attrition in the past five years and maintained a strong employee engagement score (71%, down slightly from 74% in the previous year).

In this year's report, we focus on some of the achievements and progress we've made within our environmental, social and governance (ESG) program, which has three core pillars:

Investing in a sustainable future

De-carbonising our business operations, with the goal of being carbon neutral.

Empowering people globally and locally

Driving greater inclusion and diversity, providing career development opportunities for our people, and providing volunteering and community engagement activities for our people globally.

Global financial responsibility

Educating our clients and our people on fraud awareness and prevention through educational campaigns and initiatives.

These pillars complement our continued work in protecting our stakeholders' privacy and data, strengthening our cyber security, demonstrating transparent pricing and selling practices and complying with regulatory requirements around the world.

Primary ESG Metrics and KPIs

Primary ESG Metrics and KPIs[1]

	Metric	FY22	FY23	FY24	Target for FY25
Diversity	Female representation on the Board	33%	50%	50%	Min 40%
	Female representation at SLT[2] level	41%	44%	43%	Min 40%
Pricing	Time taken to action client complaints	2.7 business days	2.0 business days	<2.0 business days	Maintain the time taken to action client complaint at 2 business days
Privacy	% of all employees and contractors trained each year	90.87%	97.93%	99.35%	98%
	Number of privacy impact assessments	5	6	1	>= number of new high risk initiatives involving PI
Fraud and financial crime	Fraud training for employees and contractors trained each year	88.89%	97.69%	99.01%	98%
	OFX fraud preventions	99.02%	97.58%	96.23%	97%
Cyber	Number of P1 cyber incidents	6	3	3	<=5
	Percentage of cyber attacks thwarted	99.99%	99.99%	100%	99.99%
Environment	Carbon emission reporting coverage across OFX	N/A	100% OFX entities	100% OFX and Firma entities	100% OFX Group entities

1. All figures, except OFX fraud preventions are combined OFX and Firma results integration work.

2. SLT (Senior Leadership Team) includes the direct reports of the OFX Executive Team.

Environment

Investing in a sustainable future

The nature of OFX's business, driven by our digital + human offering, means that OFX's direct environmental impact is not high. However, we understand that we do have an indirect environmental impact and are committed to doing what we can to help reduce this impact. We remain committed to taking steps to actively monitor, reduce and offset our consumption.

Determining high-priority, high-impact areas

We use the Sustainability Accounting Standards Board (SASB) Materiality Map for the 'Consumer Finance' industry to help self-identify issues with the greatest impact on the financial condition or operating performance of OFX.

In accordance with the SASB Materiality Map, we have identified the following key issues:

- carbon emissions reduction; and
- waste management and recycling.

Carbon emissions reduction

Following the successful integration of Firma, OFX has included additional office locations in its FY24 emission measurements and tracking. This allows us to understand the total carbon emission output for the OFX Group and further assist us to develop our strategy to better manage, reduce and mitigate our carbon emissions.

In FY24, we continue to use an independent carbon emissions management consultant to calculate and report on our scope 1, scope 2 and upstream scope 3 carbon emissions according to the Greenhouse Gas (GHG) Protocol. This protocol is compliant with the Australian Government's Carbon Active Carbon Neutral Standard for Organisations and the British Standard Institution's PAS 2060 Carbon Neutral.

As per FY23, OFX emissions have been calculated on an 'emission by spend' basis.

OFX's carbon emission in FY24 was as follows.

Total GHG emissions (CO_2e tonne)[1]

	2024	2023[2]
Scope 1	**0**	0
Scope 2	**280.65**	248.04
Scope 3	**8,401.48**	8,318.38
Total	**8,682.13**	**8,566.42**

1. Numbers are calculated from estimates only based off total spend.
2. 2023 figures do not include the Firma Foreign Exchange Corporation entities.

Environment

Investing in a sustainable future

Green House Gas ('GHG') emissions output of the OFX Group of companies[1]

	Scope 2: Energy (Electricity) GHG emissions (CO_2e tonne)		Scope 3: Indirect Upstream GHG emissions (CO_2e tonne)		Total GHG emissions (CO_2e tonne)	
Location	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Australia	**123.33**	193.91	**6,222.11**	6,167.02	**6,345.44**	6,360.93
New Zealand	**0.63**	1.70	**80.03**	91.98	**80.66**	93.68
Hong Kong	**23.82**	18.41	**186.96**	197.06	**210.78**	215.47
Singapore	**5.23**	5.04	**173.61**	299.64	**178.84**	304.68
United Kingdom	**6.59**	9.56	**275.12**	339.99	**281.71**	349.55
Ireland	**0.96**	1.04	**101.56**	51.39	**102.52**	52.43
United States	**17.40**	16.81	**537.00**	678.92	**554.40**	695.73
Canada	**102.69**	1.57	**825.09**	492.38	**927.78**	493.95
Total	**280.65**	**248.04**	**8,401.48**	**8,318.38**	**8,682.13**	**8,566.42**

1. Numbers are calculated from estimates only based off total spend. 2023 figures do not include the Firma Foreign Exchange Corporation entities.

In summary, OFX does not contribute to scope 1 emissions. OFX's energy consumption is limited to scope 2 and 3 emissions. We estimate that 96.8% of our emissions are upstream scope 3 emissions.

Whilst cloud computing forms an integral part of the OFX business, OFX remains committed to using energy-efficient cloud computing providers.

OFX also remains committed to only using air travel purposefully. As a global business, OFX relies upon and is continuing to explore further opportunities to connect to our people virtually to reduce emissions related to commuting.

In FY24, OFX continued to rationalise its office footprint with the integration of Firma, taking the opportunity to combine office spaces with Firma and close several office locations.

For FY25, OFX has reaffirmed its commitment to a global hybrid working model, and in those office spaces that continue to house our people, we are continuing to look for ways to better use energy-saving technologies for things such as lighting, heating and cooling.

In FY25, we will continue to measure, identify and understand the main sources of OFX's carbon emissions, and we are now equipped with a year-on-year comparison to help with that understanding. We will continue to investigate the best way to invest funds towards our goal to reduce and, where it makes sense, offset our carbon emissions. We recognise that there are a number of barriers to verifying the efficacy of carbon offsets, so are working with an external consultant to make a considered decision.

Environment

Investing in a sustainable future

Top 3 quantified emissions

- Professional services **57.1%**
- Cloud computing services **18.7%**
- Base Buildings **3.9%**
- Other **20.3%**

Waste management and recycling

Waste management and recycling continues to be a focus for OFX.

In FY24, as in previous years, we actively reduced waste by encouraging OFXers to recycle at recycling facilities in all of our locations globally. We also found opportunities in FY24 to prevent surplus office furniture from ending up in landfill, including through donations to charitable and community organisations, employee raffles with proceeds donated to local charities and the use of a profit-for-purpose organisation to sustainably redirect and repurpose items.

In addition, we successfully continued a technology hardware recycling program, which includes donating out-of-commission technology to charities at least annually.

In FY25, we commit to continue to use e-signature tools across our business to reduce paper consumption, eliminate all single-use plastic cutlery for corporate catering globally and choose only those off-site venues with recycling options.

Social

Empowering humans globally and locally

Harnessing OFX's diversity helps us to create an organisation that is greater than the sum of its parts. We believe that an inclusive culture – rich in diverse thinking, experience and ideas – brings about better results for our clients, our people, our investors and the communities in which we operate. To understand and best support our stakeholders, we leverage the strengths and skills of all of our people, empowering humans globally and locally.

Gender

42%

Female representation in OFX employees

Culture

50%

From culturally diverse backgrounds

Linguistic

47%

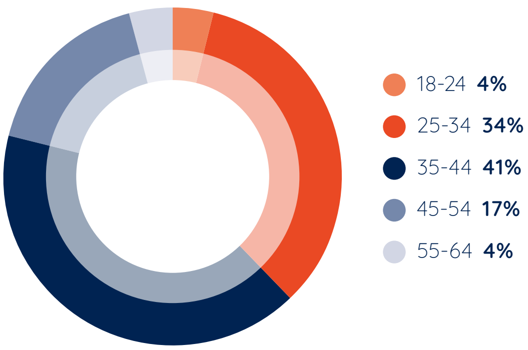
Of our people speak a language other than English

Inclusive

84%

Diversity and inclusion engagement factor

Age diversity among our people



Social

Empowering humans globally and locally

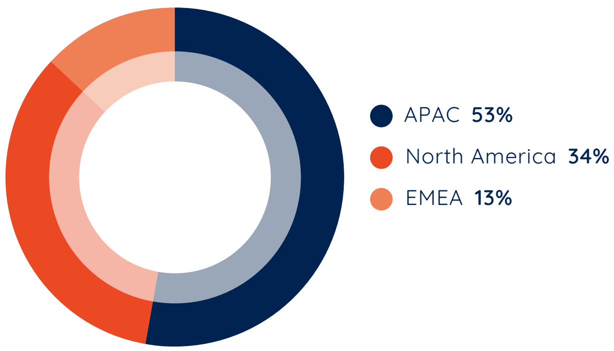
Our people

We know that life isn't all about work. That's why we offer a workplace that supports our peoples' varied needs, while equipping them with the tools, training and support they need to succeed.

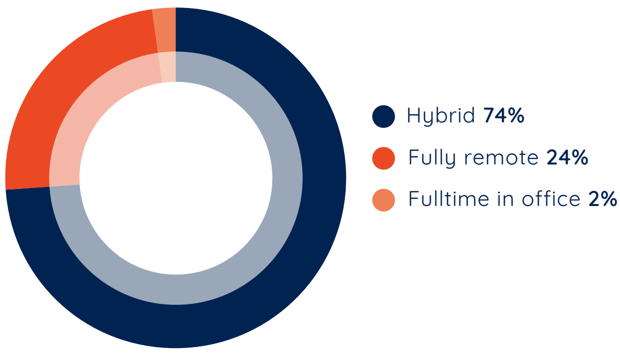
Hybrid working supports our global operating model and allows us to employ diverse talent globally

A flexible work environment helps our people operate effectively while maintaining a sense of connection with colleagues. Our hybrid model works well for our global business, enabling us to recruit diverse talent, regardless of location.

Our people by region



Remote vs office-based



Pay equity

Average pay competitiveness of base salary compared to market median for role indicating pay equity on a like-for-like basis within OFX.

Female

99.7%

Male

100.1%

Average pay competitiveness of base salary compared to market median for role indicating pay equity on a like-for-like basis within OFX.

Gender pay gap (globally)

-16.6%

Average pay gap for OFX employees based on base salary. −0.8% compared to FY23.

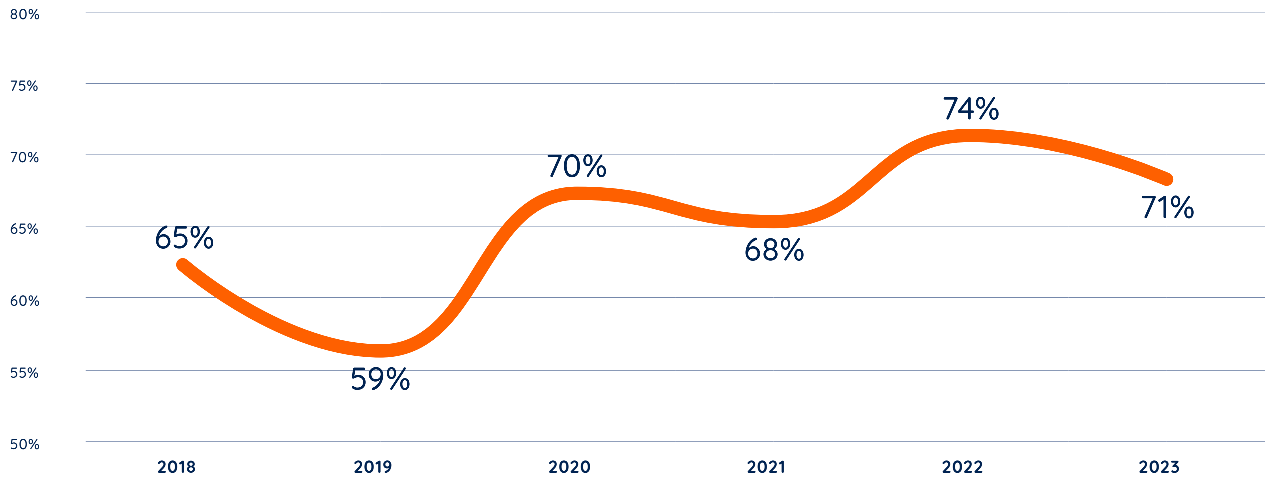
Social

Empowering humans globally and locally

Employee engagement

Through our annual employee engagement survey, our people said: OFX supports a more flexible workplace and people feel well supported in relation to their flexibility needs; that diversity, inclusion and belonging is a cultural strength at OFX; and that people feel comfortable speaking up without fear of negative consequences.

OFX engagement



Wellbeing and safety

We support our peoples' wellbeing in a range of ways. This includes access to wellbeing resources and employee assistance programs in all regions, as well as health insurance cover for our people in the US, Canada, the UK, Ireland, Singapore and Hong Kong.

Every September, we run a global initiative to promote and educate our people about ways to improve their wellbeing, including a month-long step challenge. We also provide funding to support fitness activities such as the JP Morgan Corporate Challenge and team sporting events.

Our people complete compulsory anti-harassment, anti-bullying and Code of Conduct training annually to support our obligation to provide a safe working environment free from discrimination, harassment and bullying. In our annual employee survey, 85% of people indicated they would feel comfortable reporting inappropriate behaviours at OFX.

Social

Empowering humans globally and locally

OFX in the community

Community partnerships

We support Save the Children with an annual donation of $20,000 to support its work around the world. Save the Children helps protect vulnerable children, many of whom are victims of financial crime because of child slavery and people trafficking. We also promote the work of Save the Children within the company, actively encouraging our people to provide support through volunteering, donating or fundraising.

This year, we ran community initiatives at a local level, including food donation drives in Sydney and Edmonton for Food Bank, as well as a clothing drive for Dress for Success in Sydney.

Employee volunteering, fundraising and donations

Through our Make a Difference Community Program, we give our people opportunities to support charities they care about, including a day of paid leave to volunteer in the community. In FY24, this included:

- OFXers building bikes for children and young people to receive at Christmas with the Bikes 4 Tykes program;
- volunteering for Our House Addiction Recovery Centre annual Run for Recovery in Edmonton, which provides residential addiction treatment facilities in Edmonton;
- providing holiday cheer by hanging Christmas decorations at Holland Bloorview children's rehabilitation hospital in Toronto;
- spending quality time with the clients of Cerebral Palsy Alliance, an Australian organisation that provides cerebral palsy services and support, research, technology, innovation and advocacy;
- preparing and cooking meals for people doing it tough in Sydney at One Big Kitchen;
- building prosthetic hands for people in developing countries with the Hand Project in London; and
- creating an outdoor space for clients of St. Michael's House in Dublin, which provides services for people with disabilities.

Servicing our clients

Client service

Moving money without barriers means providing global access to a frictionless and affordable service. Client service is a core pillar of OFX's digital + human offering. With a global 24/7 follow-the-sun model, OFX prides itself on the availability and access to OFXperts to provide helpful guidance that allows clients to make informed choices.

With 21% of OFX's workforce in client-facing roles we invest in our 'availability' to ensure a timely response, quality of information and fast resolution of client queries.

Voice of the client

Net Promoter Score (NPS) and Trustpilot are two means to help us better understand the client's experience and their advocacy. In FY24, OFX's NPS was 70.4 as at 31 March 2024 and our Trustpilot score was 4.4, which is considered 'excellent'.

Our voice of the client program allows clients to rank their experience and provide feedback on the service.

Social

Empowering humans globally and locally

Trustpilot

International Transfer

"I received a phone call immediately following the exchange agreement which was very helpful and reassuring. The transaction was extremely quick and I received slightly more than I expected and significantly more that I would have received going through a standard bank transfer. I would definitely use this again."

Jan 10, 2024

Only use OFX

"As always, the process is simple and prompt, and notifications timely. I have been with OFX for many years and will use no one else to do my quite regular international transfers. Never had any issues, even when I transferred a very large sum. The rates always seem competitive. But its the simplicity of the process i love. And, when i did transfer the very large sum, they called me to confirm it was me doing the transfer and my recipient account. I was impressed and felt confident in what was a very scary transfer."

Feb 12, 2024

Fair and honest selling practices

Our OFX value of 'Inspiring Client Confidence' reinforces to our people and clients the critical importance we place on earning and maintaining client trust. Access to affordable foreign exchange with transparency around price, inclusive of OFX margin and fees with no surprises along the way, is crucial in maintaining this trust.

We provide a competitive price that reflects the value of the service we offer. We offer bank-beating and highly competitive rates and fast money transfers, which are accessible online and over the phone to help our clients who value the best of digital experience and a human touch. With bank-beating FX rates as a cornerstone of the proposition, OFX purchases independent third-party industry data in Australia, Canada, the UK and the US to validate pricing and show potential savings versus banks in those jurisdictions. Savings are calculated by comparing the exchange rate including margins and fees provided by each specified bank and OFX on the same day.

We offer public access to calculators, comparison charts and OFX's client rate inclusive of OFX margin and any applicable fees, to allow clients to make an informed choice on price.

Ethical and sustainable business practice

We recognise that, given our global operations, and as a significant purchaser of goods and services, we have a responsibility and opportunity to help eradicate modern slavery. OFX has issued a Modern Slavery Statement regarding the risk of modern slavery in the operations and supply chain of OFX Group companies, as well as the steps we have taken to respond to the risks identified (refer to our website for further details and a copy of the statement).

Governance

Global Financial Responsibility

Money laundering, fraud and cyber crime are interrelated as criminals often use cyber infiltration practices and fraudulent techniques to obtain money illegally, and then launder the proceeds of their crimes to avoid detection and prosecution. OFX acknowledges that we are in a strong position to have an impact on many people's lives through detection, investigation and prevention of these activities.

Cyber security and data

Cyber security remains a key risk and significant threat to businesses all over the world. At OFX, we take the security of client and corporate data very seriously. We have been building our security measures and controls aligned with our cyber security strategy and have been strengthening our security posture through:

- security governance: we have established and maintained a comprehensive cyber security governance framework along with policies and procedures that align with industry standards and best practices;
- risk management: we have established processes for continuous risk assessments to identify, evaluate and mitigate cyber security risks;
- incident response: we have a robust security incident response plan to mitigate cyber security incidents and we conduct response drills to ensure effectiveness of the plan;
- data protection: we have taken steps to classify and implemented measures to protect sensitive client and employee data;
- third-party risk: we evaluate and monitor third-party vendors and partners to security standards and policies;
- continuous monitoring: we have implemented continuous monitoring mechanisms to detect and respond to cyber threats on real-time basis;
- investment in cyber security: we are committed to cyber security resilience through ongoing investments in technology and our employees;
- compliance: we adhere to relevant cyber security regulations, guidelines and standards and undergo audits to assess compliance; and
- training and awareness: we provide cyber security and awareness training to employees to promote a security-conscious culture.

This year, our primary focus for cyber security was on client security and governance frameworks. In FY24, we successfully implemented multi-factor authentication for all client accounts. We also continued to enhance OFX's cyber security governance framework through the development of robust policies, procedures and standards aligned to ISO 27001. At the end of FY24, OFX's Australian subsidiary, OzForex Limited, went through an external audit by certification body Global Compliance Certification and on 10 April 2024 the Australian office achieved ISO/IEC 27001:2022 certification.

For FY25, we will continue our focus on ISO 27001 compliance and continuing to improve the maturity of our cyber security governance framework globally.

Privacy

Consumers place a high priority on the security of their personal information and while governments focus on uplifting privacy protections to keep up with the digital ecosystem, regulators globally are

Governance

Global Financial Responsibility

continuing to actively enforce privacy compliance. We continue to consider privacy risk as one of the most important risks to manage, and throughout FY24, we continued to improve our maturity in relation to data privacy.

In FY24, we worked to optimise our processes and controls for client data retention, including uplifting our data retention policies and building automation into processes to ensure efficient retention management with processes that are scalable as data protections continue to evolve.

OFX continues to focus on cyber readiness. In FY24, we continued to test and review our cyber incident response plans. This included response simulations with management and technical response teams, which were facilitated by external providers. We continue to work further on refining our response plans.

In FY25, we will continue to focus on cyber readiness and our data governance frameworks.

Protecting against fraud and cyber crime

With heightened fraud and cyber crime across the globe and across all industries, we continue to invest in content and training to educate our people and clients on scams, how to detect them and how to help protect against them. Our fraud detection engine driven by AI, coupled with our 70+ compliance, fraud, cyber security and client due diligence teams globally, both help to inform the program and ensure that all of our employees are continuously trained. Client service teams receive additional training to support clients to help minimise successful scam attempts.

The focal areas for our fraud risk management program are:

- deterrence and prevention: ensuring effective systems and controls are utilised at OFX;
- detection: finding links to fraud before a payment is executed as well as detecting where fraud has occurred;
- risk management: understanding current fraud risks and ensuring systems and controls in place at OFX are appropriately focussed on those risks;
- whole-of-organisation approach: all employees are vigilant against fraud and other types of financial crimes;
- investigations expertise: a dedicated team of experts conduct detailed investigations of potential financial crime matters and work with enforcement and regulatory authorities; and
- internal awareness and education: ensuring employees know what to look out for and how to escalate concerns.

For FY24, we focused on strengthening our links to other financial service providers and associations so that OFX can contribute to stronger industry-wide protections for our clients.

In FY25, we will continue to build our presence in the industry and have been invited to participate in financial crime events. Internally, OFX has launched new fraud awareness training, with sessions specifically tailored for different teams throughout the organisation. We will also add to our fraud controls with the introduction of electronic document verification technology designed to detect document fraud.

Governance and conduct

Our Board and management are committed to excellence in corporate governance and aspire to the highest standards of conduct and disclosure.

