Annual Report

2021

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OFX

Human and digital

OFX grew from the idea that there had to be a better, fairer way to move money around the world. That was 20 years ago, and we're still driven by the same mission today.

We believe real help from real people counts, and that's why we offer our clients the best of both worlds – an easy-to-use digital platform, combined with 24/7 phone access to our currency experts (we call them OFXperts).

Financial Highlights

FY21 Underlying EBITDA

$30.4m

First half $10.8m
Second half $19.6m

FY21 Underlying NPAT

$13.5m

First half $3.2m
Second half $10.3m

Net cash held (as at 31 March 2021)

$60.6m

Statutory NPAT

$12.8m

Operational Highlights

Total transfers (turnover) up

1.4%

Transactions

1.4m

Corporate new revenue up

29.8%

Revenue from existing clients

79%

Net promoter score

68.7

From the Chairman

Fellow Shareholders,

We continue to operate in a very uncertain world. In this context, our investments, our execution and our culture come under the sharpest scrutiny. I am pleased to share that execution and progress against our strategic priorities remains on track and that the Board and I are very clear that we are building a more valuable Company.

Our industry

We operate in a global industry – payments – that is large (estimated to be more than $130 trillion by turnover), highly regulated (we are licensed in over 55 different regulatory regimes), and highly fragmented (we have seen more than 10,000 new entrants in the last five years alone). In addition to all of this, client expectations grow every quarter – they want faster, cheaper, easier payment transfer experiences.

It is tempting against this backdrop to imagine the only winners will be those who have huge scale, limitless technology and an endless supply of cheap capital to compete with.

We don't subscribe to this view of our industry. In fact, our view is that:

- The entire industry is underpinned on trust. There are almost no physical exchanges, in fact none across the $25 billion+ in cross-border payments that we supported, so clients have to have faith in our technology, our people, our culture, our regulators and our experience in operating through cycles. Trust has to be earned and it takes time. However, you can lose it in hours.
- Whilst we see scale as an advantage, we don't believe it will be a 'winner-take-all' industry. We see segments, of a sizeable nature, that value a great digital plus human experience – fast and reliable but with the opportunity for human interaction if required.
- We don't believe all payments segments will be commoditised. While some segments, typically low value segments, certainly will be, there will remain large segments where clients appreciate added value features, which is where we're focusing our offering.
- The availability of cheap capital has led to a deluge of new entrants and innovation, which is healthy; but capital alone does not win, and the cost of capital is unlikely to remain at historic lows forever. Business models that succeed through the cycle do not rely solely on cheap capital.
- Regulators, rightly, are becoming increasingly concerned with business models that do not have the solid risk management and compliance foundations that are set up to measure, monitor and address the risks inherent in the transfers of huge amounts of money. At OFX we have our risk management and compliance regimes tightly infused throughout our culture, our people and our operating mechanisms.

Executing and creating value

To build a valuable Company, management must execute well in the environment they are in and build for the future. It is unacceptable to sacrifice one for the other, especially in financial services and payments.

Skander will touch on the trading highlights, but from the Board's perspective I would highlight a few areas that we were particularly focused on.

- Delivering top line growth in our chosen segments, whilst ensuring it is good quality. The growth in Corporate, at 11%, was impressive, especially as we have not seen the substantial losses some of our competitors saw in this segment. The growth in new Corporate revenue also augurs well for our future recurring revenue.
- Delivering a scalable technology platform, that will allow us to grow, remain secure, and drive a great client experience. As I mentioned in last year's letter, we have now invested over $32.3 million in

our technology in the last four years to both deliver what's needed today, as well as create what's needed for tomorrow. We executed well in FY21, keeping operating expenses flat despite transactions growth, and delivered an increase in turnover while losses declined. This, along with improved regulator engagement, builds on the strong foundations of the business, strengthening our outlook for the future. This will continue in FY22.

- Building and improving a world class team. Over the last year Skander and his team have continued, with the Board's support, to grow our investment in Learning and Development, in Leadership Development and in attracting high quality professionals.

We firmly believe we have the best team in the industry as a result of these efforts, and it is incredibly encouraging to see the engagement scores, the diverse representation and the unwanted attrition statistics all improving materially.

Naturally we believe we can do better, and we will continue to build on this strong foundation.

Outlook

In this financial year we remain committed to the strategy we laid out in FY21. We expect to see industry consolidation as business models grapple with the new realities and players look for scale. We are very supportive of the management team in their efforts to grow Corporate, grow our Online Seller segment and win new Enterprise clients. We are working more closely than ever on our risk management programs, especially in cyber and operational risk, and we expect to see growth in revenue that is delivered in a sustainable way.

I want to thank my fellow Directors for their dedication and commitment when the Company needed it. Whilst we were sorry to lose Lisa Frazier from our Board, we are delighted to welcome Cathy Kovacs to it. Cathy brings a strong industry track record, particularly in Corporate Development and Strategy, as well as a creative and inclusive style.

Finally, on behalf of our clients and our partners, I want to thank the OFX team for their extraordinary hard work, skill and perseverance in these uncertain times. Last year you created a more valuable Company for our shareholders and for our society.

Steven Sargent
Chairman
18 May 2021

> "We have focused on building and operating a sustainable company that serves our shareholders, our clients, our regulators, and our employees, as well as society at large."

From the CEO

Fellow Shareholders,

In FY21, we experienced both the highs and lows of competing in a global payments environment in unprecedented times; but through that, we have emerged stronger, clearer about our competitive advantages, and more resolute in our assessment that we are building a more valuable Company.

Whilst our revenues fluctuated, primarily due to the uncertainty in global environments causing a decline in Consumer activity, our strategic pivot to Corporate, Online Seller and Enterprise has proved very worthwhile, with each of those segments growing globally in very difficult conditions. That growth has also been underpinned by substantial improvements in our technology and operations – highlighted by the fact that we processed 1.4 million transactions, an increase of 26%, whilst holding our operating expenses flat. Furthermore, we did that against a clear increase in our investment in both technology and commercial initiatives (people and marketing). In Corporate alone we are seeing very encouraging signs of progress, with revenue from Corporate clients up 29.8% – the fastest growth in new Corporate revenue in over 10 years.

Trading highlights

- Revenue of $134.2 million, down 2.2%, however within that:
  - Growth in Corporate revenue of 11%
  - Growth in Online Seller revenue of 11%
  - North America revenue growth of 5.2%
  - Australia and New Zealand revenue growth of 1.4%, and within that, Corporate revenue growth of 23.8%.
- Operating expenses were up by only 0.7%, despite the increase in expenses driving commercial initiatives.
- Underlying EBITDA of $30.4 million.

Building a more valuable Company
Investing through the downturn

In an era of extended ultra-low interest rates, finding what represents enduring 'value' is difficult for investors. To add to that, the substantial changes we can already see in the global economic environment, as well as the ones we cannot yet see, makes the picture even more difficult. At OFX, the management and the Board believe the sources of a more valuable company are:

- Continued strong cashflow generation.
- Strong and sustainable revenue growth, with operating leverage.
- A substantial total addressable market that we can grow into.
- Value proposition(s) that are difficult to execute consistently, or replicate.
- A strong risk culture that protects clients, shareholders and staff from those who seek to take shortcuts.
- A strong, global operating model, led by a team that wants to make a difference, and overseen by a Board that has relevant experience and can ask the right questions of management to grow value.
- A scalable global platform – both in terms of a strong technical infrastructure and through our operational execution, that, when harnessed well, delivers an outstanding client experience.

With these in mind, in FY21 we continued to invest and execute in building a more valuable company. For example:

- Our investment in Online Sellers, starting in 2016, grew to $2.5 million across people, systems, marketing, risk and operations. In FY21 we supported $2 billion in turnover, and are well represented in every major region and marketplace as this segment grows.
- Our value proposition in Corporate continued to be refined, and our investment in more marketing, a better commercial program and deeper client engagement delivered 11% growth.
- Our investment in the Enterprise segment grew to $2.8 million across technology, marketing, operations, risk and commercial areas. We won new clients and grew our pipeline.
- Our investment in Transaction Monitoring, in electronic verification and in fraud management over the last three years has meant whilst we supported 26% more transactions, our operating expense was flat across risk, and our losses actually declined.
- Our teams globally, despite the most difficult environment we have seen through COVID-19, told us they were more engaged (engagement score up 11%) because of the increased attention to learning and development, the flexibility in their roles, and their trust and confidence in our leaders.

Global highlights

Our global operating model and presence in all the major regions continues to be a source of competitive advantage as it is highly valued by our clients and is difficult to execute well over time. During FY21 the regions performed well, noting that economic conditions varied, with United Kingdom/Europe being the hardest hit in terms of GDP and confidence.

Our Asia Pacific team performed strongly. Revenue was down 0.6% overall, however, excluding Consumer was up 20.4%, underpinned by a strong performance in Australia and New Zealand and particularly strong delivery in both the Corporate and Online Seller segments. Asia has also reset well and we are now seeing positive momentum, especially in Corporate. Australia has led the company globally in resetting and improving our existing Enterprise relationships, as well as both winning new relationships and building a pipeline of future opportunities.