The Company's governance principles are designed to support business operations, deliver on our strategy, monitor our performance and manage risk. For FY24 our governance practices complied with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition). More detail is available in our Corporate Governance Statement on our website.

Directors' Report and Financial Statements

For the year ended 31 March 2024

Directors' Report

The Directors of OFX Group Limited present their report on the consolidated entity consisting of OFX Group Limited (**OFX** or the **Company**) and the entities it controlled at the end of, or during, the year ended 31 March 2024 (the **Consolidated Entity** or the **Group**).

1. Directors

The Directors of the Company during the financial year and up to the date of this report are:

Patricia Cross AM
Chair and Non-Executive Director
BSFS; FAICD Life

Member of the Audit, Risk and Compliance Committee; Member of the People, Culture and Remuneration Committee; Member of the Nomination Committee.

Appointed: 20 July 2022

Independent Director

Residence: Melbourne, Australia

Patricia is a highly experienced Non-Executive Director and Chair. Over the past 25 years she has served on eight large, listed company boards in Australia and the UK as well as several government, not-for-profit and advisory boards. She is currently a non-executive director of Transurban Limited, a member of the Board of Guardians of The Future Fund, and an ambassador for the Australian Indigenous Education Foundation (AIEF).

Prior to her career as a non-executive director, Patricia held several senior executive roles across a wide range of banking, investment and insurance in the financial services industry, including with Chase Manhattan Bank and Chase Investment Bank (New York, Helsinki, London), Banque Nationale de Paris and National Australia Bank (NAB).

She has held honorary government positions including as a founding member of the Financial Sector Advisory Council and the Australian Financial Centre Task Force advisory board and has served on several not-for-profit boards including the Grattan Institute and Murdoch Children's Research Institute. She is a Life Fellow of the Australian Institute of Company Directors and founding Chair of the 30% Club in Australia.

Current directorships (Listed companies):	Director: Transurban Group
Previous directorships (Listed companies):	Director: Aviva plc (2013-2022)
Interest in shares:	150,000 ordinary shares

Directors' Report

Robert Bazzani
Non-Executive Director
BSc, LLB, MBA

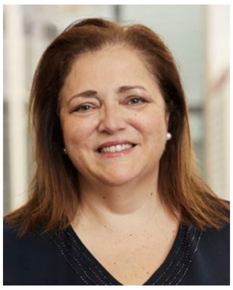
Chair of the Audit, Risk and Compliance Committee; Member of the Nomination Committee.

Appointed: 1 February 2024
Independent Director
Residence: Melbourne, Australia

Rob is an experienced non-executive director and business leader, with over 30 years' experience in corporate finance and corporate advisory. Rob's prior professional experience includes 21 years with global consulting firm KPMG in multiple senior roles.

Rob is Chair of Mach7 Technologies Ltd, Chair of Natrio Pty Ltd, Chair of ORDE Financial Pty Limited and a Non-Executive Director of Keypath Education International Inc.

Current directorships (Listed companies):	Chair: Mach7 Technologies Limited Director: Keypath Education International Inc
Previous directorships (Listed companies):	Director: Class Limited (2020-2022)
Interest in shares:	Nil



Connie Carnabuci
Non-Executive Director
BCom (Marketing) (with Merit), LLB, GAICD

Member of the People, Culture and Remuneration Committee; Member of the Nomination Committee.

Appointed: 1 April 2019
Independent Director
Residence: Sydney, Australia

Connie has 35 years' experience as a senior legal advisor to, and as an independent non-executive director of, boards of listed and privately owned companies in Australia and Asia. She brings significant board and C-suite insights on the practical execution of business strategies involving global technology and intellectual property intensive businesses, particularly in the context of M&A, complex commercial transactions and risk management.

Connie was General Counsel of the Australian Broadcasting Corporation (ABC) from July 2017 to July 2021, where she was part of the team leading the digital transformation of the ABC. Prior to her role at the ABC, Connie was a Senior Partner with the international law firm Freshfields Bruckhaus Deringer. She was based in Hong Kong for 15 years and led the firm's TMT/IP practice in Asia. She also served as Co-head of the firm's global technology practice. She began her career in Sydney at Mallesons Stephen Jacques (now King & Wood Mallesons) and was a partner there from 1997 to 2000.

Current directorships (Listed companies):	Nil
Previous directorships (Listed companies):	Director: Atomo Diagnostics Limited (2020-2021)
Interest in shares:	52,696 ordinary shares

Directors' Report

Jacqueline Hey
Non-Executive Director
BCom, GradCertMgmt, GAICD

Member of the People, Culture and Remuneration Committee; Member of the Nomination Committee.

Appointed: 1 May 2024
Independent Director
Residence: Melbourne, Australia

Jacquie joined OFX in May 2024. She is an experienced non-executive director and international business leader, with extensive experience in the telecommunications, financial services, media and technology sectors. Jacquie's prior professional experience includes over 20 years with IT and telecommunications company Ericsson in multiple senior positions globally and in Australia.

Jacquie's previous Board appointments have included Chair of Bendigo and Adelaide Bank Ltd, Non-Executive Director of Qantas, Non-Executive of AGL Energy Ltd, as well as Director of Cricket Australia, the Melbourne Business School and the Special Broadcasting Service (SBS).

Current directorships (Listed companies):	Nil
Previous directorships (Listed companies):	Chair: Bendigo and Adelaide Bank Limited (2019-2023, Director 2011-2019) Director: Qantas Airways Limited (2013-2024) Director: AGL Energy Limited (2016-2022)
Interest in shares:	Nil

Cathy Kovacs
Non-Executive Director
BComm and MappFin, GAICD

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

Appointed: 22 February 2021
Independent Director
Residence: Sydney, Australia

Cathy has over 30 years' operational experience in the financial services industry, having held senior executive leadership roles at Westpac Banking Group, Ellerston Capital, Macquarie Group and BT Investment Bank. Cathy's most recent executive role was as Group Head of Business Development at Westpac until March 2019, where she was responsible for advising the Westpac Executive Committee and Board on business disruption and the future of banking and wealth, making strategic investments and managing strategic partnerships.

Current directorships (Listed companies):	Director: Hub24 Limited Director: Magellan Financial Group Limited
Previous directorships (Listed companies):	Nil
Interest in shares:	73,000 ordinary shares

Directors' Report

John Alexander 'Skander' Malcolm
Chief Executive Officer and Managing Director
BEc, MAICD

Member of the Nomination Committee.

Appointed: 1 February 2017
Not independent
Residence: Sydney, Australia

Skander has more than 30 years' experience in financial services across consumer payments, consumer finance, joint ventures, partnerships, commercial lending and leasing and digital. He has worked in Australia and New Zealand, the UK, the US, the Middle East, Africa and Russia. He previously served as President and CEO of GE Healthcare, Eastern and African Growth Markets, and prior to that, as President and CEO for GE Capital, Australia and New Zealand.

Current directorships (Listed companies):	Nil
Previous directorships (Listed companies):	Nil
Interest in shares:	2,850,423 (of which 937,352 are restricted under the Company's Executive Share Loan Plan)

Grant Murdoch
Non-Executive Director
MCom (Hons), FAICD, CAANZ

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

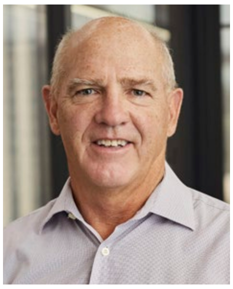
Appointed: 19 September 2013
Resigned: 22 February 2024
Independent Director
Residence: Brisbane, Australia

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 Rare Earths Limited* Director: Auswide Bank Ltd*
Previous directorships (Listed companies):	Nil*
Interest in shares:	345,000 ordinary shares*

* As at resignation date.

Directors' Report



Douglas Snedden AO
Non-Executive Director*
BEc, MAICD

Chair of the People, Culture and Remuneration Committee; Chair of the Nomination Committee; Member of the Audit, Risk and Compliance Committee.

Appointed: 16 March 2015
Independent Director
Residence: Sydney, Australia

Doug has over 30 years' experience in finance, consulting, strategic management and outsourcing. Doug has previously worked as Country Managing Director of Accenture Australia. Doug's unlisted board activities include the Council of the National Library.

Current directorships (Listed companies):	Nil
Previous directorships (Listed companies):	Chair: Isentia Group Limited (2017-2021)
Interest in shares:	150,000 ordinary shares

* Douglas Sneddon will retire after the date of this report, effective from 1 June 2024.

The following persons were Directors of the Company either during the year or as at the date of the Report:

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

* Resigned 22 February 2024.

** Resignation will be effective from 1 June 2024.

2. Company Secretary

Adrian Wong

BCom, LLB (Hons)

Adrian was appointed as Company Secretary for OFX Group Limited on 23 January 2023. He has over 25 years' experience in legal, risk, governance and compliance matters, including over 15 years in financial services. Prior to OFX, Adrian was General Counsel and Company Secretary at Latitude Financial Services.

Rebecca Blair

DipLaw, GradDipLegPrac, GradCertEmergTech&Law

Rebecca was appointed as Assistant Company Secretary for OFX Group Limited on 3 October 2023. She has over 15 years' experience in various governance, risk and compliance roles in financial services, including over five years as in-house counsel. Prior to OFX, Rebecca was Legal Counsel at Latitude Financial Services, as well as Company Secretary for the APRA-regulated general and life insurance entities within that group.

Brett Farrell

LLB (Hons), CIPP/E

Brett resigned as Company Secretary on 29 September 2023.

3. Directors' and Committee meetings

The following table shows meetings held between 1 April 2023 and 31 March 2024 and the number attended by each Director or Committee member.

	Board		Audit, Risk and Compliance Committee		People, Culture and Remuneration		Nomination	
Director	**Eligible[1]**	**Attended**	**Eligible[2]**	**Attended**	**Eligible[3]**	**Attended**	**Eligible**	**Attended**
R Bazzani	2	1	1	0	1	1	0	0
C Carnabuci	10	8	5	5	4	4	3	3
P Cross	12	12	5	5	4	4	3	3
C Kovacs	10	9	5	5	4	4	3	3
S Malcolm	12	12	5	5	4	4	3	3
G Murdoch[4]	11	10	5	5	3	3	3	3
D Snedden	10	10	5	5	4	4	3	3

1. Mrs Cross, Mr Malcolm and Mr Murdoch were appointed to subcommittees to consider the release of the half-year results and the full-year results.
2. Ms Carnabuci and Mr Malcolm are not members of the Audit, Risk and Compliance Committee but are invited to attend as observers.
3. Ms Kovacs, Mr Malcolm and Mr Murdoch are not members of the people, Culture and Remuneration Committee but are invited to attend as observers.
4. Resigned 22 February 2024.

4. Directors' interests

The relevant interest of each Director and their associates in the equity of the Company as at the date of this Report is outlined in the table below. All interests are ordinary shares unless otherwise stated.

	Type	Opening balance	Issued	Acquired	Lapsed/ Disposed	Closing balance
R Bazzani	Ordinary	Nil	–	–	–	Nil
C Carnabuci	Ordinary	46,832	–	5,864	–	52,696
P Cross	Ordinary	100,000	–	50,000	–	150,000
J Hey	Ordinary	Nil	–	–	–	Nil
C Kovacs	Ordinary	73,000	–	–	–	73,000
S Malcolm	Ordinary	2,658,684[1]	191,739[2]	–	–	2,850,423[3]
G Murdoch[4]	Ordinary	345,000	–	–	–	345,000[5]
D Snedden	Ordinary	100,000	–	50,000	–	150,000

There were no disposals of shares by the Directors during the year or share transactions post year end.

1. Opening balance held by Mr Malcolm comprise 1,739,115 restricted ordinary shares under the FY20 LTI and FY21 ESP awards, and 919,569 ordinary shares by way of personal holdings, vested STI/LTI and retention awards.
2. Ordinary shares issued to Mr Malcolm on 13 June 2023 upon vesting of FY22 STI performance rights.
3. Closing balance held by Mr Malcolm comprise 937,352 restricted ordinary shares under the FY21 ESP awards and 1,913,071 ordinary shares by way of personal holdings, vested STI/LTI and retention awards. In addition to this closing balance, Mr Malcolm holds 256,346 STI performance rights and 1,701,881 LTI performance rights.
4. Resigned 22 February 2024.
5. As at 22 February 2024 when final interest notice lodged with the ASX.

5. Principal activities

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

6. Unissued shares under rights or options

At the date of this report unissued shares of the Group under rights or options are:

	Expiry Date	Exercise Price	Number of Shares
Performance rights	N/A	–	18,177,428

All unissued shares are ordinary shares of the Company.

7. Dividends and distributions

No dividends have been paid or determined by the Company during and since the end of the year.

8. Operating and financial review

The Group's statutory financial information for the year ended 31 March 2024 and for the comparative year ended 31 March 2023 present the Group's performance in compliance with statutory reporting obligations, comprising the consolidated financial statements of the Consolidated Entity.

To assist shareholders and other stakeholders in their understanding of the Group's financial information as a publicly listed entity, additional underlying financial information is provided in this section of this Report. The reconciliation of the underlying information has not been audited.

Statutory results

	2024 $'000	2023 $'000	Change %
Net operating income[1]	**227,507**	**214,092**	**6.3%**
Total net income	**228,939**	**214,092**	**6.9%**
EBITDA[2]	**62,461**	**56,290**	**11.0%**
Depreciation and amortisation	**(18,033)**	(13,172)	36.9%
Interest expense	**(6,548)**	(5,869)	11.6%
Share of profit of equity-accounted investees, net of tax	**289**	244	18.4%
Net profit before income tax	**38,169**	**37,493**	**1.8%**
Income tax expense	**(6,870)**	(6,082)	13.0%
Net profit after tax	**31,299**	**31,411**	**(0.4%)**
EBITDA margin	**27.3%**	26.3%	
Earnings per share (basic) (cents)	**12.97 cps**	12.91cps	

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.

Underlying results

The results were impacted by non-operating income, expense and amortisation in respect of the integration of Firma Foreign Exchange Corporation and the acquisition and integration of Paytron Holdings Pty Ltd. Non-operating income included $1.4 million fair value gain on contingent consideration in relation to the Paytron acquisition. Non-operating expenses and amortisation included $3.4 million in relation to the integration of Firma Foreign exchange and $1.4 million in relation to the acquisition and integration of Paytron.

Directors' Report

The table below sets out the underlying financial results for the year ended 31 March 2024, adjusted to exclude the non-operating income, expense and amortisation.

	2024 $'000	2023 $'000	Change %
Net operating income	**227,507**	**214,092**	**6.3%**
Underlying EBITDA	**64,559**	**62,437**	**3.4%**
Depreciation and amortisation	**(16,697)**	(12,578)	32.7%
Interest expense	**(6,548)**	(5,869)	11.6%
Share of profit of equity-accounted investees, net of tax	**289**	244	18.4%
Net profit before income tax	**41,603**	**44,234**	**(5.9%)**
Income tax expense	**(7,785)**	(6,633)	17.4%
Net profit after tax	**33,818**	**37,601**	**(10.1%)**
EBITDA margin	**28.4%**	29.2%	
Earnings per share (basic) (cents)	**14.01cps**	15.46cps	

The following table reconciles underlying earnings measures to statutory results.

Year ended 31 March 2024

	Total net income $'000	EBITDA $'000	Profit before tax $'000	Income tax $'000	Profit after tax $'000
Statutory	**228,939**	**62,461**	**38,169**	**6,870**	**31,299**
Non-operating items	**(1,432)**	**2,098**	**3,434**	**915**	**2,519**
Underlying	**227,507**	**64,559**	**41,603**	**7,785**	**33,818**

The Group's strong execution delivered results in line with guidance, with Net Operating Income (NOI) of $227.5 million, up 6.3%, and underlying EBITDA of $64.6 million, up 3.4% and up 8.2% excluding Paytron. Underlying net profit after tax was down 10.1% to $33.8 million.

The Group's NOI margin was up 5bps to 0.59%, with good growth in transactions, transactions per active client and new client revenues. NOI was supported by interest income of $8.7 million and other income of $4.4 million inclusive of a one-off $3.7 million escrow receipt in the period.

The Group continued its successful pivot to B2B with B2B revenue increasing 4.8% to $146.1 million, driven by a 3bp margin expansion and a 5.2% increase in transactions. New revenue from Corporate clients was up 26.5%, and the Enterprise segment grew revenues by 32.8%. Consumer segment revenue was down 4.4% due to low volatility during the period, resulting in lower transaction volumes, with high-value use cases declining, and consequently lower average transaction values (ATVs).

The Group continued to deliver on global growth, with revenue generated outside Australia contributing 65% of the total. The APAC revenue contribution was 42%, North America was 41% and EMEA was 17%. APAC revenue was up 0.3%, the result impacted by the mixed macroeconomic climate and strong USD which impacted ATVs in the region. North American revenue was down 1.9% due to a combination of a more resilient US economy, which supported an increase in US transaction volumes and drove strong USD, which had an offsetting impact on Canadian ATVs. EMEA revenue was up 15.6%, supported by a 9bp margin expansion and a 7.7% increase in transactions in the UK Corporate segment, coupled with a 16.3% increase in European Corporate active clients.

Underlying operating expense growth, which includes Paytron in the current period, slowed to 7.4% largely attributed to the strong synergies from the Firma integration and group-wide productivity program. Core expense growth, ex-Paytron, was 5.1%. Bad and doubtful debts of $3.7 million were above expectations, due to a small number of instances of fraudulent activity in North America. Further controls were implemented through Q4.

The Group continues to generate strong cash flows resulting in net cash held of $88.0 million and net available cash of $68.2 million as at 31 March 2024.

As at 31 March 2024

	2024 $'000	2023 $'000
Cash and cash equivalents	**355,362**	436,861
Deposits due from financial institutions	**19,930**	25,613
Total Cash	**375,292**	**462,474**
Cash held for subsequent settlement of client liabilities	**(287,286)**	(368,670)
Net cash held	**88,006**	**93,804**
Collateral and bank guarantees	**(19,798)**	(26,407)
Net available cash	**68,208**	**67,397**

9. Strategy

The opportunity in helping our clients manage their business internationally is significant. The cross-border payments opportunity is significant, with a US$350 billion total addressable market (TAM). There is also significant additional opportunity to help businesses with closely adjacent non-FX products, such as wallets, cards, accounts receivable/accounts payable and expense management, that has 2x the cross-border TAM. With more than 70% of the global market share still with banks, OFX has an opportunity to capture share in this market. As a B2B-focused cross-border company, we are competitively positioned to deliver faster global growth with returns.

Our corporate strategy is built on five pillars:

1) **markets:** scale origination in developed markets;
2) **targets:** target Corporate ICPs (Ideal Client Profiles) and Enterprise clients, while servicing our High Value Consumer clients;
3) **products:** offer the right products and services to help our target B2B clients manage their business internationally;

Directors' Report

4) **proposition:** offer a Digital + Human proposition, with an extraordinary digital platform and human partnership; and
5) **value:** grow revenue beyond FX faster.

We will create a more valuable company by investing in delivering more products to leverage the Paytron acquisition.

We will deliver a differentiated value proposition with a competitively priced and trusted client experience as we solve pain points of managing business internationally.

The corporate strategy is underpinned by OFX's key strengths:

- **scalable platform:** a platform to enable operations at scale, lowering costs and enhancing security for our clients and shareholders;
- **risk management:** building trust through strong risk management across regulators, clients, banks and partners; and,
- **people:** strong global talent so that our teams can serve client locally and grow their global career with OFX.

10. Risks

The potential risks associated with the Group's business are outlined below. This list does not cover every risk that may be associated with the Group, and the occurrence or consequences of some of the risks described are partially or completely outside the control of the Group, its Directors and senior management. There is also no guarantee or assurance that the risks will not change or that other risks will not emerge.

- **Cyber:** There is a risk that the Group's information technology platforms, systems and applications may be subjected to a cyber attack that causes disruption to the operation of its business. Depending on the materiality of the cyber attack, the Group's clients may experience some form of disruption to services. The Group may also experience a financial, reputational and regulatory impact as a result of the cyber attack. The Group has multiple technology, technical and management controls to ensure the risks arising from a cyber attack are mitigated, including ensuring disclosure and notification requirements to regulators are met.
- **Regulatory change:** The international payments market is highly regulated. There is a risk that any new or changed regulations, for example, banking and financial services licensing and anti-money laundering regulations, could require the Group to increase its spending on regulatory compliance and/or change its business practices, which could adversely affect the Group's profitability. There is a risk that regulatory change could also make it uneconomical for the Group to continue to operate in places where it currently does business.
- **Regulatory compliance:** There is a risk that the Group may not comply with all applicable laws and regulations or have adequate compliance controls in place to manage or prevent breaches of applicable laws and regulations. A breach of compliance may require the Group to pay significant penalties if it fails to maintain or follow adequate procedures in relation to on-boarding of clients or to detect and prevent money laundering, financing of terrorism, breaches anti-bribery laws or contravention of sanctions regulations globally, as has been imposed on other companies from time to time. In addition, there is a risk that evidence of a serious failure by the Group to comply with laws may cause one or more of the counterparty banks, partnerships or affiliates to cease business with the Group. The Group has a range of system and process controls in place to mitigate this risk and invests significant resources in risk management and compliance. All employees undertake compulsory compliance training on a regular basis.

- **Information technology (IT):** The Group depends on the performance, reliability and availability of its proprietary and software as a service technology platform and communications systems. There is a risk that these systems may be adversely affected by events including damage, equipment faults, power failure, computer viruses, misuse by employees or contractors, cyber-attack/s on group technology and communication providers, external malicious interventions such as hacking, fire, natural disasters or weather interventions.