The United Kingdom/Europe saw revenues decline 16.7%, driven by the economic and political difficulties associated with both COVID-19 and Brexit. However, the team has continued to focus on managing our risks well and has secured a new European licence with the Central Bank of Ireland, which will be the platform we need to push further into Europe in the future. We have also grown our commercial investment, substantially increasing our marketing investment with good traction. Whilst it has been a tough backdrop, we are very happy with the way the team has managed its risks, continued to find new opportunities, and continued to serve our clients to the highest standards.

Our North American team also performed strongly, growing revenue 5.2%. Pleasingly they have delivered growth in the Corporate and Online Seller segments as well as growth of 14.6% in the Consumer segment in 2H21 vs 1H21. Further, they have implemented stronger disciplines and technology in our risk approach, leading to a reduction in losses. They grew Corporate at the fastest rate ever, and we can see a good pipeline of Enterprise opportunities. We were sad to farewell Lisa Frazier, who was Chair of USForex and CanadianForex, but we were delighted to welcome Len Shen, an outstanding Risk and Compliance professional, to chair USForex and CanadianForex. We continue to see strong growth in North America as a critical strategic imperative.

Conclusion

Overall, whilst results fluctuated, we are pleased with the progress we made in FY21. We are, no question, a stronger and more valuable Company. We are better equipped to win in a post-COVID era, and morale is strong.

Thank you to our investors, for investing in us this year. It has been a very unusual year for markets, but the OFX model and the OFX team have operated well.

A big thank you to the Board for all your counsel, it has been very reassuring to be able to access your experience in these times. Thank you also to our loyal clients. We never take your custom for granted.

Finally, a big thanks to all the dedicated OFXers who make this such a great Company for all your hard work, for your enthusiasm and for your support for each other in building this great Company.

Skander Malcolm
Chief Executive Officer and Managing Director

18 May 2021

Executive Team

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

Skander joined OFX in February 2017 and has more than 26 years' experience in financial services across consumer payments, consumer finance, joint ventures, partnerships, commercial lending and leasing and digital. He has worked in Australia, 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.

He holds a Bachelor of Economics from University of Sydney and is a Member of the Australian Institute of Company Directors.

Selena Verth | Chief Financial Officer

Selena joined OFX in October 2017 and has more than 22 years' experience in finance, analytics, M&A and risk across various roles. Her most recent role was Head of Finance – Platforms, Superannuation and Investments and Head of Wealth Analytics and Insight 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 and Chief Risk Officer

Mark joined OFX in January 2018 as Chief Risk Officer and has been Chief Operating Officer and Chief Risk Officer since 1 March 2019. In his role Mark is responsible for the Group's global operations and risk functions. Mark has almost 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 Bachelors 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.

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.

Most recently, 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.

Elaine Herlihy | Chief Marketing and Product Officer

Elaine commenced her role as Chief Marketing Officer at OFX in May 2019 and was appointed to the role of Chief Marketing and Product Officer in August 2020. She has over 20 years' experience in strategic marketing, brand, communications and sales in FinTech, Banking, Superannuation and Media (B2C and B2B). As Marketing Director at PayPal Australia, Elaine was responsible for driving customer growth and engagement across both the consumer and merchant portfolios and building the PayPal brand in Australia. Prior to joining PayPal, Elaine spent eight years at Westpac Group leading brand and marketing functions across both Westpac Bank and BT Financial Group's Superannuation business. Elaine also worked in a variety of marketing and communications roles over a nine-year period at Reuters in London.

Elaine holds a Bachelor of Commerce from University College Dublin and a Higher Diploma in Marketing Practice from the Smurfit Graduate School of Business in Dublin. She is a Graduate of the Australian Institute of Company Directors and is an Independent Director of Mine Super and the PayPal Giving Fund in Australia.

Alfred Nader | President, North America

Alfred joined OFX in September 2019. He has over 20 years' experience in all aspects of cross-border payments and foreign exchange, having held senior management positions at Western Union and Travelex.

Before joining OFX, Alfred was Regional Vice President for Latin America and the Caribbean for Western Union Business Solutions (WUBS) and was responsible for all WUBS activities in the region. While at WUBS, Alfred also served as Vice President of Corporate Strategy and Development working in M&A and negotiating international partnership deals. Prior to that, he held several senior roles with Travelex Global Business Payments.

Alfred holds a BBA from The George Washington University and an MBA from MIT's Sloan School of Management.

Sarah Webb | President, United Kingdom and Europe

Sarah joined OFX in December 2018 as President, United Kingdom and Europe and has more than 20 years' experience in payments and a track record of developing client relationships, product initiatives and building profitable businesses. Prior to this, Sarah held the role of Managing Director, Global Payments Networks at Barclays, where she led a team responsible for managing strategic partnerships across credit and debit portfolios globally as well as leading the Barclaycard PSD2 program. Before joining Barclays, Sarah was Head of Global Product Management, Commercial Payments, at American Express.

Sarah holds a Bachelor of Science (BSc) degree in Maths with Management from Imperial College, University of London.

Yung Ngo | President, Asia Pacific

Yung joined OFX in March 2019 as President, Asia Pacific. Yung has over 20 years' financial services experience having held senior management positions at Westpac, St.George Bank and GE Capital leading large-scale operations across retail banking, home lending and commercial finance. He has extensive experience driving growth across multiple channels including direct to consumer and businesses, business partnerships and third party as well as call centre distribution.

Prior to joining OFX, Yung led Westpac Premium's business in New South Wales, the United Kingdom and Asia.

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.

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 most recent 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 Masters of Business Administration (University of New England) and a Bachelor of Speech Pathology (University of Queensland).

Elisabeth Ellis | Chief Legal Officer and Company Secretary

Lis joined OFX in September 2019. With more than 25 years' experience as a corporate and commercial lawyer, Lis has worked in Australia and across Asia, based in Sydney, Hong Kong, Mongolia and Thailand. Lis has extensive commercial and negotiating experience, as well as deep experience navigating varying legal and regulatory systems across multiple jurisdictions. Before joining OFX, Lis was a partner at MinterEllison, where she worked for 19 years. Prior to that she worked at Allens Arthur Robinson.

Lis holds a Bachelor of Science and Laws (Honours) from the University of Sydney and is admitted to practice law in New South Wales (1993) and Hong Kong (1999). She is a Graduate of the Australian Institute of Company Directors.

Environmental, Social, Governance

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CEO's message

At OFX we embrace the notion that 'making a difference' is why we work at OFX. That translates to all our stakeholders – our clients, our communities, our investors, our regulators and our people.

We are committed to making a difference through our Environmental, Social and Governance (ESG) program. We will build upon prior work as well as undertake a review of our program to see how we can make it better, including building a better framework. This framework will enable us to identify, assess and manage those ESG issues which are most relevant to our business. This includes the way we price and sell our products and manage client privacy and data security, as well as our environmental and other social responsibility considerations.

I'm pleased to say that we continued to make progress across each of our ESG pillars in FY21, including developing a Group philanthropy strategy to guide us in more effectively supporting community causes that align with our purpose and values.

In the following pages, we call out our key achievements across each of our ESG pillars, as well as what we aim to achieve in the year ahead. We are proud of how we are seeing our ESG work take shape and we look forward to developing this further to the benefit of all our stakeholders.

Introduction

OFX recognises the constantly evolving sustainability and social requirements and our responsibility to provide transparent reporting against these requirements to our stakeholders.

ESG Framework

Our ESG Framework sets out the pillars that underpin our approach to the key Environmental, Social and Governance issues that OFX has assessed as the most critical in relation to the Company and its stakeholders. Of these, we recognise that the key issues for OFX include:

- Selling Practices (see Social – page 17);
- Data Security (see Governance – page 26); and
- Customer Privacy (see Governance – page 28).

This is aligned with the key issues identified in the Sustainability Accounting Standards Board materiality map as the material issues that are most likely to impact the financial condition or operating performance of a company operating in the consumer finance industry.

The ESG Framework adopted by the OFX Board of Directors in March 2021 will be reviewed annually and updated as required.

ESG Report

Formal reporting assists the Company to demonstrate transparency in the way we manage a range of economic, environmental and social practices and performance across our ESG Framework. We are committed to regular measurement, improvement and reporting against targets as a driver of the long-term performance of our business.

Our FY21 ESG Report is published for stakeholders to understand OFX's ESG approach. It highlights the important achievements the Company has made over the past year and outlines the further work prioritised for the year ahead. The objective of our ESG Report is to act as a benchmark from which to measure future progress.

This report was approved by the OFX Board of Directors on 18 May 2021.

ESG pillars

Cybersecurity and privacy

Systems and rigour
Technology
Our people

Local and global environments

Energy footprint
Waste management and recycling
Water management
Education and community involvement

Fraud prevention and protection

Processes, teams and systems
Technology
Working with regulators and stakeholders

Community

Connecting people globally
Supporting global trade
Selling practices
Community partnerships
Transparency in pricing/product
Volunteering and fundraising
Ethical and sustainable practices

People

Culture and values
Employee engagement
Diversity and inclusion
Wellbeing and safety
Talent development
Employee value proposition

FY21 key achievements

Environment

100%

Energy efficient technology platforms that are **cloud-based**

Laptops and electronic signing have almost **eliminated our need to print**

Head office has a

4.5

NABERS energy rating

Social

Upfront transparent pricing

11%

increase in **employee engagement**

33% female representation on the board and

50% female representation on the Global Executive

Selling practices **aligned** with **customer outcomes**

No like-for-like gender pay gap

MAKE A DIFFERENCE DAY

Introduction of **paid volunteering leave**

Governance

Adoption of a data strategy to support **protection of our client data**

Global **privacy policy**

Multi-factor authentication for online account access

Enhanced device biometrics to protect our customers from online threats

Environmental

Doing our best for our local and global environment

The nature of OFX's business, driven by our human + digital offering, means that OFX is not a high consumer of energy, however, we have taken steps to mitigate and monitor this. We are committed to educating our people on their impact on the environment and we encourage our people to seek opportunities to participate in community initiatives that impact on the environment both locally and globally.

Energy footprint

At OFX, we consider the environmental impact of our operations and take steps to reduce our energy footprint. This includes:

- Our business is 100% cloud based, which means that we do not run data centres;
- Minimising energy use as much as possible in our office locations with energy-saving sensor settings for lighting, heating and cooling and monitors;
- Our head office in Sydney has a National Australian Built Energy Rating System (NABERS) Energy rating of 4.5 stars (between Good and Excellent and better than the average star rating for office buildings (2,800 audited) of 4.32).

A significant source of energy use is our technology platforms. Our business is 100% cloud-based and OFX hosts its technology with Amazon Web Services (**AWS**) (the Company's largest supplier).

AWS's infrastructure is 3.6 times more energy efficient than average data centres and customers leveraging AWS perform the same task with an 88% lower carbon footprint.

Waste management and recycling

We aim to reduce waste generated from our business operations through our waste practices including:

- Encouraging our people to consider the environment in their daily activities at OFX and providing facilities to recycle materials such as paper, cardboard, plastics, glass and other recyclables. We also provide facilities for the collection and re-use of organic food scraps;
- Providing our people with laptops so the need for printing is significantly reduced and where printing is required, our printers have default settings to print in black and white and double-sided;
- Utilising e-signature tools for execution of documents, significantly reducing the need to print documents; and
- Mirvac, the landlord for our Sydney office, is on track to meet its zero waste goal by 2030.

Education and community involvement

We regularly educate our people to consider the environment in their activities at OFX. We provide educational information about recycling in our internal communications and employee resources, and participate in environmental initiatives such as Earth Hour and Clean-Up Australia Day.

Water consumption

Our head office has a NABERS water rating of 4.5 stars (between Good and Excellent and much better than the average star rating for office buildings (2,800 audited) of 3.93).

Our FY22 environmental initiative commitments

In FY22 we will:

- monitor paper, electricity and water consumption;
- enable universal adoption of e-signature tools to further reduce printing of documents for signature;
- recycle ink and toner cartridges to reduce landfill;
- participate in technology recycling programs that allow credit for trade-ins on used equipment and donation programs for charities;
- continue to educate our people on ways to minimise their impact on the environment, including when working at home;
- actively promote involvement in community activities to improve our local and/or global environment; and
- minimise employee travel and investigate carbon offsets for air travel.

Social

Our role in the community

Moving money safely around the world

As a business that moves millions of dollars for clients around the world every day, it is critical that OFX manages its risks in a way that maintains the trust of our clients and banks and meets the expectations of regulators. We have a strong culture of risk and compliance, with particular emphasis on the responsibility that OFX has as an international money services provider to help prevent and detect financial crime.

We invest in each of the following to maximise the protection available to our customers:

- **Banking relationships**
- **Systems and security**
- **Fraud protection technology and set-up**
- **Our processes, teams and systems**

Selling practices

An OFX value is 'Inspiring Customer Confidence'. This reflects the critical importance we place on maintaining customer trust in the way we do business. Our people, including our sales teams, are subject to the OFX Code of Conduct which requires that they:

- conduct themselves with openness, honesty, fairness and integrity, and in the best interests of OFX and its stakeholders, including the general public; and
- act ethically in their approach to business decisions and be fair and reasonable in dealing with customers and suppliers, including negotiating and administering contracts and other business relationships.

As part of our continued focus on risk management, we also seek to ensure that our remuneration framework encourages effective management of non-financial risks by focusing on the way in which sales are made.

In response to the Royal Commission into Misconduct in Banking, Superannuation and Financial Services, in early 2019 we undertook a review of the Company's remuneration practices including any commission arrangements in place for sales and customer service positions. The key objectives of this review included ensuring that the incentive arrangements for these roles:

- Are equitable and transparent and are aligned to our corporate objectives including optimal customer outcomes; and
- Operate within a strong risk management framework and are reflective of the regulatory environments in which we operate.

The outcome of that review was to replace a number of existing commission-style sales plans with time-limited or quarterly short-term incentive (STI) plans for the majority of our front line sales roles globally. This change was designed to drive positive behaviour, to protect against inappropriate selling practices and provide transparency with respect to our remuneration arrangements. Only sales roles whose target customers are more sophisticated larger

Social continued

corporates or large enterprise clients remain on commission-style plans in line with the market practice of sales employees who bring in new business on a longer sales cycle.

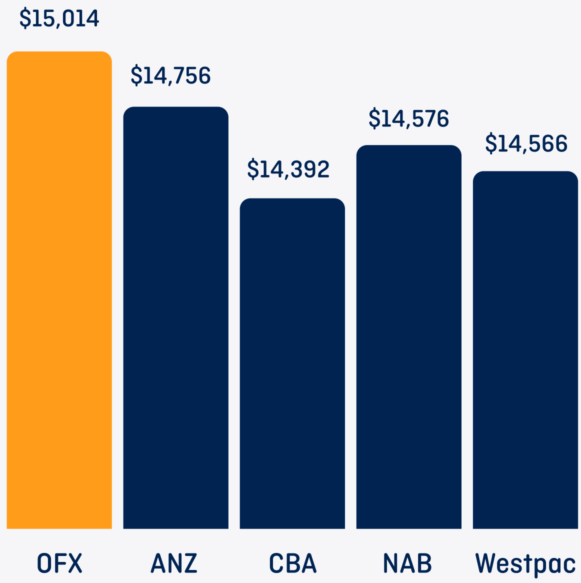
Our Quality Assurance processes for sales performance include supervisors listening in on calls made by sales team members to ensure adherence to appropriate selling practices. As part of our risk governance framework, we have quarterly Executive Risks Committees where we review risk issues across our business. In addition, an Employee Incentive Governance Committee comprising the Chief People and Culture Officer and the Chief Financial Officer meet quarterly to assess sales employees' behaviour before incentive payments are made. In FY21, this Committee withheld incentive payments on two occasions, including where there had been a failure by a sales employee to comply with the Company's policies.

Other practices that support the integrity of our selling practices include:

- Our sales teams do not provide financial advice. We educate sales teams on the need to ensure that they are not providing advice and our quality assurance processes include supervisors listening in to calls to ensure financial advice is not provided;
- 70-80% of OFX's sales come through digital acquisition channels (with over 80% coming through OFX.com). This digital experience is consistent for every customer and negates the risk of unethical selling practices by individual sales team members;
- OFX does not engage outsourced sales agents thereby further minimising the risk of inappropriate selling practices. Our referral partners refer opportunities to OFX and do not engage in sales activities on our behalf; and
- We have a complaint handling process and voice of customer program whereby we receive direct feedback from customers. This feedback is used to manage customer issues and to improve our front line coaching and training programs.

Rate comparison table

What could you save using OFX vs. Bank? Transfer AUD$20k to USD and you could get up to USD$622 more this month.



The comparison savings are based on a single transfer of AUD$20,000 to USD. Savings are calculated by comparing the exchange rate including margins and fees provided by each bank and OFX on the same day (1 April 2021). Pricing data is provided by an independent third party, FXC Intelligence Ltd. The comparison savings provided is true only for the example given and may not include all fees and charges. Different currency exchange amounts, currency types, dates, times and other individual factors will result in different comparison savings. These results therefore may not be indicative of actual savings and should be used only as a guide. The rate comparison chart is updated monthly.

Transparency in pricing and product

We are committed to product information transparency to enable customers to choose the most suitable product for them. We aim to provide a competitive price that reflects the value of the service we offer. We offer 'bank-beating' highly competitive rates, plus support to make better decisions to clients who value the best of digital experience and human touch.

In our Australia, USA, UK and Canada markets we publish on our home page an example comparison of the savings our clients can enjoy versus banks. Savings are calculated by comparing the exchange rate including margins and fees provided by each bank and OFX on the same day. Pricing data is provided by an independent third party.

We provide transparency to our clients of their rate, up front, prior to booking any transfer. We disclose the customer rate inclusive of our OFX margin and any OFX fee and the recipient amount.

Connecting people globally

We're a team of experts, here to help our clients every step of the way. With offices around the world, our business day follows the sun so, regardless of the time, there is always someone available and willing to help when it matters most.

We are here to support our clients to move money in over 50 currencies, helping to:

- **Support the global workforce**
- **Support loved ones**
- **Keep businesses moving with cross-border trade**

Supporting successful business cross-border trade

We believe informed decisions are the best decisions. We share insights that will help make a difference to the way individuals and businesses move money internationally. We invest time and resources to improve financial literacy when it comes to foreign exchange.

We build genuine relationships with our clients to help them navigate the complexity of market movements. Currency volatility can make it hard for any business to judge foreign exchange markets. Working with a currency expert to develop a currency plan to safeguard against negative market movements can help to relieve uncertainty and provide greater confidence when it comes to running a business.