  Events of that nature may cause part of the Group's technology platform, apps or websites to become unavailable. While the Group invests heavily in mitigating this risk, there is a risk that the Group's operational processes or disaster recovery plans may not adequately address every potential event and its insurance policies may not cover loss or damage that the Group suffers as a result of a system failure. This in turn could reduce the Group's ability to generate income, impact client service and confidence levels, increase cost burden, impact the Group's ability to compete and cause damage to the Group's reputation and, potentially, have a material adverse effect on its financial position and performance. Further, there is a risk that potential faults in the Group's technology platform could cause transaction errors that could result in legal exposure from clients, damage to the Group's reputation or cause a breach of certain regulatory requirements (including those affecting any required licence) and, potentially, have a material adverse effect on the Group's financial position and performance. The Group maintains business continuity plans, disaster recovery plans and controls to mitigate this risk.

- **Data security and privacy:** The Group's business relies on the effective processing and storage of information using its core technologies and IT systems and operations. If the Group's technology and data security controls are ineffective, the Group's IT systems could be exposed to successful cyber – attacks which may result in the unauthorised access to or loss of critical or sensitive data, loss of information integrity, breaches of obligations or client agreements and website, system outages and regulatory actions. Any significant interruptions to these operations would impact the Group's ability to operate and could result in business interruption, the loss of client and revenue, damaged reputation and weakening of competitive position and could therefore adversely affect the Group's operating and financial performance. The Group is subject to privacy laws in Australia and other jurisdictions in which it conducts its business. The Group operations in the United Kingdom and the European Union are required to comply with the respective implementations of the UK and the European Economic Area versions of the General Data Protection Regulations. Similarly, the Group operations in North America are subject to relevant US and Canadian laws, including the California Consumer Privacy Act. In each of the relevant jurisdictions, these laws generally regulate the collection, use and processing of personal information. Such laws affect the way the Group can collect, use, analyse, transfer and share personal information that is central to many of the services the Group provides. Any actual or perceived failure by the Group to comply with relevant privacy laws and regulations may result in the imposition of fines, investigations, enforceable undertakings or other penalties, client losses, a reduction in existing services, and limitations on the development of technology and services making use of such data. Any of these events could adversely affect the Group's business, financial condition and financial performance as well as cause reputational damage. The Group has a range of system and process controls in place to mitigate this risk pursuant to a Board approved Cyber Strategy. Employees undertake compulsory privacy and cyber security awareness training.

- **Relationships with banking counterparties:** The Group relies on banks to conduct its business, particularly to provide its network of local and global bank accounts and act as counterparties in the management of foreign exchange and interest rate risk. There is a risk that one or more of these banks may cease to deal with the Group. The loss of a significant banking relationship, or the loss of a number of banking relationships at the same time, particularly as the Group grows, could prevent or restrict the Group's ability to offer foreign exchange and payment services in certain jurisdictions, increase operating costs for the Group, increase time taken to execute and settle transactions and reduce the Group's ability to internally net out transactions, all of which could materially impact profitability. In addition, there is a risk that a loss or reduction in the services provided by the Group's banks could restrict its ability to actively manage its foreign exchange and interest rate risk in certain jurisdictions. As a result, the Group may have to increase the level of foreign exchange and interest rate exposure within existing operations, reduce or withdraw certain services it offers to clients or change its business model to reduce the level of risk within the business to acceptable levels, all of which could also materially impact profitability. The Group maintains a panel of banking counterparties and actively manages its relationships with these counterparties.
- **Mistaken payment:** There is a risk that, due to system or human errors in the processing of transactions, the Group may transfer an incorrect amount of funds or transfer funds to an incorrect recipient. In these instances, the Group may be required to take steps to recover the funds involved and, in certain circumstances, be liable for amounts paid that were in not in accordance with client instructions. The Group has a range of system and process controls in place to mitigate this risk.
- **External fraud:** There is a risk the Group's products and services are used to transfer money or make transactions in connection with a fraud or theft (including identity theft). In these circumstances, the Group may be susceptible to losses where it is liable to repay unrecovered amounts that it accepted for transfer (even after it has made the corresponding international payment) or where a client is not liable for a fraudulent transaction. In some cases, the Group's insurance does not indemnify for this loss. The Group has a range of fraud prevention controls in place to mitigate this risk.
- **Foreign exchange rate fluctuations:** Changes in value in currencies can affect the average transaction size entered into by the Group's clients and, potentially, the number of transactions. The Group offers services in over 50 currencies and movements in any of them may adversely impact the Group's performance. In addition, as the Group reports in Australian Dollars, a strengthening of the Australian Dollar against other currencies will also have a negative impact on the reported earnings of the Group that relate to its income earned in geographies outside Australia (which may increase over time, potentially substantially). Similarly, a weakening of the Australian Dollar as against USD, CAD, GPD, NZD, HKD and SGD will have a negative impact on the costs of the Group that relate to the costs incurred in geographies outside Australia. To mitigate against this risk, the Group's treasury risk management process monitors and reports performance against defined limits. Overall exposure of the Group is managed within limits set by the Board.
- **Credit:** The Group enters into forward exchange contracts with some of its clients and its banking counterparties. There is a risk that if a client or counterparty fails to make payment upon settlement of these contracts, the Group would have a credit exposure to the value of

the mark-to-market value of the transaction. The Group mitigates against this risk by retaining the discretion to require that an advance payment is made, however, the Group remains exposed to the mark-to-market value of the transactions.

- **Liquidity:** There is a risk that the Group may have insufficient liquidity to meet financial and regulatory obligations or commitments due to miscalculation of liquidity requirements or failure to receive funds from counterparties on time. The Group has a robust process in place to mitigate this risk, including regular forecasts of the Group's liquidity requirements and continuous review of currency requirements in operating jurisdictions.
- **Competition:** The market for the provision of foreign exchange and payment services is highly competitive. The major existing competitors of the Group include banks, money transfer organisations and other specialist providers. New competitors, services and business models which compete with the Group are likely to arise in the future. There is a risk that a substantial increase in competition for any of these reasons could result in the Group's services becoming less attractive to consumer or business clients, partnerships. This may require the Group to increase its marketing or capital expenditure or require the Group to lower its spreads or alter other aspects of its business model to remain competitive, any of which could materially adversely affect the Group's profitability and financial condition. A key aspect of the Group's business model and competitive advantage is its ability to offer many clients more attractive exchange rates and transaction fees than they regularly receive from competitors such as many major banks. Competitors could potentially lower their spreads and transaction fees to compete with the Group, which could result in a reduction in, or slowing in the growth of, the Group's transaction turnover, a reduction in margins, increased marketing expense or a failure to capture or reduction in market share. Any of these outcomes could materially impact the Group's income and earnings. The Group regularly reviews its market position and competitiveness as part of its strategic and business planning process.
- **Intellectual property risk:** The Group relies on certain intellectual property (IP) such as trademarks, licences, software and proprietary technology to conduct its business. There is a risk that the actions taken by the Group to register and protect its IP may not be adequate, complete or enforceable, and may not prevent the misappropriation of the Group's IP and proprietary information. If the Group's IP has been compromised, the Group may need to protect its rights by initiating litigation such as infringement or administrative proceeding, which may be time consuming, unpredictable and costly. Any failure by the Group to protect its IP rights may adversely impact the Group's business, operations and future financial performance. There is a risk that the Group may infringe the IP rights of third parties. Third parties may enforce their IP rights and prevent the Group from using the IP, which may adversely impact the business and operations of the Group, and damage the reputation of the Group. To mitigate against this risk the Group actively manages its trademarks and obtains licences in respect of third party IP rights used by the business.
- **Reputational damage:** Maintaining the strength of the Group's reputation is important to retaining and increasing the client base and preserving healthy relationships with its regulators, banks, partners and other stakeholders. There is a risk that unforeseen issues or events may adversely affect the Group's reputation. This may impact on the future growth and profitability of the Group. The Group actively maintains its relationships with regulators, banks, partners and other stakeholders to mitigate against this risk.

11. State of affairs and significant changes in the state of affairs

In the Directors' opinion there have been no significant changes in the state of affairs of the Group during the year. A further review of matters affecting the Group's state of affairs is contained on pages 41 – 43 in the Operating and Financial Review.

12. Events subsequent to balance date

Refer to the share buy-back renewal disclosed in Note 21 to the Financial Report.

As at the date of this Report, the Directors are not aware of any other circumstance that has arisen since 31 March 2024 that has significantly affected or may significantly affect the Group's operations in future financial years, the results of those operations in future financial years, or the Group's state of affairs in future financial years.

13. Outlook

The Group continues to position OFX as a B2B-focused company, delivering faster growth with returns and is focused on the ongoing execution of its corporate strategy.

The Group has a strong balance sheet, superior service delivery, an experienced and ambitious team and a clear mandate from the Board and shareholders to grow sustainably.

14. Likely developments and expected results

Other than the information provided in the Operating and Financial review in Section 8, further information on likely developments has not been included as it may unreasonably prejudice the Group.

15. Insurance and indemnification of Directors and Officers

The Directors of the Company and such other officers as the Directors determine are entitled to receive the benefit of an indemnity contained in the Constitution of the Company, to the extent allowed by the *Corporations Act 2001* (Cth).

The Company has entered into a standard form deed of indemnity, insurance and access with the Directors, the Company and Secretaries of the Company and with Directors and Officers of each Group entity against liabilities they may incur in the performance of their duties as Directors of the Company, to the extent permitted by the *Corporations Act 2001* (Cth). The indemnity operates only to the extent that the loss or liability is not covered by insurance.

During the year, the Company paid premiums in respect of contracts insuring the Directors and Officers of the Company and each other Group entity against liability incurred in that capacity to the extent allowed by the *Corporations Act 2001* (Cth). The terms of the policies prohibit disclosure of the details of the liability and the premium paid.

Directors' Report

16. No officers are former auditors

No officer of the Group was a partner of an audit firm or a director of an audit company that is the auditor of the Group for FY24, at a time where that auditor undertook an audit of the Group.

17. Non-audit services

KPMG continues in office as the external auditor in accordance with section 327C of the *Corporations Act 2001* (Cth).

The Audit, Risk and Compliance Committee is required to pre-approve all audit and non-audit services provided by the external auditor. The committee is not permitted to approve the engagement of the auditor for any non-audit services that may impair or appear to impair the external auditor's judgement or independence in respect of the Company.

The Board considers any non-audit services provided by the auditor and, in accordance with written advice provided by resolution of the Audit, Risk and Compliance Committee, must be satisfied that the provision of those non-audit services by the auditor is compatible with, and does not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth).

There were no non-audit services provided by KPMG during the year ended 31 March 2024. Details of the amounts paid or payable to KPMG for audit and non-audit services provided are set out in Note 27 to the Financial Statements. Total non-audit remuneration paid to KPMG is summarised below.

	2024 **$**	**2023** **$**
Other advisory services	**Nil**	35,404
Total remuneration for non-audit services	**Nil**	**35,404**

18. Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth) in relation to the audit for the year ended 31 March 2024 is on page 71 of this Report.

19. Chief Executive Officer/Chief Financial Officer declarations

The Chief Executive Officer and the Chief Financial Officer have given the declarations to the Board concerning the Group's Financial Statements and other matters as required under section 295A(2) of the *Corporations Act 2001* (Cth).

20. Rounding off

The Company is of the kind referred to in Australian Securities and Investments Commission Legislative Instrument 2016/191, relating to the rounding off of amounts in the Directors' Report. In accordance with that Instrument, amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise stated.

Remuneration Report

For the financial year ended 31 March 2024

Fellow shareholders,

OFX delivered a solid performance for the year ending 31 March 2024 while effectively executing on a substantial amount of change and positioning the company for accelerated growth over the next three years.

FY24 performance and impact on remuneration outcomes

The Board set targets with a focus on outcomes aligned to strategy and long-term shareholder value creation. Specifically:

- growth in operating results for NOI and earnings, which have proved challenging but fell within the target range;
- record growth in new revenue in our Corporate segment, driven by the changes we have implemented in our client onboarding programs globally;
- excellent results integrating Firma with the successful migration of all Firma clients, delivering synergies of $7M+ by FY25 and EPS accretion of 30% which was achieved in year 2;
- the acquisition of Paytron, a key enabler of our strategy of revenue beyond spot FX, and preparation to enable onboarding of Corporate clients to our new client platform in early FY25;
- continued strengthening of our technology and processes as they relate to compliance, cybersecurity and client data protection, key pillars of our ESG program; and
- the Long-Term Incentive Plan, linked to EPS and TSR remains subject to market as well as underlying performance. These are in alignment with shareholder outcomes. Whilst share price performance is disappointing, EPS outcomes remain on track.

Overall, the team has demonstrated they can deliver through the economic cycle, generating a return on investments and continuing to build a sustainable business. A summary of FY24 remuneration outcomes is as follows:

- the Short-Term Incentive funding was determined to be 82% of target, representing execution against both financial and non-financial targets approved at the commencement of the financial year.
  The Board exercised its discretion to adjust the Short-Term Incentive funding downwards from the scorecard outcome of 88.5% to 82%, having regard for the share price in FY24;
- the FY21 Long-Term Incentive Plan vested with 23.5% loan forgiveness of the Loan Share Plan. Shares vested in May 2023, however, remain restricted until the Executive's outstanding loan balance is repaid in full which must occur by 31 March 2025 (see detail in section 5.3 of the report);
- based on market analysis and in the context of continued wage appreciation in all regions, a 4% budget was allocated for salary increases in FY25; and
- there have been no increases to Non-Executive Director fees or the fee pool for FY25.

Remuneration programs in FY25

There are currently no significant changes planned to our remuneration programs in FY25. However, as the organisation continues to grow and evolve, we must continue to provide market-competitive remuneration that rewards the performance of our people and is aligned to our culture. As such, we will continue to review our Short-Term Incentive and share-based programs to ensure they are aligned to market and incentivise appropriate behaviours as well as consider the best way to align our people to shareholder outcomes.

My fellow Directors and I believe it is an exciting time to be an OFX shareholder and we look forward to sharing with you the continued growth of the Company over future reporting periods.

Douglas Snedden AO
People, Culture and Remuneration Committee Chair

21 May 2024

"My fellow Directors and I believe it is an exciting time to be an OFX shareholder and we look forward to sharing with you the continued growth of the Company over future reporting periods."

– Douglas Snedden AO

Remuneration Report

Introduction

The Directors present the remuneration report for the Company and its controlled entities (collectively, the **Group** or **OFX**) for the financial year ended 31 March 2024, prepared in accordance with the requirements of the *Corporations Act 2001* (Cth) (the **Corporations Act**) and as audited as required by section 308(3C) of the Corporations Act.

1. Key Management Personnel

The remuneration report sets out the remuneration arrangements for the Key Management Personnel (**KMP**) of the Group, which comprises all Directors (Executive and Non-Executive) and those Executives who have authority and responsibility for planning, directing and controlling the activities of the Group. In this report 'Executive KMP' refers to members of the Global Executive Team that are KMP, being Skander Malcolm, as an Executive Director, Selena Verth as Chief Financial Officer (**CFO**) and Mark Shaw as Chief Operating Officer (**COO**). Table 1 below details the Group's KMP during FY24 and up to the date of this report.

Table 1.

Name	Role
Non-Executive Directors	
Robert Bazzani*	Non-Executive Director
Connie Carnabuci	Non-Executive Director
Patricia Cross	Chair and Non-Executive Director
Jacqueline Hey**	Non-Executive Director
Cathy Kovacs	Non-Executive Director
Grant Murdoch***	Non-Executive Director
Douglas Snedden	Non-Executive Director
Executive Directors	
Skander Malcolm	Managing Director and Chief Executive Officer (CEO)
Other Executive KMP	
Selena Verth	Chief Financial Officer (CFO)
Mark Shaw	Chief Operating Officer (COO)

* Robert Bazzani was appointed effective 1 February 2024.

** Jacqueline Hey was appointed effective 1 May 2024.

*** Grant Murdoch resigned 22 February 2024.

Remuneration Report

2. Remuneration framework and link to business strategy

2.1. Remuneration strategy

Figure 1.

Culture and values

Our culture is enabled by our core values that drive the behaviour in our organisation and support us to Make a Difference to our clients, our shareholders and to each other

We're better together
We are stronger as one team

Inspire client confidence
We keep the client at the centre of everything we do

Always keep learning
Share your expertise and learn from others

Get the right stuff done
Own it, execute it, deliver the exceptional

Push boundaries
Discover what is possible

Remuneration strategy

To attract, retain and motivate talented people to drive a great culture that delivers on our business strategy and contributes to sustainable long-term returns

Culture
Align rewards to risk management, high performance and a diverse and inclusive culture

Performance
Reward performance that supports execution of our strategy and aligns Executive and shareholder interests

Competitive
Attract, retain and motivate appropriately qualified and experienced people who will contribute positively to OFX's financial and operational performance

Clear and simple
Simple structures with clear expectations

Sustainable
Motivate Executives to deliver results with both short and long-term horizons, at the same time demonstrating OFX's values through their behaviours and actions

Fixed remuneration
Reward for size and complexity of the role, as well as skills and experience

Variable, performance-based remuneration
Includes short-term, long-term and sales incentives or commissions, and one-off grants of equity or cash

2.2. Executive KMP remuneration components and delivery

The Group's Executive KMP remuneration consists of a total fixed remuneration (**TFR**) component, a Short-Term Incentive (**STI**) component and a Long-Term Incentive (**LTI**) component as set out in Figure 2 below. The remuneration mix is structured so that a substantial portion of remuneration is delivered as OFX securities through either deferred STI or LTI.

Figure 2.

<table>
<tr><th>Total Fixed Remuneration (TFR)</th><th>Short-Term Incentive (STI)</th><th>Long-Term Incentive (LTI)</th></tr>
<tr><td colspan="3">Purpose</td></tr>
<tr><td>Provides market competitive remuneration to attract and retain high quality talent while reflecting role as well as skills and experience</td><td>Annual 'at risk' incentive award subject to the achievement of performance conditions over a 12-month period</td><td>Reward that aligns with longer-term Group performance and shareholder outcomes</td></tr>
<tr><td colspan="3">Description</td></tr>
<tr><td>Base salary and superannuation, reviewed annually against relevant comparator group remuneration benchmarks</td><td>Target of 115% of TFR for the CEO and 75% for Executive KMP, based on:
Company scorecard that establishes the level of STI funding; and
Individual KPIs that are specific to the Executive KMP's role and, along with evaluation of behaviour against the Group values, support an overall performance rating</td><td>Performance metrics that are designed to encourage Executive KMP to focus on key performance drivers which underpin sustainable growth in shareholder value over the longer term and results in a significant portion of remuneration being linked to shareholder outcomes</td></tr>
<tr><td colspan="3">Performance metrics</td></tr>
<tr><td>Accountabilities that support the execution of the business strategy</td><td>Company performance metrics for FY24:
Underlying NOI (30%)
Underlying EBT (30%)
Strategic Investments (20%)
ESG (20%)
Assessment of threshold/target/stretch follows agreed performance metrics, with the outcome ranging from 25% through to 125%

Assessment of individual KMP KPIs supports an overall performance rating multiplier ranging from 0% to 120%</td><td>Company performance metrics for FY24:
Underlying EPS CAGR (50%)
Absolute TSR CAGR (50%)
Assessment of threshold/target/stretch follows agreed performance metrics, with the outcome ranging from 25% through to 150%

FY24 vesting schedule for each of the two tranches is as follows:<table><tr><th>Performance Measure</th><th>% of Performance Rights that vest</th></tr><tr><td>Below threshold</td><td>Nil</td></tr><tr><td>Threshold</td><td>17%</td></tr><tr><td>Between threshold and target</td><td>17-67% (straight line)</td></tr><tr><td>Target</td><td>67%</td></tr><tr><td>Between target and stretch</td><td>67-100% (straight line)</td></tr><tr><td>Stretch and above</td><td>100%</td></tr></table></td></tr>
</table>

Remuneration Report

	Total Fixed Remuneration (TFR)	Short-Term Incentive (STI)			Long-Term Incentive (LTI)
Target remuneration mix					
CEO	**TFR: 30%**	**Cash STI: 17.5%**	**Deferred STI: 17.5%**		**LTI: 35%**
Executive KMP	**TFR: 40%**	**Cash STI: 21%**	**Deferred STI: 9%**		**LTI: 30%**
Instrument and deferral					
CEO	Cash 100%	Cash 50%	Deferred performance rights 25%	Deferred performance rights 25%	Performance rights with performance conditions 100%
	Year 1	**Year 1**	**Year 2**	**Year 3**	**Year 3**
Executive KMP	Cash 100%	Cash 70%	Deferred performance rights 15%	Deferred performance rights 15%	Performance rights with performance conditions 100%
	Year 1	**Year 1**	**Year 2**	**Year 3**	**Year 3**

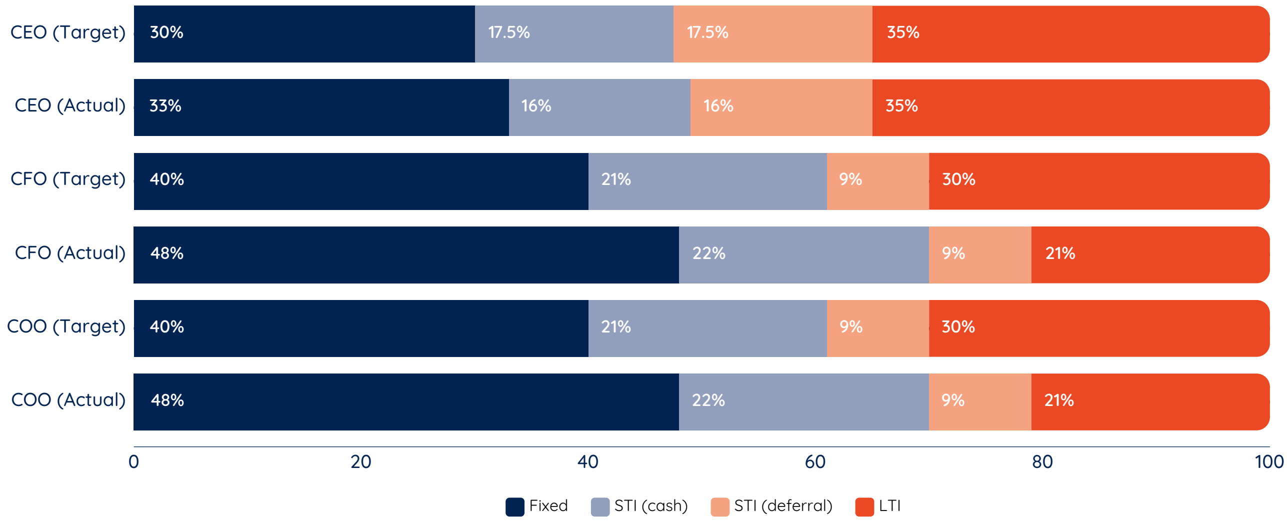
2.3. Remuneration mix

FY24 Remuneration outcomes

Figure 3 below reflects both the target mix of pay for each Executive KMP as well as actual mix of pay based on remuneration outcomes (i.e. the relative weight of each component as a percentage of total remuneration) for FY24.

Remuneration Report

Figure 3. Remuneration Mix – Target and Actual for FY24[1]



1. Target mix reflects remuneration mix in place for FY24. Actual mix includes FY21 ESP outcome and accounts for partial loan forgiveness for 'on target' performance, and was granted when LTI target was 92% for the CEO and 40% for the CFO and COO.

3. Company performance FY24

5-year Group performance

The Group's FY20-FY24 annual financial performance metrics used to determine Short-Term and Long-Term Incentive outcomes are set out in Table 2 below.

Table 2.

Performance Metrics	2020	2021	2022	2023	2024
Underlying net operating income	$125.2m	$117.9m	$147.0m	$214.1m	**$227.5m**
Underlying EBITDA	$38.2m	$29.1m	$44.5m	$62.4m	**$64.6m**
Underlying EBT	$26.1m	$16.6m	$33.8m	$44.2m	**$41.6m**
Statutory NPAT	$20.3m	$12.8m	$25.0m	$31.4m	**$31.3m**
Underlying EPS	8.80cps	5.26cps	10.81cps	15.46cps	**14.01cps**
Dividend per share	$0.0563	$0.0316	N/A	N/A	**N/A**
Closing share price	**$1.24**	**$1.10**	**$2.43**	**$1.57**	**$1.63**

1. These are not calculations based on constant currency.
2. Net operating income, a non-IFRS measure, is the combination of 'Fee and trading income' and 'Fee and commission expense' and 'Interest income'.
3. For the calculation of EPS refer to Note 7 of the financial statements.
4. Underlying basic earnings per share is the basic earnings per share calculation utilising the underlying NPAT of the Group.

Remuneration Report

4. Statutory disclosures

Table 3 details the remuneration paid to Executive KMP and has been prepared in accordance with the accounting standards.

Table 3.

		Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments			
Performance Metrics	**Year**	**Base salary and fees $**	**Cash STI $**	**Superannuation $**	**Annual and Long service leave $**	**Deferred STI – Performance Rights $**	**STI – One-off awards $**	**LTI – ESP and Performance Rights**	**Total $**
Executive KMP									
S Malcolm	**2024**	**717,500**	**350,971**	**26,872**	**23,951**	**412,734**	**–**	**748,600**	**2,280,628**
	2023	696,000	468,255	24,861	34,144	453,867	–	567,441	2,244,568
S Verth	**2024**	**416,667**	**190,943**	**26,872**	**1,185**	**73,612**	**9,592**	**195,929**	**914,800**
	2023	396,500	216,585	24,861	18,156	74,486	18,807	121,077	870,472
M Shaw	**2024**	**392,500**	**180,540**	**26,872**	**14,846**	**63,485**	**4,796**	**185,221**	**868,260**
	2023	375,833	187,239	24,861	6,413	64,277	18,545	114,405	791,573
Total KMP remuneration									
	2024	**1,526,667**	**722,454**	**80,616**	**39,982**	**549,831**	**14,388**	**1,129,750**	**4,063,688**
	2023	1,468,333	872,079	74,583	58,713	592,630	37,352	802,923	3,906,613

1. Ms Verth's awards also include remuneration of $9,592 in respect of 21,916 one-off performance rights that were granted on 15 June 2022 that vested on 15 June 2023. There were performance conditions that reflect specific outcomes relating to transactions attached to these vesting. Mr Shaw's awards also include remuneration of $4,796 in respect of 10,958 one-off performance rights that were granted on 15 June 2022 that vested on 15 June 2023. There were performance conditions that reflect specific outcomes relating to a transaction attached to this vesting.
2. The Executive Share Plan (ESP) includes the FY21 ESP issuances. Mr Malcolm's remuneration includes $16,243 in respect of the ESP, and $732,357 in respect of LTI performance rights. Ms Verth's remuneration includes $4,053 in respect of the ESP, and $191,876 in respect of LTI performance rights. Mr Shaw's remuneration includes $3,810 in respect of the ESP, and $181,411 in respect of LTI performance rights.

5. Performance and remuneration outcomes for FY24

5.1. Fixed remuneration

Regular reviews of executive remuneration levels are a key accountability of the Board, and a review against market competitiveness was conducted for each Executive KMP as part of the FY23 remuneration review process which resulted in the amendments to base salary for Executive KMP in FY24, effective 1 June 2023, as shown in Table 4 below.

Table 4.

Executive KMP	% increase
S Malcolm	3.0%
S Verth	5.0%
M Shaw	3.9%

5.2. Short-Term Incentive (STI)

The STI Plan is aligned to shareholder interests by:

- Encouraging Executive KMP to achieve year-on-year performance in a balanced and sustainable manner through a mix of financial and non-financial performance measures; and
- Mandatory deferral of STI awards into performance rights acting as both a retention mechanism and providing the opportunity for malus or clawback if this is ever warranted. 50% of the STI award is deferred for the CEO and 30% of the STI award is deferred for other Executive KMP.

STI award calculation

Figure 4.

Total Fixed Remuneration (TFR) (TFR is base salary outside Australia) X **Target STI %** X **Company Performance metrics** X **Individual KPIs** = **STI Award**

Company Performance metrics

Company performance objectives set and reviewed by the Board annually

	Funding
Threshold	25%
Target	100%
Stretch	125%

Individual KPIs

Below expectations	1	0%
Mostly meets expectations	2	75%
Meets expectations	3	100%
Exceeds expectations	4	110%
Outstanding	5	120%

STI Award

Minimum = 0% of Target

Maximum = 150% of Target

FY24 STI awards

a) Individual performance measures

In determining individual STI awards, the CEO provides recommendations to the People, Culture and Remuneration Committee (Committee) in respect of the CEO's direct reports (which includes all Executive KMP except the CEO). The Committee reviews the CEO's recommendations and also evaluates the CEO's performance and recommends to the Board any fixed remuneration changes and Short-Term Incentive awards for the CEO and the CEO's direct reports. STI award recommendations take into account the Company STI funding percentage (refer Table 7) and the performance of the CEO and his direct reports against individual KPIs and business performance metrics (refer Table 6 for outcomes in respect of the Executive KMP) as well as the behaviour demonstrated by the CEO and his direct reports in their roles consistent with the Group's values. Individual KPIs for the CEO and the CEO's direct reports are aligned to the financial and strategic metrics used to determine STI funding.

STI awards for Executive KMP for FY24 are set out in Table 5 below:

Table 5.

Executive KMP	Target STI	Company performance metrics %	Individual performance %	STI award %	STI award $	Cash STI $	Deferred STI[1] $
S Malcolm	856,028	82.0	100	82.0	701,943	350,971	350,971
S Verth	332,654	82.0	100	82.0	272,776	190,943	81,833
M Shaw	314,529	82.0	100	82.0	257,914	180,540	77,374

1. Deferred STI is calculated as STI award multiplied by deferral percentage and is a non-statutory measure.

Remuneration Report

Table 6 below provides a summary of the way in which each Executive KMP's FY24 performance was evaluated against Board-approved KPIs.

Table 6.

	KPI	Description	Outcome	Overall individual performance
KMP shared KPIs	B2B new revenue	Improve acquisition and conversion of new B2B clients delivering new revenue	1 2 3 **4** 5	
	New client platform	Preparation to be able to onboard new Australian Corporate clients onto the new client platform (Paytron) in early FY25	1 2 **3** 4 5	
CEO KPIs	Company strategy	Develop 3-5 year strategy for revenue growth beyond spot FX which includes a clear path to a more valuable company	1 2 3 **4** 5	Meets expectations
	Subsidiary board governance	Implement effective controls, simplify reporting and ensure strong regulatory relationships in all our regions	1 2 **3** 4 5	
CFO KPIs	Productivity	Implement a productivity program in FY24 and deliver a reduced core expense growth rate in FY25	1 2 3 **4** 5	Meets expectations
	Treasury	Maximise treasury revenue by working with counterparties and implementing hedging strategies. Maximise interest on cash	1 2 3 **4** 5	
COO KPIs	Global Operations model	Create one global Operations team while integrating with Firma and retain key talent and deliver business process improvements	1 2 3 **4** 5	Meets expectations
	Corporate onboarding	Improvements in conversion rates and speed of conversion for onboarding Corporate clients	1 2 3 **4** 5	

b) STI funding

Table 7 below provides a summary of the way in which the STI funding percentage is calculated based on both financial and non-financial performance metrics.

Table 7.

Performance metrics	Weighting %	FY24 Target	FY24 outcome	% achieved	Funding[1]
Underlying NOI	30%	$237.3m[2]	Performance between threshold and target	68.3%	20.5%
Underlying EBT	30%	$41.8m[2]	Performance between threshold and target	89.3%	26.8%
Global platform	10%	Achievement of milestones for Corporate client onboarding and payment integrations with our new client platform	Target mostly met	97.5%	9.8%
Firma integration	10%	Exit run rate of $5m in synergies by 31 March 2024	Stretch met	125.0%	12.5%
Risk management capability	10%	Targeted improvements in cyber security, credit, credit risk management controls and data governance controls	Target mostly met	90.0%	9.0%
Client data protection	10%	Data archiving automation and enhanced controls	Target mostly met and stretch partly met	100.0%	10.0%
Total funding	**100%**				**88.5%**
Board discretion					-6.5%
FY24 STI funding					**82.0%**

1. Funding percentage is calculated as percentage achieved against Threshold, Target and Stretch multiplied by weighting.
2. Underlying NOI and Underlying EBT include $3.7 million Escrow payment. Underlying EBT excludes $3.4 million of Firma and Paytron integration related items.

Table 8. STI and one-off performance rights related equity

	Held at 1 April 2023[1]	Granted during the year[2]	Vested during the year	Lapsed during the year[3]	Held at 31 March 2024
Executive KMP					
S Malcolm	191,739	256,346	(191,739)	–	**256,346**
S Verth	92,304	50,816	(56,456)	(35,848)	**50,816**
M Shaw	40,486	43,930	(40,486)	–	**43,930**

1. All holdings at 1 April 2023 were granted during FY22 and FY23.
2. Grants in FY24 occurred on 4 August 2023 for Mr Malcolm and 15 June 2023 for Ms Verth and Mr Shaw, with a 24 month vesting period and fair value at grant date of $2.07 for Mr Malcolm and $1.96 for Ms Verth and Mr Shaw. The number of shares vested during the year includes 21,916 one-off performance rights for Ms Verth and 10,958 one-off performance rights for Mr Shaw that were granted on 15 June 2022 both with a fair value at grant date of $2.13 and that vested on 15 June 2023. There were performance conditions that reflect specific outcomes relating to a transaction attached to the vesting.
3. During FY24 35,848 one-off performance rights lapsed for Ms Verth due to the performance conditions not being met. These performance rights were granted on 30 July 2021 with a fair value at grant date of 1.395.

Vested and Realised Remuneration

Table 9 below is a voluntary non-statutory disclosure of the realised remuneration of Executive KMP. Not all amounts have been prepared in accordance with accounting standards and this information differs from the statutory remuneration table in Section 4 which shows the expense for the vested and unvested awards in accordance with accounting standards. The below figures are unaudited.

Table 9.

Executive KMP	Year	Base salary and fees $	Cash STI $	Super-annuation $	Vested deferred STI[1] $	One off performance rights[2] $	Vested LTI – Executive Share Plan[3]	Total $
S Malcolm	**2024**	**$717,500**	**$350,971**	**$26,872**	**$353,758**	**$0**	**$746,734**	**$2,195,835**
	2023	$696,000	$468,255	$24,861	$337,306	$0	$927,434	$2,453,856
S Verth	**2024**	**$416,667**	**$190,943**	**$26,872**	**$63,726**	**$42,955**	**$186,323**	**$927,486**
	2023	$396,500	$216,585	$24,861	$60,643	$0	$231,399	$929,988
M Shaw	**2024**	**$392,500**	**$180,540**	**$26,872**	**$54,479**	**$21,478**	**$175,144**	**$851,013**
	2023	$375,833	$187,239	$24,861	$57,011	$0	$213,624	$858,568

1. These figures reflect the prior year STI deferred into share rights which have vested. These shares are subject to a holding lock under which they cannot be traded for 12 months from vesting date. The value is derived as the number of vested shares multiplied by the share price on vesting date.
2. These figures represent one-off grants of performance rights granted to Ms Verth and Mr Shaw on 15 June 2022 that vested 15 June 2023. There are performance conditions that reflect specific outcomes relating to a transaction attached to the vesting.
3. These figures reflect the FY21 LTI that vested on 30 May 2023. The value is derived as the number of vested shares multiplied by the share price on vesting date, minus the total value of the outstanding loan on the award.

5.3. Long-Term Incentive (LTI)

LTI vesting in FY24

For both the FY20 ESP and FY21 ESP awards, Executive KMP were offered a single grant of shares that were subject to performance conditions. The value of the ESP awards is determined by reference to a set percentage of TFR. The number of shares that each Executive KMP received was determined using the following formula:

Total Fixed Remuneration x Grant % x Gross-up Factor (2) divided by the share acquisition price

The Gross-up Factor replaced the previously used Fair Value Factor (Black-Scholes).

For the FY21 ESP award, as approved by shareholders at the Company's AGM in August 2018, in order to reward achievement against performance metrics, part of the loan may be forgiven at the end of the 3-year performance period upon the achievement of specified performance conditions. The performance conditions for the FY21 ESP award were met which resulted in a 23.5% loan forgiveness of the Executive KMP's outstanding loan balance. These shares vested on 30 May 2023, however, remain restricted until the outstanding loan balance is repaid in full which must occur by 31 March 2025.

LTI issuances in FY24

For the FY24 LTI, Executive KMP were offered a single grant of performance rights as outlined in Table 10 below. The value of the grants is determined by reference to a set percentage of TFR. The number of performance rights that each Executive KMP received was determined by dividing the grant value by the 10-day VWAP following the release of the FY23 full year results.

The number and value of notional options and performance rights held by Executive KMP under the Executive Share Plan (ESP) and the Global Equity Plan (GEP) during the financial year ended 31 March 2024 is set out in Tables 10 and 11. Australian Accounting Standards require the ESP awards be treated as options for accounting purposes due to the structure of the plan.

Table 10.

LTI Issuances	Grant date	Vesting date	Expiry date	Weighted average fair value at grant date	Performance achieved	% vested	Vested
FY20 ESP award	11 Jun 19	9 Jun 22	6 Jun 24	0.38	Yes	100%	1,186,484
FY21 ESP award	9 Jun 20	9 Jun 23	9 Jun 25	0.28	Yes	100%	1,391,091
FY22 Long-Term Incentive grant[1]	15 Jun 21	15 Jun 24	15 Jun 24	1.08	To be determined	–	–
FY23 Long-Term Incentive grant[2]	15 Jun 22	15 Jun 25	15 Jun 25	1.47	To be determined	–	–
FY24 Long-Term Incentive grant[3]	15 Jun 23	15 Jun 26	15 Jun 26	1.50	To be determined	–	–

1. For Mr Malcolm, the FY22 long-term incentive grant was issued on 27 August 2021 with a weighted average fair value at grant date of 1.38.

2. For Mr Malcolm, the FY23 long-term incentive grant was issued on 12 August 2022 with a weighted average fair value at grant date of 2.04.

3. For Mr Malcolm, the FY24 long-term incentive grant was issued on 4 August 2023 with a weighted average fair value at grant date of 1.61.

Table 11. LTI-related equity (ESP award + performance rights)

	Held at 1 April 2023[1]	Granted during the year[2]	Vested during the year[3]	Lapsed during the year	Held at 31 March 2024	Value of LTI equity at grant date $
Executive KMP						
S Malcolm	1,934,472	704,761	(937,352)	–	1,701,881	**2,386,901**
S Verth	510,220	274,247	(233,886)	–	550,581	**629,245**
M Shaw	481,536	258,850	(219,853)	–	520,533	**594,900**

1. For Mr Malcolm, includes 937,352 shares granted in FY21 ESP, 506,228 performance rights granted in FY22 LTI and 490,892 performance rights granted in FY23 LTI. For Ms Verth includes 233,886 shares granted in FY21 ESP, 126,406 performance rights granted in FY22 LTI and 149,928 performance rights granted in FY23 LTI. For Mr Shaw includes 219,853 shares granted in FY21 ESP, 118,834 performance rights granted in FY22 LTI and 142,849 performance rights granted in FY23 LTI.
2. Awards granted during the year include performance rights under FY24 LTI GEP. There were no awards granted under the ESP in the period.
3. Includes FY21 ESP shares that vested during the period which remain restricted until the outstanding loan balance is repaid in full which must occur by 31 March 2025. None of the Executive KMP have repaid their FY21 loan balance during FY24.

6. Loans to Executive KMP for FY20 and FY21 LTI awards

The instruments detailed in the below table are non-recourse loans (which are limited to the value of the shares) and have been accounted for as an option under AASB 2 Share-based payments as opposed to a financial instrument under AASB 9 Financial Instruments. Table 12 discloses the current value available to owners of the instruments at the exercise price. The corresponding share based payment expense can be seen in the statutory remuneration Table 3 – LTI ESP and Performance Rights column.

- Under the ESP that was in effect until FY22, Executive KMP acquired shares in the Company funded by a non-recourse loan from the Company.
- These loans are provided for the sole purpose of Executive KMP acquiring shares in the Company.
- The amount of the loan is equal to the issue price multiplied by the total number of shares issued.
- The loan is ‘interest free’ in that there is no annual interest charge to the participant on the loan. However, the notional value of this interest is taken into account in the overall structure of the program.
- The participant is obliged to pay a portion of the post-tax value of any dividends received during the loan term toward repayment of the loan amount.
- To access the shares, participants must repay their loan in full. Following the end of the vesting period, assuming the earnings threshold is achieved, the participant can either repay the loan directly or sell some of their shares and apply the proceeds to repay the loan.
- Shares remain restricted and can only be sold for the purposes of repaying the loan until the loan is repaid, and it is important that the loan obligation is always taken into account alongside the face value of shares under the ESP awards.
- As at 31 March 2024, all Executive KMP have repaid their FY20 loan balances. No executives have repaid the FY21 loan balances.

Table 12.

	Held at 1 April 2023 $	Advances during the year $	Loan forgiveness $	Repayments during the year $	Held at 31 March 2024	Interest free value $	Highest indebtedness during the year $
Executive KMP							
S Malcolm	2,162,975	–	(300,429)	(884,551)	977,995	1,304,736	2,162,975
S Verth	539,689	–	(74,962)	(220,700)	244,027	256,101	539,689
M Shaw	503,595	–	(70,465)	(203,746)	229,384	181,082	503,595

7. Changes to Executive remuneration for FY25

There are currently no changes planned to the Executive remuneration program for FY25. However, as the organisation continues to grow and evolve, we must continue to provide market-competitive remuneration that rewards the performance of our people and is aligned to our culture. As such, we will continue to review the appropriateness of our remuneration programs to ensure they are aligned to market and incentivise appropriate behaviours as well as consider the best way to align our people to shareholder outcomes.

8. Executive KMP service agreements

Contractual arrangements for Executive KMP

The key employment terms and conditions for Executive KMP as at 31 March 2024 are set out in Table 13 below.

Table 13.

Contract Components	CEO	Other Executive KMP
Basis of contract	Ongoing (no fixed term)	Ongoing (no fixed term)
Notice period	6 months	6 months
Post-employment restraints	Maximum 6 months post-employment non-compete and non-solicitation restraint	Maximum 12 months post-employment non-compete and non-solicitation restraint
Treatment of STI and LTI	Upon termination, if the CEO is considered a good leaver, the CEO will be entitled to a pro-rata STI award. Board discretion applies to the treatment of any unvested LTI.	Upon termination, if the Executive KMP is considered a good leaver, the Executive KMP may be entitled to a pro-rata STI award. Board discretion applies to the treatment of any unvested LTI.

Remuneration Report

9. Remuneration governance

9.1. Role of the People, Culture and Remuneration Committee

The People, Culture and Remuneration Committee is responsible for providing advice and recommendations to the Board in relation to the Company's remuneration arrangements for Non-Executive Directors, the CEO, and Executives, including total fixed remuneration, short-term incentives, equity-based awards and termination payments. In addition, it is responsible for regularly reviewing the Company's remuneration framework to ensure that it continues to align to business objectives in a manner that is consistent with the long-term sustainability of the Company and a broad range of stakeholder interests over the long-term (for example, client, community, regulator and investor interests) as well as considering those aspects of the Company's remuneration policies and packages, including equity-based incentives, which should be subject to shareholder approval. The Committee is also responsible for reviewing the Company's policies and practices as they relate to diversity and inclusion, talent acquisition, retention, learning and development and termination. The Charter of the People, Culture and Remuneration Committee is available on the Group's website at www.ofx.com/en-au/investors/corporate-governance/.