We provide practical and accessible tools to share knowledge of global events and their impact on FX markets with:

- Daily or weekly commentaries; and
- Monthly Currency Outlooks:
  - A snapshot of what could impact the major currencies in the month ahead, in an easy-to-digest one-page format; and
  - Articles that empower our clients by explaining important currency market trends and drivers.

Community partnerships

During FY21 we commenced work on a Group philanthropy strategy to support causes that align with our purpose and values. Supporting victims of financial crime is a cause that aligns not only with our purpose but also with our value of inspiring customer confidence and keeping our customers at the centre of everything we do. We have commenced a process of identifying organisations that would benefit from sharing our risk management expertise and other skill sets to establish volunteer programs for OFX employees.

As part of our commitment to being an organisation that Makes a Difference, we promote the work of charitable organisations through our internal communications and encourage our people to support social causes through not-for-profit organisations that align with our purpose and values. This includes opportunities to support charities through fundraising and donations, and through volunteering opportunities.

OFX's philanthropic approach is based on a philosophy of giving back to the communities in which we live and operate through:

- Group-level support for the global charity, Save the Children, which focuses on at-risk children around the world;
- Support by our offices for local charities; and
- Employee-driven fundraising and donations.

Save the Children is an aid and development agency with a global vision and strategy for improving the lives of children worldwide. This charity was selected by OFX to partner with because of its:

- Alignment to our desire to support victims of financial crime, many of whom are children;
- Recognisable and trusted reputation which is well known to OFXers globally;
- Global reach, enabling all OFXers to make a connection locally; and
- Work in 'making a difference' in the lives of vulnerable and disadvantaged children.

Social continued

Volunteering and fundraising

Our people are provided with a paid Make a Difference Day annually (in addition to their annual leave) to participate in charitable programs that benefit the community. Whilst COVID-19 limited people's ability to utilise Make A Difference days in a safe way in FY21, we were still able to support charitable causes throughout the year including:

- Members of our OFX London team (virtually) rowing, running, jogging, walking and cycling 346km in aid of London Youth Rowing, a charity that supports the health and fitness of young people from London's most disadvantaged communities, as well as Explorers Against Extinction which promotes conservation and protection of rare and endangered species and their environments;
- Our London business partnered with Ethical Angel this past year to keep people engaged and support communities during lockdowns. Our people delivered projects including a social media strategy review and T-shirt and logo designs;
- Members of our OFX North America team supporting Dress for Success through employee donations and Surge for Water through corporate donations;
- Members of the OFX Australia team supported the local environment by organising a waste clean-up in Sydney's CBD as part of Clean Up Australia Day; and
- As part of our support for International Women's Day, partnering with Dress for Success and supporting their Empower Hour campaign to raise money and awareness for women (mostly from disadvantaged backgrounds or who have experienced domestic/family violence) seeking financial independence through employment.

Ethical and sustainable business practices

OFX recognises that as a global business and as a significant purchaser of goods and services we have a responsibility and opportunity to help eradicate modern slavery. We also recognise that our commitment to this is essential to running a sustainable business. We understand the importance of responsible procurement and ensuring that environmental, social and ethical considerations are taken into account when making procurement decisions.

OFX has issued a Modern Slavery Statement regarding the risk of modern slavery in the operations and supply chain of OFX Group Limited (and its owned and controlled entities), as well as the steps it has taken to respond to the risks identified (refer to our website for details).

OFX has a global supply chain made up of approximately 1,500 direct suppliers. 494 suppliers which are considered to be more at risk of modern slavery have been assessed by reference to OFX's Risk Assessment Framework. 15 were identified as being higher risk having regard to industry or geography.

We have undertaken the following in FY21:

- Conducted a gap analysis of our current practices against the Australian Modern Slavery Act requirements;
- Identified key modern slavery risk factors for our business;
- Adopted a Risk Assessment Framework;
- Mapped the OFX Supply chain and identified categories of high risk vendors;
- Updated contract templates used by OFX to specifically oblige our counterparties to avoid modern slavery;
- Updated our Code of Conduct to reflect the Company's position on human rights; and
- Updated our Whistleblower Policy to provide a clear grievance channel for employees and suppliers to use in managing modern slavery.

> We recognise that as a truly global business and as a significant purchaser of goods and services we have a responsibility and opportunity to help eradicate modern slavery.

Our FY22 Community commitments

In FY22 we will:

- Further develop and implement our philanthropy strategy to increase our contribution to causes aligned with supporting victims of financial crime. This will include:
  - Sharing our risk management expertise with identified organisations through OFX employees volunteering their time and expertise;
  - Implementing our employee-driven community support by enabling OFXers to nominate and vote for local charities they care about each year to receive a contribution from the Corporate philanthropic budget. This is another way for OFXers to 'make a difference' locally in their own communities; and
  - With the loosening of lock-down restrictions, create more opportunities for employees to volunteer for local charities in team activities which support a community need and 'make a difference'.
- Explore potential partnerships and community engagement opportunities that enable OFX to support Indigenous education and employment;
- Further develop our response to the risk of modern slavery by:
  - Undertaking enhanced due diligence on high risk vendors;
  - Adopting an updated Vendor Management Policy to require ongoing due diligence and oversight of modern slavery risks;
  - Updating the Employee Handbook to reflect the Company's position on human rights;
  - Instituting online training for all management and staff on OFX's requirements;
  - Engaging with suppliers in the highest risk profile groupings to assess exposure to modern slavery practices; and
  - Considering the benefits of a stand-alone human rights policy to expressly articulate our approach to human rights and modern slavery.

Social continued

Our people

Our people are central to the success of our business. We provide a Human + Digital offering under a global operating model that allows us to be available for our customers 24/7.

OFX employs over 400 people across Asia Pacific, North America and the United Kingdom and Europe. This includes permanent employees, casuals and maximum-term contractors.

Our culture is underpinned by our values which guide how we work, how we interact with each other and how we engage with our customers. They help distinguish us from our competitors and build a brand that reflects the character of our business:

- We are better together – we are stronger as one team.
- Push Boundaries – discover what is possible.
- Get (the right) Stuff Done – own it, execute it, deliver the exceptional.
- Inspire Customer Confidence – we keep the customer at the centre of everything we do.
- Always Keep Learning – share your expertise. Learn from others.

From these values, we have developed Personal and Leadership Attributes that define what we expect of our people and our leaders.

These are brought to life and supported by our reward and recognition programs and our internal communication channels, such as our quarterly employee town halls, our fortnightly Company newsletter Hello OFXers, and blogs from the CEO and other members of the Global Executive Team. They are also reflected in our branding internally and externally, visually in our office space as well as reinforced through the design of our performance management system. Our Personal and Leadership attributes also operate as a benchmark for assessing talent in our recruiting process and for talent management and succession planning.

We are better together
We are stronger as one team.

Push boundaries
Discover what is possible.

Get (the right) stuff done
Own it, execute it, deliver the exceptional.

Inspire customer confidence
We keep the customer at the centre of everything we do.

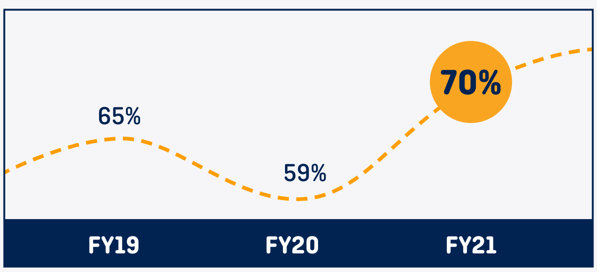
Always keep learning
Share your expertise. Learn from others.

Employee engagement

In December 2020, we conducted our annual employee engagement survey and the results indicated an 11 point increase in employee engagement year-on-year.

The increase in engagement was very encouraging and was driven by a combination of strong leadership, the flexibility we provided employees and our commitment to retain staff during the pandemic. Feedback and the lessons we have learned over the past year have informed a set of guiding principles we intend to utilise in how we work effectively moving forward. Another major driver of the increase in engagement was the role that leaders and managers played over the past year. Trust and confidence in our leaders and the critical role managers play in keeping people informed and caring about the wellbeing of their team members came to the fore in FY21.

Employee engagement



Diversity and inclusion

Reflecting the diversity of our customers, other stakeholders and the communities in which we operate enables us to better understand and serve their needs, build trust and make better business decisions. OFX is committed to building a culture and working environment in which our people can thrive, feel comfortable and respected and be themselves at work.

OFX seeks to leverage the value that comes from people who have diverse backgrounds, knowledge, lived experiences and perspectives. The Company defines diversity as all the characteristics that make individuals different from each other including but not limited to work background, age, gender, gender identity, marital or family status, cultural background or identity, socio-economic background, ethnicity, people with disabilities, religious belief, sexual orientation, perspective and experience. As such, OFX policies, benefits and practices are inclusive of these diversity dimensions.

OFX is committed to supporting and further developing diversity and inclusion at all levels of the organisation by attracting, recruiting, engaging, rewarding and retaining diverse talent and aligning our culture and people systems and processes with this commitment. To support an inclusive workplace, any form of unlawful discrimination, harassment, bullying, vilification and/or victimisation will not be tolerated.

Each year, OFX's Board commits to measurable diversity and inclusion objectives against which progress is reviewed at the end of the year.