To assist in performing its duties, the People, Culture and Remuneration Committee seeks independent advice from external consultants on various remuneration-related matters. The People, Culture and Remuneration Committee follows protocols around the engagement and use of external remuneration consultants to ensure compliance with relevant legislation as it relates to Executive remuneration. During FY24 no external remuneration consultants were engaged.

9.2. Board discretion

The Company has a structured and objective approach to remuneration. However, the People, Culture and Remuneration Committee and the Board are able to exercise judgement and discretion as is required to provide remuneration outcomes for Executive KMP that appropriately reflect the performance of the Group and the achievement of real and tangible results that are consistent with the Group's strategic priorities, are in line with Group values, and enhance shareholder value.

9.3. Cessation of employment

Subject to local legislation, participants are not eligible for any cash STI award or any deferred STI award which are subject to restriction if they are terminated due to misconduct or poor performance, nor in general, if they resign or retire without a managed transition approved by the Board. In certain circumstances, allowed for under Executive Service Agreements, the Board may deem an Executive KMP to be a 'good leaver' and exercise discretion to allow eligibility for a pro-rata cash award in respect of the current performance year and may determine that deferred STI previously awarded is retained.

All unvested performance rights are not forfeited if a participant ceases employment prior to vesting date, however, the Board has absolute discretion in appropriate circumstances to deem whether some or all of an Executive KMP's performance rights are retained.

9.4. Malus and clawback

The Board retains wide discretion to adjust formulaic incentive outcomes up or down (including to zero) prior to their finalisation. Malus refers to the exercise of downward discretion. Clawback refers to the Board's power to recover awards or payments that have been made, granted or vested (including the forfeiture of vested equity awards, or the demand of the return of shares or the realised cash value of those shares) where the Board determines that the benefit obtained was inappropriate (for example, as a result of fraud, dishonesty or breach of employment obligations by the recipient or any employee of the Group). The Board has not encountered circumstances in this or prior periods that have required the application of the clawback provisions.

9.5. Change of control

If a change of control occurs prior to the vesting of share rights that are not subject to performance hurdles the Board has discretion to bring forward vesting dates where it considers it appropriate to do so. If a change of control occurs prior to the vesting of STI or LTI that is subject to performance hurdles, the Board has discretion to determine that some or all of the unvested shares or performance rights will vest. In exercising this discretion, the Board may have regard to any matter the Board considers relevant, including the extent to which the vesting conditions have been satisfied (or estimated to have been satisfied) at the time the change of control occurs or the proportion of the performance period during which the vesting conditions are tested has passed at the time the change of control occurs.

9.6. Minimum shareholding requirements for Non-Executive Directors and Executives

A minimum shareholding requirement for Non-Executive Directors was introduced in FY19 and for Executives in FY23. The minimum shareholding requirement seeks to align the interests of the Board, Executives and shareholders.

Each Non-Executive Director must establish and maintain a level of share ownership equal to one time's the Non-Executive Director's annual base fee. For the purposes of calculating the minimum holding, this does not include any higher fee for acting as Chair or for membership of any Board Committees. The minimum holding must be reached within three years of appointment. All Non-Executive Directors met the minimum requirement.

The parameters of the minimum shareholding requirement for Executives are that:

- the CEO must establish and maintain a level of share ownership equal to one time's his annual base salary;
- the other Executives must establish and maintain a level of share ownership equal to 0.5 times their annual base salary; and

until these requirements are met, the Executive must retain 25% of any shares that vest via the LTI Plan. This will apply from the FY23 LTI grant should it vest.

9.7. Securities Trading Policy

All Directors and employees are required to comply with the Group's Securities Trading Policy in undertaking any trading in the Company's shares and may not trade if they are in possession of any inside information. Directors, members of the Global Executive Team, members of the Senior Leadership Team, members of the Finance Team and Specified Employees must apply for and receive written approval before trading in OFX securities. All employees are prohibited from dealing in OFX securities during a Closed Period which precedes the release of the half year and full year results and the annual general meeting. The Securities Trading Policy prohibits employees who participate in any equity-based plan from entering into any transaction in relation to unvested securities which would have the effect of limiting the economic risk of an unvested security.

10. Non-Executive Director remuneration

10.1. Fee framework

The Board seeks to set fees for the Non-Executive Directors that reflect the demands which are made on and the responsibilities of the Directors, and at a level which will attract and retain Directors of the highest quality.

Non-Executive Director fees will be reviewed from time to time and they may seek the advice of external remuneration advisors for this purpose. There were no changes in fees for Non-Executive Directors during FY24.

10.2. Fee pool

The maximum payable to be shared by all Non-Executive Directors is currently set at $1,000,000 per annum, which was approved by shareholders at the General Meeting prior to the Company's listing on the ASX in 2013. The fees applicable for FY24 are set out in Table 14 below. To preserve independence, Non-Executive Directors do not receive any equity as part of their remuneration and do not receive any performance-related compensation. Non-Executive Directors receive superannuation contributions where required by Superannuation Guarantee legislation.

Table 14.

Role	$
Chair fee[1]	230,000
Base Director fee	100,000
Committee Chair fee	25,000
Committee Member fee[2]	15,000

1. The Chair's fee includes any fee in respect of Committee membership.

2. For each committee other than the Nomination Committee.

Remuneration Report

Statutory Non-Executive Director fees for the year ended 31 March 2024

Details of the fees paid to the Non-Executive Directors for the year ended 31 March 2024 are outlined in Table 15 below:

Table 15.

Non-Executive Directors	Year	Cash salary and fees $	Superannuation $	Total $
R Bazzani	**2024**	**18,769**	**2,065**	**20,834**
	2023	–	–	–
C Carnabuci	**2024**	**103,721**	**11,279**	**115,000**
	2023	104,158	10,842	115,000
P Cross	**2024**	**207,442**	**22,558**	**230,000**
	2023	145,168	15,243	160,411
C Kovacs	**2024**	**103,721**	**11,279**	**115,000**
	2023	104,158	10,842	115,000
G Murdoch[1]	**2024**	**100,901**	**10,958**	**111,859**
	2023	113,247	11,753	125,000
S Sargent[2]	**2024**	**–**	**–**	**–**
	2023	76,831	7,798	84,629
D Snedden	**2024**	**126,269**	**13,731**	**140,000**
	2023	126,804	13,196	140,000
Total Non-Executive Director remuneration	**2024**	**660,823**	**71,870**	**732,693**
	2023	670,366	69,674	740,040

1. Resigned 22 February 2024.
2. Resigned 11 August 2022.

Director shareholdings

Details of the Directors' and their affiliates' shareholdings in OFX Group Limited are set out in Section 4 of the Directors' Report of this report.

11. Additional Disclosures

Transactions of KMP

Shares held in the Company by KMP at the end of the financial year are set out in Table 16 below.

Table 16.

Executive KMP	Held at 1 April 2023[1]	Acquisition	Disposals	ESP and GEP vested[2]	Total held at 31 March 2024
S Malcolm	1,721,332	–	–	1,129,091	**2,850,423**
S Verth	389,350	–	(200,044)	290,342	**479,648**
M Shaw	397,717	–	(135,703)	260,339	**522,353**

1. For Mr Malcolm includes 1,505,152 shares vested in the GEP, for Ms Verth includes 383,550 shares vested in the GEP and for Mr Shaw includes 345,495 shares vested in the GEP.
2. For Mr Malcolm includes 937,352 shares vested in the FY21 ESP, for Ms Verth includes 233,886 shares vested in the FY21 ESP and for Mr Shaw includes 219,853 shares vested in the FY21 ESP that remain restricted until the outstanding loan balance is repaid in full which must occur by 31 March 2025. None of the Executive KMP have repaid their FY21 loan balance during FY24.

12. Outlook

The Group will continue to review and adjust its reward mechanisms annually, as required, to ensure that its long-term growth aspirations are met.

This Directors' Report is made in accordance with a resolution of Directors.

On behalf of the Board, 21 May 2024.

Patricia Cross AM
Chair

21 May 2024

Skander Malcolm
Chief Executive Officer
and Managing Director

21 May 2024

Auditor's Independence Declaration

KPMG

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 audit of OFX Group Limited for the financial year ended 31 March 2024 there have been:

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

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

KPMG

KPMG

Shaun Kendrigan

Partner

Sydney

21 May 2024

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2024

	Notes	2024 $'000	2023 $'000
Fee and trading income	3	**229,719**	225,007
Fee and commission expense	3	**(15,236)**	(14,772)
Net trading income		**214,483**	**210,235**
Interest and other income	3	**13,024**	3,857
Net operating income		**227,507**	**214,092**
Fair value gain on contingent consideration	19	**1,432**	–
Total net income		**228,939**	**214,092**
Employment expenses	4	**(114,772)**	(105,977)
Promotional expenses		**(18,422)**	(16,791)
Information technology expenses		**(13,662)**	(11,476)
Professional fee expenses		**(3,939)**	(8,430)
Bad and doubtful debts		**(3,743)**	(2,541)
Other operating expenses	4	**(11,940)**	(12,587)
Earnings before interest expense, tax, depreciation and amortisation (EBITDA)		**62,461**	**56,290**
Depreciation and amortisation expense	13, 14, 17	**(18,033)**	(13,172)
Interest expense	17, 18	**(6,548)**	(5,869)
Share of profit of equity-accounted investees, net of tax	23	**289**	244
Net profit before income tax		**38,169**	**37,493**
Income tax expense	5	**(6,870)**	(6,082)
Net profit attributable to ordinary shareholders		**31,299**	**31,411**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations, net of hedging		**2,715**	1,244
Cash flow hedges – effective portion of change in fair value		**–**	2,914
		2,715	4,158
Total comprehensive income attributable to ordinary shareholders		**34,014**	**35,569**
Earnings per share attributable to ordinary shareholders		**Cents**	**Cents**
Basic	7	**12.97**	12.91
Diluted	7	**12.42**	12.43

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

Consolidated Statement of Financial Position

as at 31 March 2024

	Notes	2024 $'000	2023 $'000
Assets			
Cash held for own use	8	**68,076**	68,191
Cash held for settlement of client liabilities	8	**287,286**	368,670
Deposits due from financial institutions	8	**19,930**	25,613
Derivative financial assets	10	**20,801**	52,666
Prepayments		**6,663**	7,565
Other receivables	9, 23	**14,517**	7,365
Equity accounted investees	23	**5,342**	5,173
Property, plant and equipment	13	**3,526**	2,143
Intangible assets	14, 19	**119,083**	103,119
Right-of-use assets	17	**11,549**	12,725
Current tax assets		**4,523**	1,116
Deferred tax assets	6	**8,204**	7,083
Total assets		**569,500**	**661,429**
Liabilities			
Client liabilities	8, 9	**300,233**	375,678
Derivative financial liabilities	10	**10,641**	34,125
Lease liabilities	17	**14,188**	13,959
Loans and borrowings	18	**42,193**	65,183
Other creditors and accruals	15	**8,605**	10,980
Contingent consideration	19	**6,667**	–
Provisions	16	**14,318**	14,332
Deferred tax liabilities	6	**3,017**	3,062
Total liabilities		**399,862**	**517,319**
Net assets		**169,638**	**144,110**
Equity			
Ordinary share capital	21	**22,445**	31,600
Retained earnings		**138,148**	106,978
Foreign currency translation reserve		**3,097**	382
Share-based payments reserve		**5,948**	5,150
Total equity attributable to shareholders		**169,638**	**144,110**

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

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

	Notes	Ordinary share capital $'000	Retained earnings $'000	Foreign currency translation reserve $'000	Share-based payments reserve $'000	Total equity $'000
Balance at 31 March 2022		**28,576**	**75,567**	**(3,085)**	**2,835**	**103,893**
Net profit		–	31,411	–	–	31,411
Other comprehensive income		–	–	4,158	–	4,158
Total comprehensive income		–	31,411	4,158	–	35,569
Balance cash flow reserve allocated to Goodwill		–	–	(691)	–	(691)
Transactions with shareholders in their capacity as shareholders:						
Shares bought back	21	–	–	–	–	–
Shares issued under ESP/GEP	25	3,024	–	–	(1,068)	1,956
Expenses related to share-based payments	25	–	–	–	3,383	3,383
		3,024	–	(691)	2,315	4,648
Balance at 31 March 2023		**31,600**	**106,978**	**382**	**5,150**	**144,110**
Net profit		**–**	**31,299**	**–**	**–**	**31,299**
Other comprehensive income		**–**	**(129)**	**2,715**	**–**	**2,586**
Total comprehensive income		**–**	**31,170**	**2,715**	**–**	**33,885**
Balance cash flow reserve allocated to Goodwill		**–**	**–**	**–**	**–**	**–**
Transactions with shareholders in their capacity as shareholders:						
Shares bought back	21	**(14,277)**	**–**	**–**	**–**	**(14,277)**
Shares issued under ESP/GEP	25	**5,122**	**–**	**–**	**(2,813)**	**2,309**
Expenses related to share-based payments	25	**–**	**–**	**–**	**3,611**	**3,611**
		(9,155)	**–**	**–**	**798**	**(8,357)**
Balance at 31 March 2024		**22,445**	**138,148**	**3,097**	**5,948**	**169,638**

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

Consolidated Statement of Cash Flows

for the year ended 31 March 2024

	Notes	2024 $'000	2023 $'000
Cash flows from operating activities			
Profit from ordinary activities after income tax		**31,299**	31,411
Adjustments to profit from ordinary activities			
Depreciation and amortisation		**18,033**	13,172
Interest expense		**6,548**	5,869
Share of profit of equity-accounted investees, net of tax		**(289)**	(244)
Movement in share-based payment reserve		**3,611**	3,383
Foreign exchange revaluation		**(993)**	2,745
Fair value gain/(loss) on contingent consideration		**(1,432)**	–
Fair value changes on financial assets and liabilities through profit or loss		**8,381**	(11,273)
Movement in foreign currency translation reserve		**2,715**	1,515
Operating cash flow before changes in working capital		**67,873**	**46,578**
Changes in assets and liabilities			
(Increase) in prepayments and other receivables		**(6,250)**	(3,861)
(Increase) in deferred income tax assets		**(1,121)**	(7,084)
Decrease/(increase) in cash held for settlement of client liabilities		**81,384**	(125,903)
(Decrease)/increase in amounts due to clients		**(75,445)**	129,067
(Decrease)/increase in accrued other creditors and accruals		**(2,375)**	3,283
Increase in deferred income tax liabilities		**(45)**	687
(Decrease) in current tax liabilities		**–**	(47)
(Decrease)/increase in provisions		**(14)**	5,414
(Decrease) in current tax assets		**(3,407)**	(1,117)
Net cash flows from operating activities		**60,600**	**47,017**
Cash flows from investing activities			
Payments for property, plant and equipment	13	**(3,021)**	(2,269)
Payments for intangible assets	14	**(19,424)**	(18,603)
Acquisition of subsidiary, net of cash acquired		**–**	(73,616)
Decrease/(increase) in cash deposited with financial institutions		**5,683**	(469)
Net cash flows from investing activities		**(16,762)**	**(94,957)**
Cash flows from financing activities			
(Cash repayments of amounts borrowed)/cash proceeds from borrowings	18	**(28,485)**	59,934
Payments for lease liabilities	17	**(2,805)**	(3,862)
Shares bought back net of issued under ESP/GEP		**(11,967)**	1,956
Net cash flows from financing activities		**(43,257)**	**58,028**
Net increase in cash held for own use		**581**	**10,088**
Cash held for own use at the beginning of the year		**68,191**	59,103
Exchange gains on cash held for own use		**(696)**	(1,000)
Cash held for own use at the end of the year	8	**68,076**	**68,191**

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

Notes to the Financial Statements

for the year ended 31 March 2024

Results for the Year

Note 1. About this Report

Overview

OFX Group Limited (the Group or the Company) is a company limited by shares, incorporated and domiciled in Australia. Its shares are publicly traded on the Australian Securities Exchange. This financial report presents the consolidated performance, position and cash flows of the Group for the year ended 31 March 2024 and was approved and authorised for issue by the Board of Directors on 21 May 2024. The Group is for-profit for the purpose of preparing the financial statements. The accounting policies explained in this report are consistent for all the periods presented unless otherwise stated. The Directors have the power to amend and reissue the financial report.

The financial report is a general-purpose financial report which:

- Is prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth). Consequently, this financial report has also been prepared in accordance with and complies with IFRS as issued by the IASB
- Has been prepared under the historical cost convention except for derivatives and share-based payments which are measured at fair value
- Is presented in Australian dollars with all values rounded to the nearest thousand dollars in accordance with *ASIC Legislative Instrument 2016/191* unless otherwise indicated.

Critical estimates and judgements

Preparing the financial report requires judgement in applying the accounting policies and calculating certain critical accounting estimates. The Group's critical accounting estimates and significant judgements are:

- Fair value of certain financial instruments (Note 10 and Note 11)
- Estimated credit losses on receivables (Note 12(c))
- Share-based payments (Note 25)
- Impairment test of intangible assets and goodwill (Notes 14 and 19)
- Acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed (Note 19).

Notes to the Financial Statements

Basis of consolidation

The consolidated financial report comprises the assets and liabilities of all subsidiaries of the Group as at 31 March 2024 and the results of all subsidiaries for the year then ended. A list of controlled entities at year end is contained in Note 24.

Subsidiaries are all those entities over which the Group has the power to direct the relevant activities, exposure to significant variable returns and the ability to utilise power to affect the Group's own returns. The determination of control is based on current facts and circumstances and is continuously assessed.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the separate financial statements of OzForex Limited (the intermediate holding company) in accordance with AASB 127 *Separate Financial Statements*.

Functional and presentation currency

Foreign operations are measured in the Group's financial statements using the currency of the primary economic environment in which the foreign operation operates (the functional currency). The functional currencies of overseas subsidiaries are listed in Note 24.

The Group's financial statements are presented in Australian dollars, which is the Group's presentation currency.

GST

Revenues, expenses and fixed assets are recognised net of the associated GST, unless the GST is not recoverable from the relevant taxation authority. Receivables and creditors are presented including the GST. The net GST recoverable from, or payable to, each taxation authority is presented in other receivables or other payables.

Cash flows are presented including GST. The GST components of the cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Restatement of comparatives

Certain comparative amounts in the notes have been restated as a result of either a change in methodology, rounding, or to provide additional information.

Notes to the Financial Statements

Application of new and revised Australian Accounting Standards

New accounting standards, amendments and interpretations that are effective in the current financial year

The Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 April 2023. The amendments did not result in any changes to the accounting policies themselves.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2024 and have not been adopted early by the Group. These standards are not expected to have a material impact on the Group's 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.

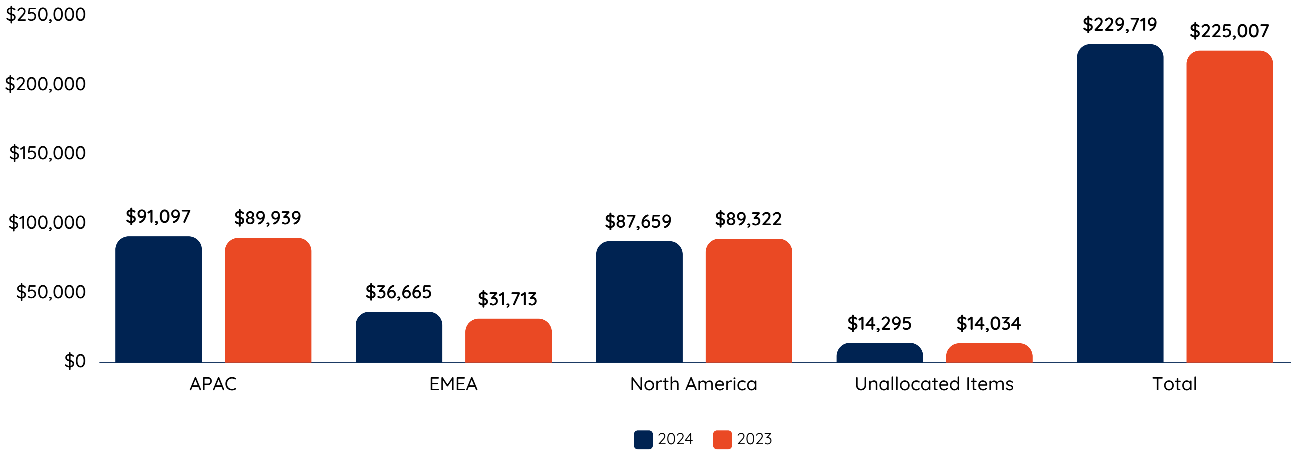
The chief operating decision makers examine the performance both from a geographic perspective and by client market segment. OFX regions are based on client location covering APAC, North America and EMEA. These regions have been identified as reportable segments. Paytron has been attributed to the APAC operating segment and contributed fee and trading income of $0.9 million and underlying EBITDA of ($3.0 million) to the Group's results.

Each region serves consumers, corporates, online sellers, and enterprise clients.