Our diversity and inclusion efforts in FY21 are reflected in the following:

- 43% of OFX employees are female; our Board is 33% female; our Global Executive Team (CEO + CEO-1) is 50% female and our Senior Leadership Team (CEO-2) is 43% female;
- Our talent management processes support equal access to promotion and succession opportunities and are managed with a gender diversity lens, focusing on diverse emerging talent;
- We provided education and training to all people leaders to ensure all hiring processes consider a diverse range of candidates;
- We provided inclusivity and unconscious bias training for all of our people as part of continuing to embed a culture of diversity and inclusion across OFX;
- Our people complete anti-harassment, anti-bullying and code of conduct training on an annual basis;
- We have collected point-in-time data on other diversity dimensions including cultural and linguistic diversity, age and sexual orientation to monitor the degree to which we reflect the communities we serve and to inform our programs of work;
- We provided gender neutral paid parental leave and a parental leave engagement and support plan to support people before and during their parental leave and after their return to work. They also have access to a mentor to support the transition back to work and access to Keeping in Touch days, designed to keep employees up to date with what is happening across the organisation and to hear from other employees who have made the transition back into the workplace; and
- We introduced domestic violence leave for our employees globally, regardless of gender or orientation, which provides for two weeks of paid leave for any OFX employee if they or someone in their family is experiencing family and domestic violence and one week of paid leave for any employee who is supporting an immediate family or household member who is experiencing family or domestic violence.

Social continued

Pay equality

Every year, we undertake a pay equity analysis to review the pay levels of women and men in the company. Of the 11 role types across OFX that enable 'like for like' comparison of pay, there were small gaps in base pay in favour of both males and females, none of which indicated systemic gender bias. On an overall basis, when averaging base pay of all Australian-based employees (excluding the CEO), the average female base salary is -9.5% compared to average male base salary as at 31 March 2021 (down from -10.6% in FY20 and -12.2% in FY19). This is compared to a 15% base salary pay gap across all industries in Australia and a 23% base salary pay gap in Auxiliary Financial Services (WGEA November 2020). This overall gender pay gap reflects the opportunity for OFX to continue to progress female representation at higher levels (therefore higher remuneration levels) of the Company and to continue to conduct pay equity analyses to identify areas in which to take specific action.

Wellbeing and safety

The health and wellbeing of our people is paramount and we have a culture (as well as practices and policies) in place that seeks to support to our people.

We have partnered with a wellbeing specialist, Uprise, which is our wellbeing and employee assistance provider and, consistent with the OFX offering, offers a human and digital service. This includes information and advice on managing stress, time management, sleep health, dealing with difficult people, nutrition and exercise, self-esteem and acceptance. Uprise provides training related to working during the COVID-19 pandemic for employees and people leaders. We launched Uprise in the UK in December, and the program is now global.

Our FY22 People commitments

In FY22 we will:

- Implement our approach to the future of work at OFX based on lessons learned and feedback from our people during FY21;
- Maintain minimum 40% female representation on the Global Executive Team;
- Maintain minimum 30% female representation of the Board and increase our target to 40% female representation;
- Increase female representation in Sales/ Commercial roles and Technology roles;
- Target minimum 40% female representation on the Senior Leadership Team (CEO-2);
- Track cultural diversity data on an overall basis and at a senior leadership level on a voluntary and self-identification basis;
- Undertake a survey to establish baseline data on inclusion in the organisation;
- Establish partnerships/community engagement opportunities that enable OFX to support Indigenous education and employment;
- Continue to take a pro-active role in improving the health and welfare of our employees; and
- Continue to review our policies and practices for our people to make a difference and for us to make a difference to them, including rolling out a parental leave toolkit which supports parents – both biological and adopting – from announcement of the pending arrival through to the integration of the parent back into the workforce.

Other wellbeing initiatives in FY21 included:

- Leading with wellbeing training for senior leaders;
- Mindset workshop – helping employees take control of their mental wellbeing and be more efficient, resilient and happy;
- Understanding stress workshop – helping employees understand how stress manifests and the steps employees can take daily to reduce its impact;
- September global step challenge; and
- Our Good Vibes Committee (composed of employee representatives) focusing on supporting remote and in-office social connections through virtual coffee catch-ups, virtual trivia, virtual themed rooms, in-office pizza nights and celebration of cultural events such as Diwali and Lunar New Year.

Talent development

Our people are exposed to opportunities to develop and build their capability. In FY21, we focused on the development of our people to support working remotely given the transition from office based to working from home. The flexibility we offer our people in the future will be further enhanced and will enable us to attract a more diverse workforce and support our people to choose to make work choices that work best to maximise their life requirements, whilst aligning to our customer needs. Over FY21 we have delivered learning and development programs focused on remote working, resilience and wellbeing, leading and managing distributed teams, as well as sales training. We utilise the LinkedIn Learning platform to provide some of our core learning at OFX but this also allows employees to choose their own learning path aligned with personal professional interests.

> **"The health and wellbeing of our people is paramount and we have a culture as well as practices and policies in place that support our people."**

Governance

Cyber security and data

As cyber security poses an increasingly significant threat to our business globally, the security of our customers' data and OFX corporate data is of paramount importance to OFX.

We design, build and manage the security for our global data via:

Our processes, systems and rigour

- We employ an information asset focused approach to cyber security risk management, ensuring appropriate ownership and oversight of systems, data and risks, with ongoing technical reviews of our platforms;
- Cyber security subject matter experts provide oversight, and our risk and internal audit functions undertake independent assurance; and
- We also have security processes that include ongoing technical reviews of our platforms and due diligence of third parties to ensure the presence and assess the effectiveness of our security controls.

Technology

- We continue to invest in our security capabilities and use a range of technologies and security controls to minimise the threat, likelihood and impact of unauthorised access to our networks and systems.

People

- At OFX we all have a responsibility to protect customer and corporate information from misuse, loss, unauthorised disclosure or damage;
- We deliver programs to all employees to foster a strong cyber security culture, including cyber security drills. We provide specialist secure coding training to engineering employees; and
- Our risk and internal audit functions undertake independent assurance.

Measures adopted by OFX during FY21 to enhance data security include:

- Board adoption of data strategy – this will improve and protect the quality of data;
- Amazon Web Services and Google Cloud Platform continue to provide data hosting services. Both vendors are SOC and ISO27000 certified in relation to the security of their data centres;
- Where third parties host OFX services, their physical security controls are assessed as part of the vendor onboarding process and they must comply with OFX's minimum standard and any local requirements;
- Continuous improvement of our Security Operations Center/SIEM solution to maximise coverage over the OFX environment;
- Emphasis of our environment being 'Infrastructure as Code', enabling teams to deliver stable, consistent environments, rapidly and at scale. This automation can remove the security risks associated with human error and prevent runtime issues;
- Adopting revised policies and procedures to ensure compliance with our regulatory obligations; and
- Communication and annual training to raise awareness within OFX of security.

We invest in each of the following to maximise the protection available to our customers:

Banking relationships

Systems and security

Fraud protection technology and set-up

Our processes, teams and systems

Our FY22 cyber security and data protection commitments

In FY22 we will:

- Undertake a review of our network security;
- Implement an enhanced vendor management system, including enhanced information security assessment of vendors;
- Implement and monitor compliance with formal remote working protocols;
- Continue migration of some self-hosted applications to secure cloud environment or managed services;
- Upgrade our Security toolsets – Email Threat detection and Vulnerability management, including automation of Operating System patch management;
- Elevate our BCP/DR procedures to move with the ever evolving working environment; and
- Continue to position OFX for ISO270001 Certification.

> "We continue to invest in our security capabilities and use a range of technologies and security controls to minimise the threat, likelihood and impact of unauthorised access to our networks and systems."

Governance continued

Privacy

Protection of customer and corporate information from misuse, loss, unauthorised disclosure and damage is of paramount importance to OFX. Measures adopted by OFX to ensure compliance with privacy risks include:

- Focus on compliance with relevant global data privacy regulations;
- Adoption of GDPR requirements as best practice in all jurisdictions;
- Mandatory training on privacy awareness for all employees upon induction, with regular updates to ensure a clear understanding of data privacy policy and good practice to enforce a mindset of protecting our customer's data;
- Ongoing enhancement and implementation of policies and procedures; and
- Cyber security systems and rigour.

Specific measures adopted in FY21 to minimise risk of privacy breach include:

- Implementation of updated Global Privacy Policy which adopts GDPR requirements as best practice for customers irrespective of their jurisdiction;
- US Customer Contracts updated for compliance with CCPA;
- CCPA training to all relevant employees in the US and sales support in other jurisdictions;
- New Data Breach Notification procedure implemented in New Zealand; and
- Updated templates and customer terms to ensure compliance and maximum protection.

Our FY22 privacy enhancement commitments

In FY22 we will prioritise:

- Adoption of an enhanced data retention policy;
- Data mapping to streamline compliance with GDPR and CCPA;
- Adoption of a consent preference management centre for customers globally;
- Updating OFX's Privacy Impact Assessment process and ensuring this is imbedded within the new global Vendor Management Policy and procedures;
- Enhanced privacy training for all employees globally;
- Implementation of enhanced data breach response plan and training for all relevant employees globally; and
- Continued updating of templates and customer terms to ensure compliance and maximum protection.

Fraud and financial crime prevention and protection

Fraud prevention is fundamental to the continued success of OFX.

OFX is a global money transfer specialist, with over 20 years' experience and eight offices around the world. With this tenure and global footprint, we see the diverse typologies of criminal financial activity and have built up years of data showing behavioural patterns to look out for.