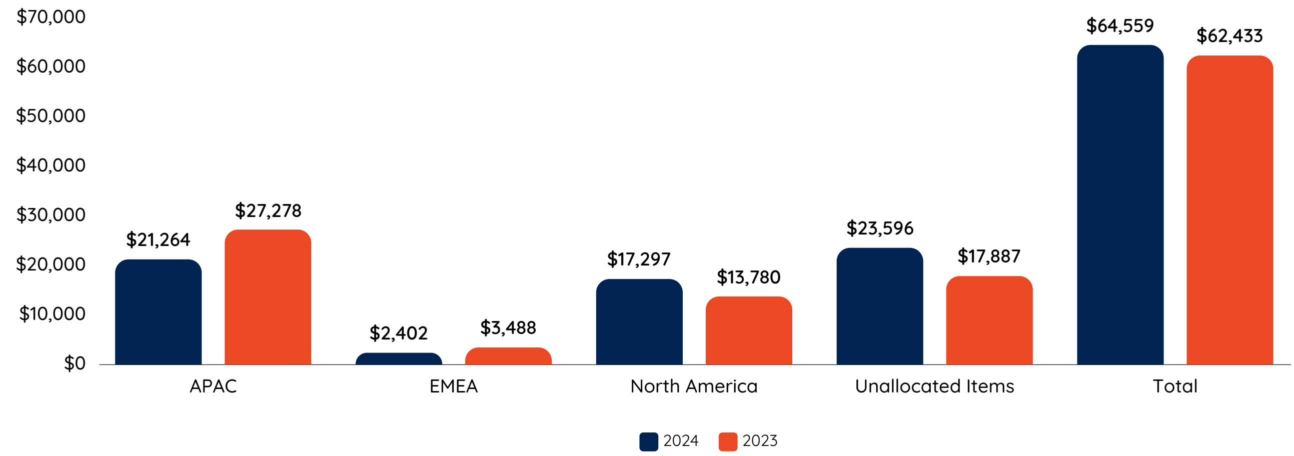
Segments are managed on an underlying basis. Segment EBITDA excludes $2.1 million of one-off items, $3.5 million one-off costs net of $1.4 million fair value gain on contingent consideration (2023: $6.1 million) that are excluded from the underlying results.

Notes to the Financial Statements

Segment fee and trading income – 2024 v 2023 ($'000)[1]



Segment EBITDA – 2024 v 2023 ($'000)[1]



1. Prior year allocation across regions has been restated. Revenue metrics between segments were updated, and new weightings were applied for EBITDA.

	2024 $'000	2023 $'000
Segment underlying EBITDA	**64,559**	62,433
Fair value gain on contingent consideration	**1,432**	–
One-off expenses/non-operating	**(3,530)**	(6,143)
Group EBITDA	**62,461**	56,290
Depreciation and amortisation	**(18,033)**	(13,172)
Interest expense	**(6,548)**	(5,869)
Share of profit of equity accounted investees, net of tax	**289**	244
Net profit before income tax	**38,169**	37,493
Income tax expense	**(6,870)**	(6,082)
Net profit	**31,299**	**31,411**

Note 3. Net Operating Income

Fee and trading income

Fee and trading income consists of the realised foreign currency transaction margins and fees, as well as changes in exchange rates between the time a client rate is agreed and a subsequent hedge transaction is entered into by the Group.

Fee and trading income is presented inclusive of realised and unrealised income earned from the sale of foreign currency contracts to clients.

Revenue is recognised upon settlement of foreign currency payments on behalf of clients in the amount that reflects the agreed foreign exchange margin and fee for the service and is recognised within the scope of AASB 9.

Where the Group enters into contracts for forward delivery with its clients, the Group also enters into separate forward contracts with its banking counterparties in hedge transactions. These are recognised on the Consolidated Statement of Financial Position and measured at fair value through profit and loss.

Fee and commission expense

Fee and commission expenses are transactional banking fees and commissions paid to strategic and referral partners.

Interest income

Interest income is recognised using the effective interest rate method, which spreads fees and costs associated with an interest bearing receivable across its life.

Net operating income

Net operating income is the combination of Fee and trading income and Fee and commission expense and Interest and other income. It is a measure of the income generated from core operations, excluding any costs from financing and taxes.

Net income

Net income is Net operating income adjusted for the fair value gain on contingent consideration.

	2024 $'000	2023 $'000
Fee and trading income	**229,719**	225,007
Fee and commission expense	**(15,236)**	(14,772)
Net trading income	**214,483**	210,235
Interest income	**8,673**	3,207
Other income	**4,351**	650
Net operating income	**227,507**	**214,092**

Note 4. Expenses

	2024 $'000	2023 $'000
Employment expenses		
Salaries and related costs including commissions	**(97,545)**	(90,443)
Share based payments and employee share scheme	**(3,613)**	(3,471)
Defined contribution plan	**(7,265)**	(6,050)
Total employee compensation expense	**(108,423)**	(99,964)
Other employment expenses (on-costs, recruitment, and staff training)	**(6,349)**	(6,013)
Total employment expenses	**(114,772)**	**(105,977)**
Other operating expenses		
Compliance	**(3,111)**	(2,729)
Insurance	**(3,049)**	(3,161)
Travel	**(1,275)**	(1,372)
Other expenses	**(4,505)**	(5,325)
Total other operating expenses	**(11,940)**	**(12,587)**

Notes to the Financial Statements

Note 5. Income Taxes

Income tax expense is the tax payable on the current period's taxable income adjusted for changes in deferred income tax. Changes in deferred tax assets and liabilities are due to temporary timing differences and unused tax losses.

Current income tax is based on tax laws enacted or substantively enacted in each jurisdiction of the Group's operations at the end of the reporting period. If required, provisions are established for the amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method at the tax rates expected to apply when the assets are recovered, or the liabilities are settled. Deferred tax assets and liabilities arise on temporary differences between the tax base of assets and liabilities and their carrying amounts. In addition, deferred tax assets may be recognised due to unused tax losses. Amounts are only recognised to the extent it is probable future taxable amounts will be available to use those temporary differences or tax losses.

Deferred tax assets and liabilities are offset when:

- There is a legally enforceable right to offset current tax assets and liabilities; and
- The deferred tax balances relate to the same taxation authority.

Current tax assets and liabilities are offset when:

- There is a legally enforceable right to offset; and
- There is an intention to settle on a net basis.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

Where there is uncertainty over income tax treatments the recognition and measurement of current or deferred tax assets or liabilities is determined applying *Interpretation 23 – Uncertainty Over Income Tax Treatments*. The Group believes its accruals for tax liabilities are adequate for all open tax years based on its assessment, including interpretations of income tax treatments and prior experience.

Tax consolidation

The tax consolidation legislation was adopted by the Group as of 15 October 2013. As a consequence, OFX Group Limited and its wholly-owned Australian controlled entities are taxed as a single entity. The tax consolidated group's tax year end is 31 March.

Offshore Banking Unit

OzForex Limited, a subsidiary of the Group, was declared an Offshore Banking Unit (OBU) on 10 October 2015. Assessable offshore banking (OB) income derived by the OBU was taxable at a concessional rate of 10%. OB income included revenue earned on foreign exchange transactions with offshore counterparties, excluding those with any AUD component.

On 13 September 2021 the Australian Government confirmed the cessation of the OBU Regime, which ceased to apply to OzForex Limited from 1 April 2023.

Notes to the Financial Statements

a) Income tax expense

	2024 $'000	2023 $'000
Current tax expense	**8,516**	12,877
Adjustments to current tax of prior years	**(332)**	83
Total current tax expense	**8,184**	12,960
Deferred income tax (benefit)/expense	**(1,314)**	(6,878)
Total income tax expense	**6,870**	**6,082**

b) Reconciliation of income tax expense to prima facie tax payable

	2024 $'000	2023 $'000
Net profit before income tax	**38,169**	37,493
Prima facie income tax expense at 30% (2023: 30%)	**11,451**	11,248
Effect of lower tax rates in overseas jurisdictions	**(1,628)**	(2,229)
Decrease in tax expense as a result of operating as an OBU in the current period	**–**	(1,531)
Decrease in tax expense as a result of change in tax laws	**–**	(781)
Non-deductible acquisition costs	**42**	1,134
Return of capital deemed non-taxable	**(1,009)**	–
Current-year research and development tax credits	**(1,278)**	(1,621)
Prior-year research and development tax credits	**(1,550)**	–
Non-deductible share-based payment expenses	**1,013**	844
Other items	**(171)**	(982)
Total income tax expense	**6,870**	**6,082**

Note 6. Deferred Income Tax Assets/(Liabilities)

	2024 $'000	2023 $'000
Deferred income tax assets		
The balance comprises temporary differences attributable to:		
Provisions and accrued expenses	**4,097**	3,944
Corporate action costs deemed capital for taxation	**–**	216
Lease liabilities	**3,326**	3,214
R&D credit carry forward	**–**	1,261
Property, plant and equipment	**45**	46
Capital losses	**7,314**	7,321
Tax credit carry forward	**571**	–
Other	**738**	793
Total deferred income tax assets – before offset	**16,091**	16,795
Offset deferred income tax liabilities (refer Note 5 for accounting policy)	**(7,887)**	(9,712)
Net deferred income tax assets – after offset	**8,204**	**7,083**
Deferred income tax liabilities		
The balance comprises temporary differences attributable to:		
Intangible assets	**(5,860)**	(4,467)
Financial instruments	**(2,007)**	(4,977)
Right of use assets	**(2,333)**	(2,607)
Prepayments	**–**	(70)
Property, plant and equipment	**(275)**	(653)
Other	**(429)**	–
Total deferred income tax liabilities – before offset	**(10,904)**	(12,774)
Offset deferred income tax assets (refer Note 5 for accounting policy)	**7,887**	9,712
Net deferred income tax liabilities – after offset	**(3,017)**	**(3,062)**

Note 7. Earnings per Share

Earnings per share

Basic earnings per share shows the profit attributable to each ordinary share. It is calculated as the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in each year.

Diluted earnings per share shows the profit attributable to each ordinary share if all the dilutive potential ordinary shares had been ordinary shares.

There are no discontinued operations of the Group.

a) Earnings per share

	2024 Cents	2023 Cents
Basic	**12.97**	12.91
Diluted	**12.42**	12.43

b) Earnings

	$'000	$'000
Net profit attributable to ordinary shareholders used to calculate basic and diluted earnings per share	**31,299**	31,411

c) Weighted average number of shares

	Number	Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**241,315,844**	243,260,880
Dilutive potential ordinary shares[1]	**10,774,846**	9,462,886
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**252,090,690**	**252,723,766**

1. Include issuances under the Executive Share Plan (ESP) and Global Equity Plan (GEP) – refer Note 25.

Note 8. Cash and Cash Equivalents, Client Liabilities, and Deposits Due from Financial Institutions

Cash and cash equivalents includes cash on hand and deposits with financial institutions (together, 'cash held for own use') and cash held for subsequent settlement of client liabilities.

Cash held for subsequent settlement of client liabilities represent transactions in progress where amounts have been received by the Group but the corresponding payment has not yet occurred. They are unsecured and short-term in nature and are recognised initially at their fair value. Client liabilities are initially measured at amortised cost using the effective interest method and are shown in cash net of client receivables which are recognised in other receivables (refer Note 9). Gross client liabilities total $300,233,000 as at 31 March 2024 (2023: $375,678,000).

Deposits due from financial institutions are primarily short-term deposits with an original maturity of greater than 3 months, but less than 12 months, are accounted for at the gross value of the outstanding balance and are held at amortised cost.

	2024 $'000	2023 $'000
Cash held for own use	**68,076**	68,191
Cash held for settlement of client liabilities	**287,286**	368,670
Cash and cash equivalents	**355,362**	436,861
Deposits due from financial institutions	**19,930**	25,613
Cash held for subsequent settlement of client liabilities	**(287,286)**	(368,670)
Net cash held	**88,006**	**93,804**
Collateral and bank guarantees	**(19,798)**	(26,407)
Net available cash[1]	**68,208**	**67,397**

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

Note 9. Other Receivables

Other receivables include client receivables, GST receivables and other debtors. Other debtors include rental deposits, interest receivable and a convertible loan issued to an associate, the investment in which is detailed at Note 23. Client receivables include amounts settled on behalf of clients of the Group, which are yet to be received. All receivables are recognised at amortised cost, less any impairment, and are current assets with the exception of the convertible loan which is non-current. Details about the Group's impairment policies and the calculation of the expected credit loss allowance are provided in Note 12(c). Interest is recognised in the Statement of Comprehensive Income using the effective interest method.

	2024 $'000	2023 $'000
Client receivables	**12,947**	7,008
Provision for impairment	**(4,545)**	(4,264)
GST receivables	**412**	303
Other debtors	**5,703**	4,318
Other receivables	**14,517**	**7,365**

Note 10. Derivative Financial Instruments

Derivative instruments entered into by the Group include forward foreign exchange contracts. They are principally used to offset foreign currency contracts with clients, cashflow hedges and as hedges over the group's net investment in foreign operations.

Derivatives are recognised at trade date and are initially and subsequently measured at fair value through profit or loss. Movements in the carrying amounts of derivatives are recognised in net fee and trading income within the Consolidated Statement of Comprehensive Income, except for movements in derivatives used in the Group's cash flow hedges and hedge of net investments in foreign operations, which is recognised and measured in accordance with Note 12.

	2024 $'000	2023 $'000
Value of forward contracts – assets	**20,801**	52,666
Value of forward contracts – liabilities	**(10,641)**	(34,125)
Net financial instruments at fair value	**10,160**	**18,541**

Note 11. Fair Values of Financial Assets and Liabilities

OFX Group has categorised its financial instruments that are either measured in the Statement of Financial Position at fair value or of which the fair value is disclosed, into a three-level hierarchy based on the priority of the inputs to the valuation.

A financial instrument's categorisation within the valuation hierarchy is based on the lowest level input that is significant to the fair value measurement. Loans and borrowings are excluded from the fair value hierarchy as these are held at amortised cost using the effective interest rate method.

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.	Forward foreign exchange 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 expected cash flows, weighted average fair value share price, dividend yield and a probability of achievement of defined performance hurdles.

Contingent consideration

The Group has recognised liabilities measured at fair value in relation to contingent consideration arising out of acquisitions made by the Group. The contingent consideration is designated as a financial liability and deemed to be a Level 3 measurement of fair value.

	Contingent consideration $'000
Balance at 1 April 2023	**–**
Contingent consideration arising on Paytron acquisition	**8,099**
Gain included in 'Total net income'	
– Net unrealised change in fair value (gain)/loss	**(1,432)**
Balance at 31 March 2024	**6,667**

Note 12. Financial Risk Management

Financial risk management

The Group is exposed to the following risks, and manages this in the following ways:

Type of risk	How the risk is managed
Market risk – Market risk is comprised of both foreign currency risk and interest rate risk. **Foreign currency risk** – Arises from exposure to changes in foreign exchange rates between the time of agreeing rates with a client and either a corresponding hedge being taken out with a counterparty or an international payment settlement. Settlement typically occurs between 12 to 24 hours after the deal is entered or up to 24 months later for forward contracts with clients. The Group is also exposed to the interest rate risk embedded in forward contracts offered to its clients to lock in exchange rates up to 24 months in advance. **Interest rate risk –** Exposure to non-traded interest rate risk results from cash and term deposits held in different currencies.	To manage the movement in foreign exchange rates, the Group aggregates transactions and nets out buy transactions against sell transactions. The Group then enters into forward foreign exchange hedging contracts with counterparty banks once exposure to a single currency reaches or exceeds a defined threshold. Settlement of client liabilities between 12 and 24 hours of receipt of client cash results in low exposure to non-traded interest rate risk.
Credit risk – The risk that creditors (clients and financial institutions) will not make payments on their receivables and derivatives respectively, when they fall due.	The Group typically does not payout client deals until associated funds have been received. In exceptional circumstances, senior management have the discretion to authorise same-day payments, which can result in funds being paid prior to clearance of client funds. These transactions would only be approved for clients with a low risk of default and are pro-actively monitored to ensure timely settlement. For forward deals part payments are required to be made by clients. Active monitoring of client balances ensures that adequate collateral is held. The Group sets credit limits and obtains collateral with well-rated banking counterparties as security (where appropriate).
Liquidity risk – The risk that the Group is unable to meet the obligations of its financial liabilities when they are due.	Regular forecasts of the Group's liquidity requirements. Surplus cash is maintained in highly liquid instruments. Continuous review of currency requirements in operating jurisdictions. Active maintenance of cash balances in currencies and geographical locations is necessary to fund these requirements.

Risk is managed on a globally consolidated basis for the Group. Risks in subsidiaries are subject to the same risk acceptance policies as the Company.

a) Market risk

The main component of the Group's market risk is exposure to foreign exchange rate fluctuations. The subsidiaries of the Group (Note 24) typically enter into transactions and recognise assets and liabilities that are denominated in their functional currency.

The Group's sensitivity to foreign exchange fluctuations risk by major currency held on the Consolidated Statement of Financial Position is shown below:

	31 March 2024		31 March 2023	
Movement in exchange rate (basis points)[1]	**+/-500**	**+/-500**	**+/-500**	**+/-500**
	Sensitivity of profit before tax $'000	**Sensitivity of equity after tax $'000**	**Sensitivity of profit before tax $'000**	**Sensitivity of equity after tax $'000**
CAD	**112**	**53**	1,765	1,291
EUR	**4**	**25**	131	68
GBP	**(7)**	**52**	221	213
NZD	**(38)**	**(49)**	325	246
SGD	**9**	**54**	2	38
USD	**331**	**242**	(140)	(87)
Total	**411**	**377**	**2,304**	**1,769**

1. Impact of positive movement shown. The impact of a negative movement is the inverse.

Underlying balances are as follows:

2024	**CAD $'000**	**EUR $'000**	**GBP $'000**	**NZD $'000**	**SGD $'000**	**USD $'000**
Derivative exposures	**13,748**	**10,075**	**(15,946)**	**(5,986)**	**(12,461)**	**(14,842)**
Cash and cash equivalents	**15,122**	**24,944**	**39,921**	**17,072**	**15,696**	**137,195**
Client liabilities	**(33,449)**	**(35,641)**	**(24,436)**	**(11,857)**	**(3,110)**	**(119,626)**
Client receivables	**6,816**	**707**	**311**	**4**	**46**	**3,895**
Total	**2,237**	**85**	**(150)**	**(767)**	**171**	**6,622**

Notes to the Financial Statements

2023	CAD $'000	EUR $'000	GBP $'000	NZD $'000	SGD $'000	USD $'000
Derivative exposures	13,802	23,141	(7,111)	(731)	(9,723)	4,223
Cash and cash equivalents	44,579	27,295	48,580	15,413	11,199	100,831
Client liabilities	(25,579)	(47,973)	(37,200)	(8,182)	(1,446)	(109,967)
Client receivables	2,501	149	156	7	1	2,115
Total	**35,303**	**2,612**	**4,425**	**6,507**	**31**	**(2,798)**

b) Interest rate risk

The Group's sensitivity to movements in interest rates is as follows.

	31 March 2024		31 March 2023	
Movement in exchange rate (basis points)[i]	**+/-200**	**+/-200**	**+/-200**	**+/-200**
	Sensitivity of profit before tax $'000	**Sensitivity of equity after tax $'000**	**Sensitivity of profit before tax $'000**	**Sensitivity of equity after tax $'000**
Cash and cash equivalents	**7,506**	**5,807**	9,249	7,100
Loans and borrowings	**(844)**	**(632)**	(1,360)	(1,020)
Total	**6,662**	**5,175**	**7,889**	**6,080**

Underlying balances are as follows:

	31 March 2024 $'000	31 March 2023 $'000
Variable rate instruments		
Cash and cash equivalents	**355,362**	436,861
Loans and borrowings	**(42,193)**	(68,000)
Total	**313,169**	**368,861**
Fixed rate instruments		
Deposit due from financial institutions	**19,930**	**25,613**

Notes to the Financial Statements

c) Credit risk

Maximum exposure to credit risk and credit quality of financial assets

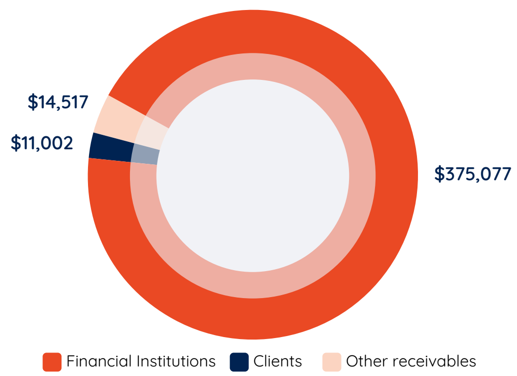
The amounts shown represent the maximum exposure of the Group to credit risk at the end of the reporting period. This is equal to the carrying amount of each class of financial assets in the table below.

The Group uses internal credit ratings to manage the credit quality of its financial assets. The Group holds financial assets with financial institutions of $375.1 million (2023: $482.2 million) rated investment grade (between Aaa-Baa3) and $10.0 million (2023: $8.2 million) unrated.

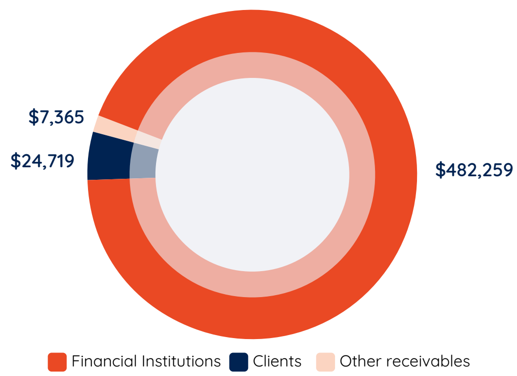
	Rating	2024 $'000	2023 $'000
Cash and cash equivalents	Investment grade	**345,348**	428,690
Cash and cash equivalents	Unrated[1]	**10,014**	8,171
Deposits due from financial institutions	Investment grade	**19,930**	25,613
Derivative assets – with financial institutions	Investment grade	**9,799**	27,956
Derivative assets – with clients	Unrated	**11,002**	24,719
Other receivables	Unrated	**14,517**	7,365
Total gross credit risk		**410,610**	**522,514**

1. Unrated balances relate to amounts due from clients that are not graded by the Company or by a public ratings agency.

2024 Credit Risk Exposure ($'000)

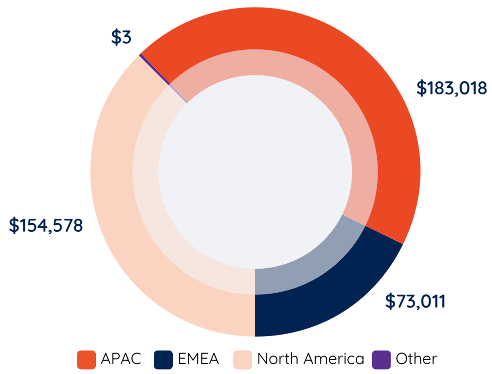


2023 Credit Risk Exposure ($'000)

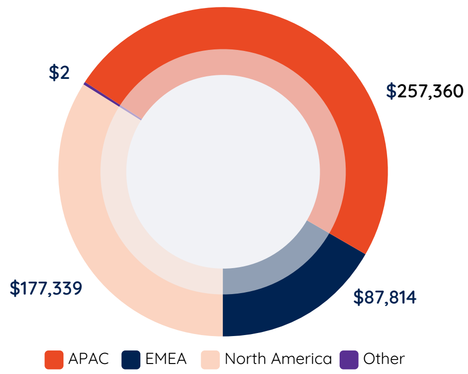


Notes to the Financial Statements

2024 Credit Risk Exposure by Geography ($'000)



2023 Credit Risk Exposure by Geography ($'000)



For trading credit risk, the Group assesses the credit quality of the client, taking into account its financial position, past experience, external credit agency reports and credit references. Individual client risk limits are set based on internal approvals in accordance with delegated authority limits set by the Board. The compliance with credit limits by credit approved clients is regularly monitored by line credit management. Client receivables aged more than 90 days past due are fully provided for unless deemed otherwise appropriate based on expectation of recoverability.

The Group applies historical lifetime past due information to provide for expected credit losses prescribed by AASB 9, which permits the use of past due information to determine the lifetime expected loss provision for all client receivables arising from a financial instrument. The loss allowance provision as at 31 March 2024 and 2023 was determined as set out below, which incorporates past experience and forward-looking information about the client, including the likelihood of recovery.

	Year	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total $'000
Gross carrying amount ($'000)	**2024**	**6,981**	**1,531**	**679**	**3,756**	**12,947**
Gross carrying amount ($'000)	2023	2,063	222	170	4,553	7,008
Provision ($'000)	**2024**	**262**	**1,057**	**585**	**2,641**	**4,545**
Provision ($'000)	2023	61	125	201	3,877	4,264

The loss allowances for client receivables as at 31 March reconciles to the opening loss allowances as follows.

	2024 $'000	2023 $'000
Opening loss allowance as at 1 April	**4,264**	455
Loss allowance from acquisition	**–**	3,875
Write off during the year	**(2,321)**	(2,085)
Increase in loss allowance recognised in profit or loss during the year	**2,602**	2,019
Closing loss allowance at 31 March	**4,545**	**4,264**

Impairment losses on client receivables are presented as bad and doubtful debts within the Consolidated Statement of Comprehensive Income.

d) Liquidity risk

Maturity profile of obligations

The table below summarises the maturity profile of the Group's financial liabilities as at 31 March 2024 based on contractual undiscounted repayment cash flows. Derivatives are included in the less than 3 months column at their fair value, as they are frequently settled in the short-term. Liquidity risk on these items is not managed on the basis of contractual maturity, since they are not held for settlement according to such maturity and will frequently be settled in the short-term at fair value. Derivatives designated in a hedging relationship are included according to their contractual maturity.

2024	3 months or less $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Loans and borrowings	**(105)**	**–**	**(42,088)**	**–**	**(42,193)**
Other liabilities[1]	**(301,517)**	**–**	**–**	**–**	**(301,517)**
Lease liabilities (undiscounted)	**(739)**	**(2,217)**	**(14,048)**	**(316)**	**(17,320)**
Derivative financial instruments					
Inflows	**1,499,922**	**977,472**	**69,425**	**–**	**2,546,819**
(Outflows)	**(1,494,974)**	**(972,666)**	**(69,019)**	**–**	**(2,536,659)**
Total	**(297,413)**	**2,589**	**(55,730)**	**(316)**	**(350,870)**

1. Excludes items that are not financial instruments and non-contractual accruals and provisions.

2023	3 months or less $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Loans and borrowings	(148)	–	(65,035)	–	(65,183)
Other liabilities[1]	(391,042)	–	(4,180)	–	(395,222)
Lease liabilities	(448)	(1,344)	(10,112)	(2,053)	(13,957)
Derivative financial instruments					
Inflows	1,835,128	1,613,861	43,654	–	3,492,643
(Outflows)	(1,828,842)	(1,601,729)	(43,531)	–	(3,474,102)
Total	**(385,352)**	**10,788**	**(79,204)**	**(2,053)**	**(455,821)**

1. Excludes items that are not financial instruments and non-contractual accruals and provisions.

Financial instruments, derivatives and hedging activity

The Group classifies its financial assets and liabilities in the following categories: financial assets and liabilities at amortised cost and financial assets and liabilities at fair value through profit or loss. The classification depends on the purpose for which the financial assets and liabilities were acquired, which is determined at initial recognition based upon the business model of the Group.

i) Financial assets and liabilities at amortised cost

The Group classifies its financial assets and liabilities at amortised cost if the asset or liability is held with the objective of settling contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. These financial assets include client receivables and bank term deposits. Bank term deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are financial assets at amortised cost. Refer to Note 9 for details relating to client receivables. These financial liabilities include loans and borrowings. Secured loans are non-derivate financial liabilities with fixed or determinable payments that are not quoted in an active market. They are financial liabilities measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gains or losses are recognised in profit or loss. Refer to Note 18 for details relating to loans and borrowings.

ii) Financial assets and liabilities at fair value through profit or loss

The Group holds forward foreign exchange contracts within a business model where collecting contractual cash flows while holding the asset is incidental to achieving the business model's objective of managing performance on a fair value basis as determined by prevailing and expected foreign currency exchange rates. The Group is primarily focused on fair value information to assess the assets' performance and make decisions, resulting in derivative financial instruments being measured at fair value through profit or loss unless designated in hedging relationships.

iii) Hedging activity

Financial instruments designated by the Group for the purpose of hedging the variability in cash flows associated with highly probable forecast transactions arising from changes in exchange rates, and for the management of foreign currency risk associated with its net investment in foreign operations qualify for hedge accounting. Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The full fair value of hedging derivatives is classified as an asset or liability.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Hedges of net investments in foreign operations and cash flow hedges are accounted for by recognising any gain or loss on the hedging instrument relating to the effective portion of the hedge in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within unrealised gains/(losses).

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash-flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

Net investment hedges are taken out for the purpose of covering exposure due to movements in the net assets of subsidiaries. The effects of applying hedge accounting on the Group's financial position and performance are as follows:

Net investment hedge		**2024 $'000**	**2023 $'000**
Hedging instrument – forward foreign exchange contracts			
Fair value – Assets		**219**	152
Fair value – Liabilities		**(261)**	(850)
Notional amount British Pounds		**3,349**	4,928
Notional amount US Dollars		**8,812**	12,123
Notional amount Canadian Dollars		**2,725**	3,717
Notional amount New Zealand Dollars		**6,855**	2,149
Notional amount Euros		**1,700**	1,186
Maturity date		**Apr 2023 – Mar 2024**	Apr 2022 – Mar 2023
Hedge ratio		**1:1**	1:1
Change in value of outstanding hedge instruments since 1 April		**(2,746)**	(2,282)
Change in value of hedged item used to determine hedge effectiveness		**2,746**	2,282
Weighted average hedge rate	– British Pounds	**A$1: GBP 0.5287**	A$1: GBP 0.5638
	– US Dollars	**A$1: USD 0.6531**	A$1: USD 0.6679
	– Canadian Dollars	**A$1: CAD 0.8885**	A$1: CAD 0.9025
	– New Zealand Dollars	**A$1: NZD 1.0755**	A$1: NZD 1.0770
	– Euros	**A$1: EUR 0.6056**	A$1: EUR 0.6494

Cash flow hedges are taken out for the purpose of hedging the exchange rate on the purchase price of a highly probably transaction.

Cashflow Hedge	2024 $'000	2023 $'000
Fair value – Assets	–	934
Fair value – Liabilities	–	–
Notional amount Canadian Dollars	–	90,000
Maturity date	–	May 2022
Hedge ratio	–	1:1
Change in value of outstanding hedge instruments since beginning of the period	–	2,914
Change in value of hedged item used to determine hedge effectiveness	–	(2,914)

iv) Contingent consideration

For the fair value of contingent consideration, reasonably possible changes at the reporting date to one of the significant inputs (share price, which was $1.63 at 31 March 2024), holding other inputs constant, would have the following effects.

	Profit or loss	
Sensitivity analysis	**Increase $'000**	**Decrease $'000**
31 March 2024		
OFX share price (10% movement)	**667**	**(667)**
OFX share price (20% movement)	**1,333**	**(1,333)**

Note 13. Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses.

Assets are depreciated on a straight-line basis over their estimated useful lives, as follows:

Asset class	Useful life
Furniture and fittings	5 to 10 years
Leasehold improvements	Up to 5 years
Computer equipment	3 years

	Furniture, fittings and leasehold improvements $'000	Computer equipment $'000	Total $'000
Year ended 31 March 2023			
Cost	9,779	6,790	16,569
Less accumulated depreciation	(8,972)	(5,454)	(14,426)
Net carrying amount	**807**	**1,336**	**2,143**
Movement			
Balance at 31 March 2022	541	695	1,236
Additions	845	1,423	2,269
Disposals	–	–	–
Depreciation	(579)	(782)	(1,362)
Balance at 31 March 2023	**807**	**1,336**	**2,143**
Year ended 31 March 2024			
Cost	**12,135**	**7,294**	**19,429**
Less accumulated depreciation	**(9,662)**	**(6,241)**	**(15,903)**
Net carrying amount	**2,473**	**1,053**	**3,526**
Movement			
Balance at 31 March 2023	**807**	**1,336**	**2,143**
Additions	**2,406**	**615**	**3,021**
Disposals	**(50)**	**(111)**	**(161)**
Depreciation	**(690)**	**(787)**	**(1,477)**
Balance at 31 March 2024	**2,473**	**1,053**	**3,526**

Note 14. Intangible Assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration over the Group's interest in the net fair value of the identifiable net assets, liabilities and contingent liabilities of the acquiree. Subsequent to initial measurement, goodwill is measured at cost less accumulated impairment losses.

Client Relationships

Client relationships acquired in business combinations are recognised initially at fair value and are subsequently amortised on a straight-line basis according to the expected useful life of these relationships which is estimated to be 10 years.

Software and Website

Software and website intangibles are carried at cost at the date of acquisition less accumulated amortisation and impairment losses. Costs directly incurred in acquiring and developing certain software are capitalised where they meet the criteria for capitalisation and amortised on a straightline basis over the estimated useful life of three to five years. Costs incurred on research related costs or software maintenance are expensed as incurred.

	Goodwill $'000	Client relationships $'000	Software and Website $'000	Total $'000
Year ended 31 March 2023				
Cost	65,377	6,670	68,546	140,593
Less accumulated amortisation	–	(592)	(36,209)	(36,801)
Less accumulated impairment	–	–	(673)	(673)
Net carrying amount	**65,377**	**6,078**	**31,664**	**103,119**
Movement				
Balance at 31 March 2022	–	–	19,873	19,873
Acquisition through business combinations	64,844	6,637	1,567	73,048
Additions	–	–	18,603	18,603
Amortisation	–	(594)	(8,379)	(8,973)
Effects of movements in exchange rates	533	35	–	568
Balance at 31 March 2023	**65,377**	**6,078**	**31,664**	**103,119**
Year ended 31 March 2024				
Cost	**72,365**	**6,860**	**90,919**	**170,144**
Less accumulated amortisation	**–**	**(1,295)**	**(48,697)**	**(49,992)**
Less accumulated impairment	**–**	**–**	**(1,069)**	**(1,069)**
Net carrying amount	**72,365**	**5,565**	**41,153**	**119,083**
Movement				
Balance at 31 March 2023	**65,377**	**6,078**	**31,664**	**103,119**
Acquisition through business combinations	**5,149**	**–**	**2,950**	**8,099**
Additions	**–**	**–**	**19,424**	**19,424**
Impairment	**–**	**–**	**(497)**	**(497)**
Amortisation	**–**	**(684)**	**(12,464)**	**(13,148)**
Effects of movements in exchange rates	**1,839**	**171**	**76**	**2,086**
Balance at 31 March 2024	**72,365**	**5,565**	**41,153**	**119,083**

Impairment assessment of intangible assets

The Group assesses whether goodwill is impaired at least annually. For the purposes of impairment testing, goodwill is allocated to the Group's cash-generating units (CGUs). The CGUs align with the Group's operating segments as disclosed in Note 2. The goodwill and any other intangible assets with indefinite lives acquired in business combinations, for the purpose of impairment testing is allocated to CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit and loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying value of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rate basis.

The recoverable amounts of CGUs were determined through value in use calculations. The value in use calculations applied a post-tax discounted cash flow model, based on five-year cash flow forecasts and an appropriate terminal value. The forecast information is based on information available at 31 March 2024. A terminal growth rate of 3% (2023: 3%), post-tax discount rate of 10.6% (2023: 8.3%) and compound annual growth rate (CAGR) of 5% (2023: 5%) was used in the value in use calculations. Consistent rates were used across all CGU's. No impairment charge was recognised during the year as the recoverable amount of each CGU was determined to be in excess of the carrying amount.

The following CGUs represent the carrying amounts of goodwill.

	2024 $'000	2023 $'000
North America	**63,609**	61,957
EMEA	**3,607**	3,420
APAC	**5,149**	–
Total Goodwill	**72,365**	**65,377**

Note 15. Other Creditors and Accruals (Current Liabilities)

	2024 $'000	2023 $'000
Accrued charges and sundry liabilities	**8,496**	10,936
Other liabilities	**109**	44
Total other liabilities	**8,605**	**10,980**

Note 16. Provisions

Employee provisions

The Group has a Short-Term Incentive Plan available to all employees including Executive Key Management Personnel (**KMP**). The Short-Term Incentive Plan (cash bonus) is accrued as a liability and expensed over the annual service period until it is paid.

When the long service leave is not expected to be settled within 12 months of year end, the liabilities are measured as the present value of expected future payments using the projected unit credit method.

Leasehold makegood provision

The Group holds a provision for makegood costs anticipated to be incurred in respect of office leases in Australia, London, Canada and Hong Kong. The provision is being accrued on a straight-line basis over the lease terms.

	Employee provisions				
	Annual leave $'000	**Short-term incentives $'000**	**Long service leave $'000**	**Leasehold makegood $'000**	**Total $'000**
Carrying amount at beginning of the period	3,796	8,987	1,026	523	14,332
Provisions from acquisition	155	–	–	–	155
Additional provisions made	5,552	9,798	479	3	15,832
Provision utilised/unused released during the period	(5,562)	(10,142)	(24)	(273)	(16,001)
Carrying amount at the end of the period	**3,941**	**8,643**	**1,481**	**253**	**14,318**

All employee provisions are current liabilities apart from $906,566 (2023: $594,431) of long service leave which is non-current.

Note 17. Leases

Under AASB 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group leases various offices. Rental contracts are typically made for fixed periods of three to ten years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable, and
- Variable lease payments that are based on an index or a rate.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. To determine the incremental borrowing rate and in the absence of third party borrowings, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, and makes adjustments specific to the lease, e.g. term, country, currency and security.

Extension options are included in a number of the Group's property leases. The extensions are exercisable only by the Group and not by the respective lessor. In determining the lease term, which forms part of the initial measurement of the right-of-use asset and lease liability, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Subsequent to initial measurement, the lease liability is reduced for payments made and increased for interest incurred. The liability is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, a corresponding adjustment is made to the value of the right-of-use asset. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The Consolidated Statement of Financial Position shows the following amounts relating to leases:

	2024 $'000	2023 $'000
Right of use assets		
Opening balance at the beginning of the period	**12,725**	6,402
Depreciation charge for the year	**(3,046)**	(2,880)
Modification of right of use assets	**1,723**	7,436
Addition of right of use assets from acquisition	**–**	1,313
FX revaluation	**147**	454
Total lease assets	**11,549**	**12,725**
Lease liabilities		
Current	**1,961**	1,793
Non-current	**12,227**	12,166
Total lease liabilities	**14,188**	**13,959**

The Consolidated Statement of Financial Performance shows the following amounts relating to leases:

Depreciation charge of right of use assets	2024 $'000	2023 $'000
Buildings	**3,046**	2,880
Total depreciation charge	**3,046**	**2,880**
Interest expense	**919**	**501**

The Consolidated Statement of Cashflow shows the following amount relating to leases:

Depreciation charge of right of use assets	2024 $'000	2023 $'000
Total cash outflow for leases	**(2,805)**	**(3,862)**

Note 18. Loans and Borrowings

	As at 31 March 2024 $'000	As at 31 March 2023 $'000
Loans and borrowings (current)	**105**	148
Loans and borrowings (non-current)	**42,088**	65,035
Closing balance	**42,193**	**65,183**

On 2 May 2022 (1 May 2022 Edmonton time), the Group obtained a syndicated bank loan to the amount of $100 million, 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 31 March 2024, $28.5 million (2023: $36.2 million) has been paid of which $24.0 million (2023: $32.0 million) is for early repayments of principal.

Interest expense of $5.5 million (2023: $4.2 million) for the period ended 31 March 2024 has been recognised in the Consolidated Statement of Comprehensive Income. These balances are also reflected in the financing 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 2024;
    ii) 55% at each compliance date during the 24-month period up to 31 March 2026;
    iii) 50% at each compliance date thereafter.

The Group has complied with these financial covenants as of compliance dates in the period.

Notes to the Financial Statements

Note 19. 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 nine months ended 31 March 2024, Paytron contributed net operating income of $0.6 million and underlying EBITDA of ($3.0 million) to the Group's results.

The details of the business combination are as follows:

	$'000
Fair value of consideration transferred	
Contingent consideration – performance securities	8,099
Total consideration transferred	**8,099**
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	2,950
Total assets	**16,636**
Client liabilities	(10,646)
Other liabilities	(599)
Loans and borrowings	(2,035)
Provisions	(406)
Total liabilities	**(13,686)**
Identifiable net assets	**2,950**
Goodwill on acquisition	**5,149**

Contingent consideration is comprised of up to 11.25 million 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, contingent upon Paytron's successful achievement of defined revenue and client migration targets. The final number of performance securities that may vest has a fair value of up to a maximum of $22.3 million. There is no minimum amount payable. The fair value of the contingent consideration determined at the grant date of the securities was $8.1 million.

The fair value of the contingent consideration was 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 client migration targets, along with alignment to the existing LTI performance hurdles. The total fair value would increase or decrease with a respective change in probability assumptions.

At 31 March 2024 a review was undertaken of the assumptions and probabilities used in the original valuation. It was concluded that there were no significant changes warranting updating any of the existing assumptions and probabilities, except for the share price. A valuation gain of $1.4 million was booked to Total net income, based on a share price of $1.63 as at 31 March 2024. This resulted in a reduction in the contingent consideration liability to $6.7 million.

Acquisition-related costs amounting to $0.06 million have been recognised as an expense.

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 $5.1 million has been allocated to cash-generating units at 31 March 2024 and is attributable to the APAC segments.

Capital Structure

Note 20. Capital Management

The Group's capital management strategy is to maximise shareholder value by optimising the level and use of capital, defined as share capital plus reserves. The Group's capital management objectives are to:

- Support the Group's business and operational requirements;
- Meet externally imposed capital requirements; and
- Safeguard the Group's ability to continue as a going concern.

The Group has continued to meet its internal and externally imposed capital requirements this year.

Note 21. Ordinary Share Capital

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

There are 237,917,873 fully paid ordinary shares (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 2,213,044 (2023: 4,135,718) restricted ordinary shares of which nil (2023: 199,674) are unallocated and 2,213,044 (2023: 3,936,044) are issued to KMP and executives in connection with the Executive Share Plan. Refer to Note 25 for further information.

Share buy-back

On 23 May 2023, the Company announced an on-market share buy-back program. The on-market share buy-back program was up to 10% of the Company's fully paid ordinary shares and commenced on 7 June 2023. A total of 8,568,506 ordinary shares were bought back during the current period. The total amount paid for the buy-back during the period was $14.3 million.

On 21 May 2024, the Company announced the renewal of the on-market share buy-back program to return capital to shareholders as part of the Company's capital management program while also allowing for growth. The renewed on-market share buy-back program will be up to 10% of the Company's fully paid ordinary shares for a further 12-month period.

Note 22. Dividends

Dividends are recognised as a liability and a reduction to retained earnings when declared. There were no dividends paid in the period (2023: nil).

	2024 $'000	2023 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2023: 30%)	**1,897**	**1,299**

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for the franking credit impact that will arise from settlement of the current tax position.

Note 23. Equity-accounted investees

	2024 $'000	2023 $'000
Investment in joint venture	**5,342**	5,173
Closing balance	**5,342**	**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 €750,000, with an annual interest rate of 8%. The balance of this as at 31 March 2024 is A$1.6 million (2023: A$1.4 million) and is included in 'Other receivables' on the Consolidated Statement of Financial Position and at Note 9. No expense has been recognised in the current year for bad or doubtful debts in respect of this balance owed.

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.

Notes to the Financial Statements

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. No impairment expense has been recognised in this regard in the current period.

The following table summarises the financial information of TreasurUp as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in TreasurUp.