We continually refine our detection strategies and actively investigate fraud whenever we see it. This is achieved though:

Our processes, teams and systems

- OFX applies sophisticated systems and expertise to detect and prevent fraud and to protect our customers;
- Our people are accountable and empowered to recognise risk. Client facing employees act as a first line of defence against fraud and money laundering and all employees are regularly trained to detect and report potential suspicious activity;
- We maintain experienced and highly capable compliance teams in each of our key regions who support OFX in ensuring we understand our local regulatory requirements and have effective compliance programs in place; and
- Financial crime controls are consistently tracked and discussed at management, executive and Board level.

Technology

- We continue to invest in technology to augment our expertise with the right information to monitor and respond to key risks; and
- Our fraud detection system monitors customer interaction and utilises a multitude of third party information to detect potential concerns such as identity theft.

Working with our regulators and stakeholders

Across our markets we undergo regular independent assessments through audits of our AML programs, banking compliance reviews and regulatory reviews.

We have undertaken the following in FY21:

- Additional screening was put in place for North American customers who send money to OFX by direct debit from their bank accounts. OFX now conducts real time comparison of bank account details provided to us by our customers against the account details recorded by the banks themselves. This protects people from unknowingly having direct debits set up on their bank accounts by someone who has stolen their identity;
- Multi-factor authentication when customers access their accounts online is now in place globally. This authentication helps prevent people from account takeover;
- OFX upgraded its device biometrics to a more comprehensive solution. The new system collects and analyses data on the devices customers use to connect with OFX, alerting us to concerns and protecting OFX and our customers from online threats;
- OFX further enhanced its transaction monitoring platform to support the launch of OFX's corporate receivables product, GCA for Business; and
- Phase 1 of OFX's implementation of advanced document and identification assessment to detect attempts at identity theft or use of fabricated identity documents:
  - OFX has begun screening all North American clients' identification documents against live videos of clients at registration; and
  - Voice biometrics and selfie-generated IDs running across various databases to improve match rates and improve Electronic Pass Rates.

This technology will be further expanded in FY22.

Governance continued

Governance and conduct

Our FY22 fraud and financial crime prevention commitments

In FY22 we will:

- Ensure implementation of leading-edge practices and technologies to support fraud and financial crime prevention will continue. This includes updating our customer risk assessment methodology, implementing a new customer due diligence platform and rolling out documentation verification and facial biometrics software globally; and
- Look at ways in which OFX can further contribute our expertise to relevant public-private partnerships to build strength in the protections in place across the sector as well as to support Police investigations of identified fraudsters.

OFX is committed to being ethical, transparent and accountable. This is essential for the long-term performance and sustainability of the Company. Our Board and management are committed to excellence in corporate governance and aspire to the highest standards of conduct and disclosure. We focus on organisational culture by ensuring our Board and management are informed of incidents that may impact the business and encouraging an environment where our people and stakeholders feel comfortable in raising issues.

Our Board and its committees have responsibility for corporate governance and are collectively focused on the long-term success of the Company. Directors regularly review corporate governance policies and processes to ensure that they are appropriate and meet governance standards and regulatory requirements.

The Company's governance principles are designed to support business operations, deliver on our strategy, monitor our performance and manage risk. For FY21 the Company's 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 2021

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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 2021 (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:

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

Member of the Remuneration and Nomination Committee

Appointed: 1 April 2019

Independent Director

Residence: Sydney, Australia

Connie has over 30 years' experience in legal practice, management and strategy, including significant private practice advice and deal experience in Asia in the technology, telecoms, new media (digital online), FMCG and renewable energy sectors.

Connie has been General Counsel for the Australian Broadcasting Corporation (ABC) since July 2017. Prior to her role at the ABC, Connie was a Partner at Freshfields Bruckhaus Deringer in Hong Kong leading the firm's IP/TMT practice in Asia. She also served as Co-head of the firm's global technology practice. Before moving to Hong Kong, Connie practiced in Australia for 11 years, including as a Partner at Mallesons Stephen Jacques (now King & Wood Mallesons). She began her career as the Associate to the Honourable Justice Wilcox, Federal Court of Australia.

Current directorships (Listed companies): Director Atomo Diagnostics Limited

Interest in shares: 19,332 ordinary shares

Lisa Frazier | Non-Executive Director – MBA, Bachelor of Chemical Engineering, GradDip Finance and Investment, GAICD

Member of the Audit, Risk and Compliance Committee. Lisa also served as an Independent Director on the Company's wholly owned subsidiary boards in the US and Canada.

Appointed: 1 April 2018 (Resigned 19 May 2020)

Independent Director

Residence: Melbourne, Australia

Lisa joined OFX on 1 April 2018 and has 19 years' experience in digital and technology specialising in digital disruption, product innovation, customer experience, data analytics and marketing across the B2B and B2C sectors.

Lisa is currently the Chief Operating Officer of Judo Bank. Prior to that she was VP, Head of Innovation for Wells Fargo. Prior to joining Wells Fargo, Lisa founded her own startup and has held executive roles at multiple startup companies in San Francisco. She has also led digital and agile transformation programs for large companies, such as the Commonwealth Bank of Australia. As a partner at McKinsey & Company in New York, Lisa focused on digital transformation and the development of new business models in Technology, Media and Telecoms.

Current directorships (Listed companies): Nil

Interest in shares: 54,645 ordinary shares

Cathy Kovacs | Non-Executive Director – BComm (UNSW) and MappFin (Macquarie), GAICD

Member of the Audit, Risk and Compliance 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): Nil

Interest in shares: Nil

John Alexander (Skander) Malcolm | Chief Executive Officer and Managing Director – BEc, MAICD

Appointed: 1 February 2017

Not independent

Residence: Sydney, Australia

Skander has more than 26 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

Interest in shares:
2,991,886 ordinary shares (of which 2,430,718 have been issued under the Company's Executive Share Plan)[1]

1. The Executive Share Plan Awards are granted as issued shares and are treated as options for accounting purposes due to the structure of the plan. Refer to Section 5.3 LTI (Executive Share Plan) in the Remuneration Report.

Directors' Report continued

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

Chair of the Audit, Risk and Compliance Committee

Appointed: 19 September 2013

Independent Director

Residence: Brisbane, Australia

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

Current directorships (Listed companies):

Director UQ Holdings Limited

Director Lynas Corporation Limited

Director Auswide Bank Limited

Previous directorships (Listed companies):

Director Redbubble Limited (December 2016 to November 2019)

Director ALS Limited (August 2011 to July 2020)

Interest in shares: 345,000 ordinary shares

Steven Sargent | Chairman – BBus, FAICD, FTSE, GAICD

Member of the Audit, Risk and Compliance Committee and Remuneration and Nomination Committee

Appointed: 4 August 2016

Independent Director

Residence: Sydney, Australia

Steve has over 42 years of global corporate experience in industries including financial services, mining, energy, healthcare, aerospace and defence. Steve's prior executive experience includes 22 years at General Electric, where he led businesses in the USA, Europe, Asia and Australia and NZ.

Steve was appointed Vice President and Officer of General Electric Company in 2008 and was a member of GE's Global Corporate Executive Council, the first Australian to ever be appointed to such positions in GE's history.

Current directorships (Listed companies):

Non-Executive Director: Origin Energy Limited

Deputy Chairman: Nanosonics Limited

Interest in shares: 118,444 ordinary shares

Douglas Snedden | Non-Executive Director – BEC (ANU), MAICD

Chair of the Remuneration and Nomination Committee and 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.

Current directorships (Listed companies): Chairman Isentia Group Limited

Previous directorships (Listed companies):

Director Securities Industry Research Centre of Asia Pacific (SIRCA) Limited (October 2012 – December 2018)

Interest in shares: 100,000 ordinary shares

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

Connie Carnabuci	Non-Executive Director
Lisa Frazier*	Non-Executive Director
Cathy Kovacs**	Non-Executive Director
John Alexander (Skander) Malcolm	Managing Director and Chief Executive Officer
Grant Murdoch	Non-Executive Director
Steven Sargent	Chairman and Non-Executive Director
Douglas Snedden	Non-Executive Director

* Lisa Frazier resigned effective 19 May 2020

** Cathy Kovacs was appointed effective 22 February 2021

The background, qualifications and experience of each of the Directors is included on pages 32 to 35.

2. Company Secretary

Elisabeth Ellis | BScLLB (Hons), GAICD

Lis was appointed as Chief Legal Officer and Company Secretary for OFX Group Limited on 30 September 2019. Lis has more than 25 years' experience as a corporate and commercial lawyer in Australia and throughout Asia, having worked in Australia, Hong Kong, Mongolia and Thailand. Before joining OFX, Lis was a partner at MinterEllison, where she worked for 19 years. Prior to that she worked at Allens Arthur Robinson.

Lis is admitted to practice law in New South Wales (1993) and Hong Kong (1999).

Directors' Report continued

3. Directors' and Committee meetings

The following table shows meetings held between 1 April 2020 and 31 March 2021 and the number attended by each Director or Committee member.