	2024 $'000	2023 $'000
Non-current assets	**8,471**	8,005
Current assets (including cash and cash equivalents)	**13,995**	11,020
Non-current liabilities	**(3,103)**	(2,626)
Current liabilities	**(6,693)**	(4,937)
Net assets	**12,670**	**11,462**
Group's share of net assets (44.98%)	**5,699**	5,156
Equity-accounted acquisition costs	**66**	66
Foreign exchange revaluation	**(423)**	(49)
Carrying amount of interest in joint venture	**5,342**	**5,173**
Revenue	**7,284**	6,153
Interest expense	**(289)**	(244)
Income tax expense	**(395)**	(299)
Profit and total comprehensive income at 100%	**376**	298
Profit and total comprehensive income at 44.98%	**169**	134
Elimination of interest on related party loan	**120**	110
Group's share of total comprehensive profit	**289**	**244**

Note 24. Related Party Information

Subsidiaries

The following entities are wholly owned subsidiaries of the Group and all have a 31 March year end, except for Firma Foreign Exchange (UK) Limited which has a 30 September year end and the Paytron entities which have a 30 June year end:

Entity	Country of incorporation	Functional currency
CanadianForex Limited	Canada	CAD
OzForex (HK) Limited	Hong Kong	HKD
OzForex Limited	Australia	AUD
OFX Financing Pty Limited	Australia	AUD
OFX Singapore Pte. Limited	Singapore	SGD
NZForex Limited	New Zealand	NZD
UKForex Limited	United Kingdom	GBP
OFX Payments Ireland Limited	Ireland	EUR
USForex Incorporated	United States	USD
OFX Japan G.K.	Japan	JPY
Firma Foreign Exchange Corporation	Canada	CAD
Firma Foreign Exchange Corporation (UK) Limited	United Kingdom	GBP
Paytron Holdings Pty Ltd	Australia	AUD
Paytron Technologies Pty Ltd	Australia	AUD
Paytron Payments UK Ltd	United Kingdom	GBP
Paytron IP Pty Ltd	Australia	AUD
PTRN Pty Ltd	Australia	AUD

Note 25. Share Based Payments

The Group has a number of employee share based payments issued under the Executive Share Plan (ESP) and the Global Equity Plan (GEP). The nature of the issuances under the Plans are listed below:

Issuance	Description
Long-term Incentives (LTI) – Executive Share Plan (ESP)	Long-term Incentives (LTI) are issued under the Group's Executive Share Plan (ESP). Executives are provided with an interest free, non-recourse loan from the Group for the sole purpose of acquiring shares in the Company. Executives may not deal with the shares while the loan remains outstanding, and any dividends paid on the shares are applied (on an after-tax basis) towards repaying the loan. Executives are entitled to exercise the voting rights attached to the shares from the date of allocation. If the Executive leaves the Group within the vesting period the shares allocated are returned to the Group, subject to discretion retained by the Directors. This is a historical Plan under which there are no more issuances and historical issuances are post vesting stage.
Long-term Incentives (LTI) – Global Equity Plan (GEP) Performance Rights	Long-term Incentive (LTI) – Performance rights are issued under the Group's Global Equity Plan (GEP). Performance rights are issued to Executives eligible to receive deferred LTI awards as reward for performance. Performance rights are granted at no cost and are settled in shares on a one-for-one basis. Company performance measures include underlying EPS CAGR (50%) and Absolute TSR CAGR (50%). The vesting schedule for the two tranches follows a range, with Below threshold having Nil vesting, Threshold 17%, Between threshold and target 17 – 67% (straight line), Target 67%, Between target and stretch 67 – 100% (straight line) and Stretch and above 100%.
Short-term Incentives (STI) – Performance rights	Short-term Incentive (STI) – Performance rights are issued under the Group's Global Equity Plan (GEP). Performance rights are issued to employees eligible to receive deferred STI awards and also to eligible employees as reward for performance. Performance rights are granted at no cost and are settled in shares on a one-for-one basis. Company performance measures include underlying NOI, underlying EBT, strategic investments and ESG. Vesting is 50% in Year 1 and 50% in Year 2.
One-off Performance Rights	One-off Performance rights are issued under the Group's Global Equity Plan (GEP) on a one-off, discretionary basis to employees and executives as a reward for performance. One-off performance rights are granted at no cost and are settled in shares on a one-for-one basis.

For further details on the vesting conditions of share issuances, refer to Table 2 in the Remuneration Report.

Notes to the Financial Statements

The share-based payment expense within Employee Expenses in the Consolidated Statement of Comprehensive Income is as follows:

	2024 $	2023 $
Long-term Incentives (LTI) – ESP and GEP Performance Rights	**1,896,287**	1,431,675
Short-term Incentives (STI) – Performance Rights	**1,238,778**	1,390,560
One-off Performance Rights	**478,306**	649,048
Total share-based payment expense	**3,613,371**	**3,471,283**

Accounting for share based payments

The fair value of LTI and STI determined at the grant date of the award is recognised as a share-based payment expense in the Consolidated Statement of Comprehensive Income with an offsetting increase in share based payments reserve within Equity over the relevant performance period. The expense recognised is reduced to take account of the expense attributable to participating employees who do not remain in the employment of the Group throughout the vesting period.

Shares issued under the LTI – ESP are accounted for as options and as such the amounts receivable from employees in relation to these loans are not recognised in the financial statements. Settlement of share loans upon vesting is recognised as contributed equity.

The LTI – Performance Rights are measured at fair value at the date of grant using the Monte Carlo simulation model. The STI – Performance Rights are measured at fair value at the date of grant using the Black Scholes model. The fair values include assumptions in the following areas: risk free rate, volatility, estimated service periods and expected achievement of hurdles. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily reflect the actual outcome.

Long-term Incentives (LTI)

Executive Share Plan (ESP)

The ESP was established to incentivise Executives to deliver on the business strategy and contribute to sustainable long-term returns. Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report.

Under the ESP, eligible Executives are provided with an interest free, non-recourse loan from the Group for the sole purpose of acquiring shares in the company. Executives may not deal with the shares while the loan remains outstanding and any dividends paid on the shares are applied (on an after-tax basis) towards repaying the loan. Executives are entitled to exercise the voting rights attached to the shares from the date of allocation. If the Executive leaves the Group within the vesting period the shares allocated are returned to the Group, subject to discretion retained by the Directors.

There were no issuances under the LTI – ESP in the current or prior period.

Notes to the Financial Statements

LTI Performance Rights

During the current period, Executives were offered a single grant of performance rights. Detailed remuneration disclosures are provided in the Remuneration Report section of the Directors' Report.

The fair value of the LTI – Performance Rights that were issued during the period is determined using the Monte Carlo simulation with the following assumptions. The exercise price was $0 for each of the awards.

Performance period (years)	Grant date	Vesting date	Weighted average fair value at grant date	Dividend yield	Risk free interest rate	Share price volatility
3	15 June 2023	15 June 2026	$1.50	0%	3.97%	36%
3	03 Aug 2023	15 June 2026	$1.61	0%	3.85%	36%
3	04 Aug 2023	15 June 2026	$1.61	0%	3.85%	36%

Short-term Incentives (STI) performance rights

The fair value of the STI Performance Rights that were issued during the period is determined using the Black-Scholes option pricing model with the following assumptions. The exercise price was $0 for each of the awards.

Performance period (years)	Grant date	Vesting date	Fair value at grant date	Dividend yield	Risk free interest rate	Share price volatility
1	15 June 2023	15 June 2024	$1.89	0%	3.99%	40.53%
2	15 June 2023	15 June 2025	$1.89	0%	3.99%	40.53%
1	04 August 2023	15 June 2024	$2.05	0%	3.87%	40.35%
2	04 August 2023	15 June 2025	$2.05	0%	3.87%	41.50%

One-off Performance Rights

The fair value of the one-off performance rights is determined using the Black-Scholes option pricing model with the following assumptions. The exercise price was $0 for each of the awards.

Performance period (years)	Grant date	Vesting date	Fair value at grant date	Dividend yield	Risk free interest rate	Share price volatility
1.0	20 July 2023	31 July 2024	$1.92	0%	4.07%	39.13%
2.0	20 July 2023	31 July 2025	$2.01	0%	4.03%	41.23%
0.7	15 November 2023	31 July 2024	$1.45	0%	4.24%	45.03%
1.7	15 November 2023	31 July 2025	$1.45	0%	4.24%	40.15%
0.3	15 March 2024	15 June 2024	$1.72	0%	3.80%	31.08%

Notes to the Financial Statements

Share based payment awards

Year ended 31 March 2024	Balance at start of the year	Granted during the year	Vested during the year	Forfeited during the year	Balance at end of the year
LTI – Executive Share Plan Options	**2,513,543**	**–**	**(2,446,682)**	**(66,861)**	**–**
LTI – Global Equity Plan Performance rights	**3,213,940**	**3,630,655**	**–**	**(1,377,771)**	**5,466,824**
STI – Performance rights	**673,682**	**958,948**	**(685,000)**	**(111,402)**	**836,228**
One off – Performance rights	**846,603**	**159,785**	**(229,883)**	**(380,206)**	**396,299**

Year ended 31 March 2023	Balance at start of the year	Granted during the year	Vested during the year	Forfeited during the year	Balance at end of the year
LTI – Executive Share Plan Options	4,457,862	–	(1,907,677)	(36,642)	2,513,543
LTI – Global Equity Plan Options	722,612	–	(722,612)	–	–
LTI – Global Equity Plan Performance rights	1,632,279	1,839,804	–	(258,143)	3,213,940
STI – Performance rights	546,335	688,321	(502,369)	(58,605)	673,682
One off – Performance rights	401,851	730,199	(155,799)	(129,648)	846,603

Note 26. Key Management Personnel (KMP)

In accordance with the requirements of AASB 124 Related Party Disclosures, the KMP include Non-Executive Directors and members of the Group Executive Team who have authority and responsibility for planning, directing and controlling the activities of the Group. A summary of KMP compensation is set out in the table below.

Key management personnel remuneration

Remuneration	2024 $	2023 $
Short-term employee benefits	**2,909,944**	3,010,778
Post-employment benefits	**152,486**	144,257
Long-term employee benefits	**39,982**	58,713
Share based payments	**1,693,969**	1,432,905
Total remuneration paid to key management personnel	**4,796,381**	**4,646,653**

Detailed remuneration disclosures of individual KMP are provided in the Remuneration Report.

Shareholdings

The total number of shares in the Company held during the year by the Directors and other KMP, including their personal related parties, are set out below.

	2024 Number	2023 Number
Number of options and rights for fully paid ordinary shares	**3,124,087**	1,859,666
Number of fully paid ordinary shares	**2,943,348**	1,803,380
Number of restricted ordinary shares	**1,679,772**	2,777,998

Outstanding loans

The total loan amount outstanding from KMP in relation to the LTI – ESP is $1,451,406 (2023: $3,206,259). Refer to Note 25 for details of the plan.

Other transactions with KMP

All other transactions with KMPs are made on normal commercial terms and conditions and in the ordinary course of business. There were no transactions during the financial year nor balances owing to or from KMP as at 31 March 2024.

In the normal course of business, the Group occasionally enters into transactions with various entities that have Directors in common with the Group. Transactions with these entities are made on commercial arm's length terms and conditions. The relevant Directors do not participate in any decisions regarding these transactions.

Note 27. Auditor Remuneration

	2024 $	2023 $
Company's auditor remuneration		
KPMG		
Audit and review of financial statements	**874,449**	1,019,976
Regulatory assurance services	**146,690**	102,861
Other advisory services	**–**	35,404
Total Company's auditor remuneration	**1,021,139**	**1,158,241**
Auditor remuneration to other accounting firms		
Audit and review of financial statements	**148,503**	132,702
Taxation services	**186,022**	135,967
Total auditor remuneration to other accounting firms	**334,525**	**268,669**

Note 28. Parent Entity Financial Information

Dividends are recognised as income when the Company becomes entitled to the dividend.

The ultimate parent entity is OFX Group Limited.

Summary financial information	2024 $'000	2023 $'000
Statement of Financial Position		
Investment in subsidiaries	**28,393**	36,750
Total assets	**28,393**	**36,750**
Share based payments reserve	**5,948**	5,150
Ordinary share capital	**22,445**	31,600
Total equity	**28,393**	**36,750**
Profit or loss for the year (intercompany dividends received)	**–**	–
Total comprehensive income	**–**	–
Earnings per share attributable to ordinary shareholders:	**Cents**	**Cents**
Basic earnings per share	**–**	–
Diluted earnings per share	**–**	–

Note 29. 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 the Remuneration Report in the Director's Report, and notes for the year ended 31 March 2024 are in accordance with the *Corporations Act 2001* (Cth), including;

   i) complying with Accounting Standards, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirement, and

   ii) giving a true and fair view of the consolidated entity's financial position as at 31 March 2024 and of its performance for the financial year ended on that date,

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, and

c) 'About this Report' on page 76 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* (Cth).

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

On behalf of the Board:

Patricia Cross AM
Chair

Skander Malcolm
Chief Executive Officer
and Managing Director

21 May 2024

Independent Auditor's Report

Independent Auditor's Report

To the shareholders of OFX Group Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of OFX Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 31 March 2024 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of Financial Position as at 31 March 2024;
- Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended;
- Notes, including material accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

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

Independent Auditor's Report

KPMG

Key Audit Matters

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

- Recognition of fee and trading income;
- Impairment of Goodwill

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

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

Recognition of fee and trading income

Refer to Note 3 to the Financial Report

The key audit matter	How the matter was addressed in our audit
Fee and trading income is considered a key audit matter due to: • Its significance to OFX Group's results; and • The significant audit effort required considering the high volume of transactions, with unique margins on individual trades. We focused on fee and trading income generated from realised margins on foreign exchange contracts.	Our procedures included: • Assessed the appropriateness of the accounting policy applied by the Group, against the requirements of the accounting standards; • Obtained an understanding of the process to complete a trade and record fee and trading income; • Tested key controls, including automated IT controls, in the fee and trading income process such as: reconciliations between the trade recording system and bank statements, input of foreign exchange rates from external providers into the trade recording system and monthly reconciliation of revenue to bank statements; • Tested a sample of realised margin on trades by comparing the contracted rate in the trade recording system to externally published market rates and recalculating the resulting margin; • Reconciled realised margin on a sample of trades to movements in bank statement balances; • Compared a sample of trades to deal tickets and bank statements to validate the timing of settlement and their recording in the correct accounting period; and

› Independent Auditor's Report

KPMG

	• Assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.
Impairment of Goodwill ($72.4m)	
Refer to Note 14 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

The impairment of goodwill is considered a key audit matter due to the:
• size of the balance
• Group's judgement and complexity relating to the determination of the value in use of the Cash Generating Unit (CGU) against which goodwill is recognised.
We focussed on the significant forward-looking assumptions the Group applied in their value in use model for goodwill, including:
• forecast operating cash flows, growth rates and terminal growth rates which are influenced by market conditions. The Group operates across different geographies with varying market pressures, increasing the risk of inaccurate forecasts. In addition, the estimation of projected cash flow forecasts is inherently subjective and susceptible to differences in outcome; and
• discount rate, which is complicated in nature and varies according to the conditions and environment of the specific CGU is subject to from time to time.
We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	• Assessing the Group's determination of CGU assets for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards;
	• Working with our valuation specialists to:
	  ◦ Consider the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards;
	  ◦ Assess the integrity of the value in use model used, including the accuracy of the underlying calculation formulas;
	  ◦ Assess the terminal value growth rate using our knowledge and experience of the Group and the industry it which it operates; and
	  ◦ Independently develop a discount rate range having regard to publicly available data for comparable entities, adjusted by risk factors specific to the Group;
	• Challenging the Group's significant forecast cash flow and growth assumptions having regard to our knowledge of the Group, its past performance, committed future strategic plans, business activities, customer base, and our industry experience. We compared forecast growth rates and terminal growth rates to publicly available industry information. In doing so, we considered differences between

Independent Auditor's Report

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	industry trends and the Group's operations; • Assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models; • Considered the sensitivity of the model by varying key assumptions, such as forecast growth, terminal growth rates and discount rates within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures; and • Assessed the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

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KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of OFX Group Limited for the year ended 31 March 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in pages 50 to 70 of the Directors' report for the year ended 31 March 2024.

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

KPMG

KPMG

Shaun Kendrigan

Partner

Sydney

21 May 2024

Shareholder Information

The shareholder information set out below is current as at 11 April 2024.

Corporate Governance Statement

For FY24, the OFX governance practices complied with the ASX Corporate Governance Council's Principles and Recommendations. Further details are set out in the FY24 Corporate Governance Statement, as approved by the Board, which is available on the Company's website at: www.ofx.com/en-au/investors/corporate-governance/

This FY24 Corporate Governance Statement outlines the extent to which OFX has followed the ASX Corporate Governance Council's Recommendations during FY24.

Substantial shareholders

The number of securities held by substantial shareholders (holding not less than 5%) and their associates as shown in substantial shareholder notices received by the Company pursuant to section 671B of the *Corporations Act 2001* (Cth) as at 11 April 2024 are shown below.

	Number Held	% of Issued Capital
Australian Ethical Investment Limited	21,709,479	9.04
Selector Funds Management Limited	21,679,035	9.03
Renaissance Smaller Companies Pty Ltd	14,488,561	6.03
Microequities Asset Management Pty Ltd	12,244,497	5.10

Distribution of security holders

	Total holders of ordinary shares	Number of ordinary shares	% of Issued Capital
1 – 1,000	1,044	531,089	0.22
1,001 – 5,000	1,050	3,018,668	1.27
5,001 – 10,000	420	3,338,076	1.40
10,001 – 100,000	477	13,346,227	5.61
100,001 – 999,999,999	52	217,683,813	91.50
Total	**3,043**	**237,917,873**	**100**

There were 359 holders of less than a marketable parcel of ordinary shares, based on the Company's closing market price of $1.51 on 11 April 2024.

Shareholder Information

Twenty largest security holders of ordinary shares as at 11 April 2024

The table below lists the 20 largest shareholders as named on the Register of Shareholders[1] and includes ordinary shares issued under the Company's executive share plan.

		Units	% of Units
1.	HSBC Custody Nominees (Australia) Limited[2]	61,644,312	25.91
2.	J P Morgan Nominees Australia Pty Limited	46,207,141	19.42
3.	National Nominees Limited	28,026,879	11.78
4.	Citicorp Nominees Pty Limited	25,474,508	10.71
5.	Mr Matthew Gilmour	9,245,200	3.89
6.	HSBC Custody Nominees (Australia) Limited[2]	7,737,464	3.25
7.	G and A Lord Pty Ltd	7,480,000	3.14
8.	Bond Street Custodians Limited	4,032,619	1.69
9.	Microequities Asset Management Pty Ltd	3,410,640	1.43
10.	Mirrabooka Investments Limited	3,401,527	1.43
11.	BNP Paribas Noms Pty Ltd	3,153,212	1.33
12.	Solium Nominees (Australia) Pty Ltd	2,278,493	0.96
13.	BNP Paribas Nominees Pty Ltd[2]	1,469,942	0.62
14.	Neweconomy Com Au Nominees Pty Limited	1,362,711	0.57
15.	M&J Gilmour Super Pty Ltd	1,332,348	0.56
16.	BNP Paribas Noms (NZ) Ltd	1,309,936	0.55
17.	BNP Paribas Nominees Pty Ltd[2]	1,020,062	0.43
18.	Powerwrap Limited	741,135	0.31
19.	Warbont Nominees Pty Ltd	723,552	0.30
20.	Citicorp Nominees Pty Limited	688,390	0.29
Totals: Top 20 holders of fully paid ordinary shares		**210,740,071**	**88.57**
Total remaining holders balance			**11.43**

1. Many of the 20 largest shareholders shown for OFX Group Limited hold shares as a nominee or custodian. In accordance with the reporting requirements, this table reflects the legal ownership of shares and not the details of the underlying beneficial holders.
2. HSBC Custody Nominees (Australia) Limited and BNP Paribas Nominees Pty Ltd are listed twice in the above table as they are registered separately under the same name on the share register.

Shareholder Information

Unquoted equity securities

Securities issued under the Company's short-term incentive plan, as one-off grants and/or executive share plan are subject to vesting conditions which, if met, entitle the holder to ordinary fully paid shares in the Company.

	Number held	Number of holders
Fully paid ordinary shares (unquoted)[1]	2,213,044	7
Performance rights[2]	18,177,428	102

1. This is shares in respect of restricted, allocated shares issued under the ESP approved by shareholders at the AGM in 2018.
2. 11.25 million of these performance rights relate to the Paytron contingent consideration.

Voting rights

Ordinary fully paid shares

The voting rights are governed by clause 37 of the Company's constitution, which provides that every member present personally or by proxy, attorney or representative at a general meeting of the Company shall, on a show of hands have one vote, and on a poll shall have one vote for every share held.

Performance rights

Performance right holders do not have any voting rights attached to the performance rights issued under the Company's Global Equity Plan or legacy incentive plans.

Buy-back

On 23 May 2023, the Company announced an on-market share buy-back program. On 21 May 2024, the Company announced the on-market share buy-back program will be renewed for a further 12-month period. The on-market share buy-back program will be up to 10% of the Company's fully paid ordinary shares for a further 12-month period.

Review of operations and activities

A review of the Company's operations and activities during the reporting period is available within the Directors' report.

Corporate Information

Directors	Patricia Cross Robert Bazzani (Appointed 1 February 2024) Connie Carnabuci Jacqueline Hey (Appointed 1 May 2024) Cathy Kovacs John ('Skander') Malcolm (Chief Executive Officer and Managing Director) Grant Murdoch (Resigned 22 February 2024) Douglas Snedden
Company Secretary	Adrian Wong Rebecca Blair (Appointed 3 October 2023) Brett Farrell (Resigned 29 September 2023)
Annual General Meeting	1 August 2023
Registered Office and Principal Place of Business	Level 19 60 Margaret Street Sydney NSW 2000 Australia Ph: +61 2 8667 8000 Fax: +61 2 8667 8080 Email: investors@ofx.com
Share Register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Australia Ph: 1300 554 474 Email: registrars@linkmarketservices.com.au
Auditor	KPMG Tower Three International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000 Australia
Stock Exchange Listing	OFX Group Limited shares are listed on the Australian Securities Exchange: OFX
Website	www.ofx.com

OFX Group Limited
ABN 12 165 602 273