	Board		Audit, Risk and Compliance Committee		Remuneration and Nomination Committee	
Director	Eligible	Attended	Eligible[1]	Attended	Eligible[2]	Attended
C Carnabuci	14	13	By invitation	2	7	7
L Frazier[3]	3	2	1	1	By invitation	–
C Kovacs	2	2	1	1	By invitation	2
S Malcolm	14	13	By invitation	5	By invitation	6
G Murdoch	14	14	5	5	By invitation	6
S Sargent	14	14	5	5	7	7
D Snedden	14	14	5	5	7	7

1. Mr Malcolm and Ms Carnabuci are not members of the Audit, Risk and Compliance Committee; however they attended Committee meetings by invitation.
2. Mr Malcolm, Mr Murdoch, Ms Frazier and Ms Kovacs are not members of the Remuneration and Nomination Committee; however they attended Committee meetings by invitation.
3. Ms Frazier resigned as a Director effective 19 May 2020.

4. Directors' interests

The relevant interest of each Director 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
C Carnabuci	Ordinary	19,332	–	–	–	19,332
L Frazier	Ordinary	54,645	–	–	–	54,645
C Kovacs	–	–	–	–	–	–
S Malcolm	Ordinary	3,598,592	1,152,560[1]	117,900	(1,877,166)[2]	2,991,886[3]
G Murdoch	Ordinary	245,000	–	100,000	–	345,000
S Sargent	Ordinary	100,000	–	18,444	–	118,444
D Snedden	Ordinary	100,000	–	–	–	100,000

1. Shares issued to Mr Malcolm during FY21 comprise:
   - 134,810 ordinary shares issued upon vesting of FY19 STI. These shares are subject to a 12-month holding lock.
   - 937,352 ordinary shares issued under the Executive Share Plan as FY21 LTI incentive, subject to vesting conditions. These shares are restricted until performance measures have been met and the corresponding loan in respect of those shares has been repaid. These shares were reallocated from shares issued on 22 September 2017 pursuant to the Executive Share Plan which were subject to vesting conditions, did not vest and were forfeited on 7 June 2020 in accordance with the terms of the Executive Share Plan. No new shares were issued.
   - 80,398 fully paid ordinary shares were newly issued on 1 September 2020 as a retention award pursuant to the OFX Global Equity Plan. These shares are subject to a vesting condition.
2. Shares issued to Mr Malcolm on 22 September 2017 pursuant to the Executive Share Plan were subject to vesting conditions. These shares did not vest and lapsed on 7 June 2020 in accordance with the terms of the Executive Share Plan.
3. Total ordinary shares held by Mr Malcolm comprise 2,430,718 issued ordinary shares under LTI, 480,770 issued ordinary shares by way of personal holdings and vested STI, and 80,398 shares issued as a retention award. In addition, Mr Malcolm holds STI performance rights of 166,738.

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

5. Principal activities

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

Directors' Report continued

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
STI – Performance rights	N/A	–	860,362
LTI – Options	10 Jun 24	1.56	722,612

All unissued shares are ordinary shares of the Company.

7. Dividends and distributions

Dividends paid or determined by the Company during and since the end of the year are set out in Note 19 to the Financial Statements.

	Final 2021	Interim 2021	Final 2020
Per share (cents)	–	0.81	2.35
Total amount ($'000)	–	2,015	5,845
Franked	–	Unfranked	Unfranked
Payment date	–	11 December 2020	22 June 2020

On 18 May 2021, the Company announced an on-market share buyback program to replace the dividend in the near term. The on-market share buyback program will be up to 10% of the Company's fully paid ordinary shares and will commence 7 June 2021.

8. Operating and financial review

A summary of financial results for the year ended 31 March 2021 is outlined below.

As required for statutory reporting purposes, the consolidated financial statements of the Consolidated Entity have been presented for the financial year ended 31 March 2021.

The Group's statutory financial information for the year ended 31 March 2021 and for the comparative year ended 31 March 2020 present the Group's performance in compliance with statutory reporting obligations.

To assist shareholders and other stakeholders in their understanding of the Group's financial information as a publicly listed entity, additional underlying financial information for the years ended 31 March 2021 and 31 March 2020 is provided in the Operating and Financial Review section of this Report.

The reconciliation and the underlying information have not been audited.

Statutory results

	2021 $'000	2020 $'000	Growth %
Net operating income[1]	**117,930**	125,154	(5.8%)
EBITDA[2]	**29,433**	36,935	(20.3%)
Less depreciation and amortisation	**(11,745)**	(10,521)	11.6%
Less interest expense	**(1,359)**	(1,647)	(17.5%)
Less income tax expense	**(3,548)**	(4,436)	(20.0%)
Net profit after tax	**12,781**	20,331	(37.1%)
EBITDA margin	**25.0%**	29.5%	–
Earnings per share (basic) (cents)	**5.25**	8.37	–

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.

The results were impacted by a significant item. The table below sets out the underlying financial results for the year ended 31 March 2021 which have been adjusted for the significant item.

Underlying results

	2021 $'000	2020 $'000	Growth %
Net operating income	**117,930**	125,154	(5.8%)
Underlying EBITDA	**30,401**	38,249	(20.5%)
Less depreciation and amortisation	**(11,745)**	(10,521)	11.6%
Less interest expense	**(1,359)**	(1,647)	(17.5%)
Less income tax expense	**(3,764)**	(4,725)	(20.3%)
Underlying net profit after tax	**13,533**	21,356	(36.6%)
Underlying EBITDA margin	**25.8%**	30.6%	–
Underlying earnings per share (basic) (cents)	**5.55**	8.80	–

Underlying measure of profit excludes significant items of revenue and expenses in order to highlight the underlying financial performance across reporting periods. The Company incurred non operating expenses of $1.0 million related to restructuring and retention (2020: $1.3 million).

Directors' Report continued

The following table reconciles underlying earnings measures to statutory results.

Year ended 31 March 2021

	$'000 EBITDA	$'000 Profit before tax	$'000 Income tax	$'000 Profit after tax
Statutory profit	**29,433**	16,329	(3,548)	12,781
One-off expenses/non operating	**968**	968	(216)	752
Underlying profit	**30,401**	17,297	(3,764)	13,533

FY21 was a challenging year with the COVID-19 pandemic creating economic uncertainty resulting in changes to cross-border payment flow activity. Net Operating Income for FY21 was down 5.8% however there was a strong recovery in 2H21 with NOI up 18.7% on 1H21. The consumer segment was impacted most by the COVID-19 pandemic with fee and trading revenue down 15.6% and a reduction in active clients of 11.6% over the year due to reduced activity across key use cases. In contrast our investment in the Corporate and Online Seller segments continues to deliver with revenue up 11.0% across both segments.

All regions were impacted by the COVID-19 pandemic and resulting slowdown in economic activity. It was pleasing to see growth in revenue in our largest regions with A&NZ up 1.4% and North America up 5.2% despite the difficult trading conditions. Europe and Asia saw declines in revenue of 16.7% and 19.9% respectively. During the year the Group was successful in our application for a licence with the Irish Central Bank which positions the business well for further expansion into Europe.

The Company maintained a disciplined approach to expense management with underlying operating expenses up only 0.7% while continuing to invest in the growth of the Corporate, Enterprise and the Online Seller segments. The continued investment in process and technology in transaction monitoring and fraud tools led to a 41.4% reduction in bad and doubtful debts in FY21.

Underlying EBITDA for the year was $30.4 million, down 20.5% however there was a significant turnaround in 2H21 with underlying EBITDA up 82.2% vs 1H21.

The Group continues to maintain a strong balance sheet with Net Cash Held of $60.6 million as at 31 March 2021. In addition to a strong balance sheet, the Company also continued to generate a positive cash flow enabling a $10.3 million investment in continuing to improve our single scalable system and product capabilities. During FY21 the Company launched Global Currency Account functionality for our Corporate customers, improved payments capabilities and customer experience and enhanced capabilities for our Enterprise customers.

As at 31 March 2021

	$'000 2021	$'000 2020
Cash and cash equivalents	**275,261**	235,809
Deposits due from financial institutions	**27,119**	32,276
Total cash	**302,380**	268,085
Cash held for subsequent settlement of client liabilities	**(241,807)**	(207,038)
Net cash held	**60,573**	61,047
Collateral and bank guarantees	**(23,756)**	(36,547)
Net available cash	**36,817**	24,500

The Group's financial position remains strong. The balance sheet consists predominantly of cash and client liabilities, with cash net of client liabilities decreasing from FY20. The Group currently has no external debt. The financial position provides a good platform to pursue future growth opportunities and coupled with our regulatory record, provides our banking partners with assurance on our ability and diligence.

9. Strategy

Our mission at OFX is to be a trusted global money provider for consumers and businesses, by combining the best of digital experience and human touch. We solve for the complexity and anxiety of moving money enabling better decisions and real savings.

OFX's strategy relies on six key pillars of growth. We will continue to focus on delivery of critical initiatives against each of these pillars, including:

- **Customer experience:** strengthening our client experience, with particular emphasis on improving the Corporate, Online Seller and Enterprise client experience.
- **Geographic expansion:**
  - North America – continuing to invest across all segments – Consumer, Corporate, Enterprise, Online Sellers
  - UK – drive incremental growth in the Corporate, Enterprise and Online Sellers segments
  - Asia – drive incremental growth in the Corporate, Enterprise and Online Sellers segments.
- **Partnerships:** creating more and better Enterprise partnerships, working with existing Enterprise partners and prospects to drive stronger value proposition and growing our Online Sellers partnerships, globally.
- **Reliable and scalable systems:** continuing to improve our technology 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, bankers and partners.
- **People:** greater emphasis to build our Global Operating Model so that our teams can serve customers locally and grow their global careers with OFX.

Directors' Report continued

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.

Regulatory compliance

The international payments market is highly regulated. There is a risk that any new or changed regulations, for example, banking and financial services licensing 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 such regulations could also make it uneconomical for the Group to continue to operate in places where it currently does business.

There is a risk that the Group may not comply with all applicable laws or have adequate compliance procedures in place to manage or prevent breaches of applicable laws. There is also a risk that the Group is required 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 or financing of terrorism, or if it breaches anti-bribery laws or contravenes sanctions, as has been imposed on other companies by governmental authorities. 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 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 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 and/or 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. 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 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 data security controls are ineffective, the Group's IT systems could be exposed to 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 and system outages. Any interruptions to these operations would impact the Group's ability to operate and could result in business interruption, the loss of customers 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 European Union are required to comply with the European General Data Protection Regulation. 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 handling of personal information and data collection. Such laws impact the way the Group can collect, use, analyse, transfer and share personal and other information that is central to many of the services the Group provides. Any actual or perceived failure by the Group to comply with relevant laws and regulations may result in the imposition of fines 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 impact 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 customer instructions. The Group has a range of system and process controls in place to mitigate this risk.

Directors' Report continued

Fraud

There is a risk that, if the Group's services are used to transfer money in connection with a fraud or theft (including identity theft), the Group may be required to take steps to recover the funds involved and may in certain circumstances be liable to repay amounts that it accepted for transfer, even after it has made the corresponding international payment. 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, £, 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 a client or counterparty fails to make payment upon settlement of these contracts. 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.

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. 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 and/or partnerships, 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.

COVID-19 operational risk

Following the global outbreak of COVID-19, the Group enacted its Business Continuity plans and transitioned almost all of its global workforce to work from home arrangements. Many of the Group's key suppliers, including its major banking counterparties, enacted similar arrangements. As a result, no major disruption to the Group's services has occurred to date as a result of COVID-19 or the social distancing measures put in place by governments globally to contain the virus. The Group's priority remains taking care of its people and protecting its strong relationships with customers and suppliers. There remains a risk the virus and/or government measures to contain the virus could further impact the Group's employees and the availability of its key suppliers. The Group continues to monitor the situation closely and take appropriate steps to ensure both the health and safety of its employees and continuity of the Group's services on an ongoing basis.

COVID-19 financial risk

Given the ongoing uncertainties regarding the broader economic impacts of the COVID-19 pandemic (including uncertainties regarding the efficacy of the vaccination programs globally, the success of the fiscal measures undertaken by governments globally to date to mitigate against the economic effects of this pandemic and the future fiscal measures that will be undertaken in different regions), there remains a risk that COVID-19 could have an impact on the foreign exchange flows of the Group's key customer segments and, therefore, on the Group's turnover and revenue. The Group is closely monitoring the situation and continues to proactively plan for potential scenarios. Directors have considered the need to disclose the impact of COVID-19 on the Company's operation and financial position to the ASX pursuant to Listing Rule 3.1, but determined that this was not necessary. The appropriateness of a specific disclosure will be assessed on an ongoing basis.

Directors' Report continued

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 38 to 41 in the Operating and Financial Review.

12. Events subsequent to balance date

Refer to the share buy back disclosed in Note 19 to the Financial Report.

We are delighted to announce we have agreed terms for a strategic investment in TreasurUp, a European treasury management software company, that will allow us to provide automated hedging and risk management solutions for small and medium size corporates to manage their F/X risk. OFX have agreed terms to invest in a minority stake in TreasurUp. The Company's investment is expected to comprise €3.15 million in preference shares and €0.75 million in convertible debt, with projected close in 1H22.

13. Outlook

The economic outlook remains uncertain however the Group continues to position OFX for growth and is focused on managing the Company well during these uncertain times by:

- Servicing four core segments being Consumer, Corporate, Online Seller and Enterprise clients in all our key regions;
- Continued investment in the client experience – both human and digital and reliable, scalable systems; and
- Accelerating our medium-term growth through investments in Online Sellers and Enterprise.

We have a strong balance sheet, superior service delivery, an experienced and ambitious team and a clear mandate from our Board and our shareholders to grow sustainably.

On 12 March 2021, the Australian Treasurer announced the Government's intention to amend the OBU regime, effectively removing the preferential tax rate of 10% on offshore income and closing the regime to new entrants.

OzForex Limited, a subsidiary of the Group, was declared an Offshore Banking Unit (OBU) on 10 October 2015 (refer to Note 4 Income Taxes). As an existing participant the concessional tax rate remains in effect for a period of two years ending in June 2023. Over this transition period the Government intends to put alternative measures in place to ensure activity remains in Australia once the grandfathering period ends. The Group structure will be reassessed to ensure it remains optimal and tax effective.

14. Likely developments and expected results

While the impacts of foreign exchange market conditions make accurate forecasting challenging, particularly with continued uncertainty due to the COVID-19 pandemic, it is currently expected that the Group will experience NOI growth in FY22. The Group continues to focus on our core segments being Corporate, Online Seller, Enterprise and Consumer.

We will invest and grow our Corporate and Online seller segments and expect growth in our Enterprise segment as we activate recent strategic alliance wins. The Consumer growth has been impacted in FY21 by the COVID-19 pandemic however we expect this segment to return to growth when the demand from this segment rebounds.

We will continue our focus on geographic expansion, particularly in North America. The Australia and New Zealand region will be the largest single contributor of net profit for the Group.

The group will invest to grow in our core segments. We will be increasing our investment in FY22 on our global operating model focused on payments excellence, risk management and customer service.

The Group's short-term outlook remains subject to the range of challenges outlined in Section 10 (Risks), including market conditions, the impact of volatility in the foreign exchange markets, the cost of its client acquisition through online channels, potential regulatory changes and tax uncertainties. OFX is well positioned to deliver continued growth in the short to medium term.

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 Secretary 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 has 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.

16. No officers are former auditors

No officer of the Consolidated Entity has been a partner of an audit firm or a Director of an audit company that is the auditor of the Company and the Consolidated Entity for the financial year.

17. Non-audit services

KPMG was appointed as the Company's external auditor with effect from 14 October 2020, replacing PwC. In accordance with Section 327C of the *Corporations Act 2001* (Cth) the appointment of KPMG as auditor of the Company and certain of its subsidiaries will be recommended by Directors for ratification at the Company's Annual General Meeting on 26 August 2021.

The Company may decide to employ the external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

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 has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit, Risk and Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the *Corporations Act 2001* (Cth) for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit, Risk and Compliance Committee to ensure that they do not impact the integrity and objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks or rewards.

Directors' Report continued

Details of the amounts paid or payable to KPMG for audit and non-audit services provided during the year are set out in Note 24 to the Financial Statements. Total non-audit remuneration paid to KPMG is summarised below for FY21. All amounts listed for FY20 were paid to PwC as the Group's auditor during the year.

	2021 $	2020 $
Taxation services	–	134,208
Other professional services	**70,984**	28,280
Total remuneration for non-audit services	**70,984**	**162,488**

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 2021 is on page 70 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 year ended 31 March 2021

Table of contents

The Remuneration Report is divided into the following sections:

Remuneration Report

Fellow Shareholders,

On behalf of your Board and as Chair of the Remuneration and Nomination Committee, I am pleased to present our remuneration Report for the year ended 31 March 2021. The purpose of this report is to outline OFX's approach to remuneration for Executives and Non-Executive Directors and, in particular, the links between OFX's remuneration framework, business performance and strategy.

The FY21 year in review

Over the last year, COVID-19 created unprecedented challenges globally and as a Company, OFX responded quickly and effectively for our clients, our investors and our people. That response helped demonstrate the long-term financial sustainability of our business and it is a great credit to our people.

As outlined in both the Chairman's and CEO's letters, the OFX team managed both the highs and lows of competing in a global payments environment over a sustained period of global economic uncertainty and challenging trading conditions, but through that have delivered a more valuable business and grown our areas of competitive advantage. The Company did not take Australian Government JobKeeper payments and maintained discipline on expenses. Overall employee engagement increased by 11%, reflecting the hard work of our leaders to support our global teams throughout this unprecedented period of uncertainty

Remuneration outcomes for FY21 reflect the performance of Executives to both protect and grow the Company and manage the needs of our clients, our shareholders, our people and the communities in which we operate. The Global Executive team chose to defer their fixed remuneration increases for six months from June to December 2020 due to the impacts of COVID-19 on the business. In reflection of the FY21 performance, the following outcomes have been agreed:

- Short-term incentive funding was determined to be 47.8% of target representing a reduction from the FY20 outcome of 53%;
- There was no vesting of the Executive Share Plan (ESP) in FY21;
- There will be no pool allocated for salary increases in FY22; and
- There have been no increases to Non-Executive Director fees.

Remuneration changes in FY22

The design of OFX's remuneration framework promotes our strategic and operational objectives through the delivery of remuneration via short-term and long-term incentive programs that:

1. Drive alignment between the Company's management and its shareholders and other stakeholders;
2. Align to the economic environment as well as market competitiveness;
3. Provide a clear link between Company performance and individual remuneration outcomes;
4. Ensure remuneration outcomes are aligned with OFX's short-term and long-term objectives;
5. Support effective governance and a strong risk culture; and
6. Attract the talent we need to underpin strategy execution.

To ensure that our incentive programs continue to meet these objectives, the Board appointed an independent remuneration adviser to review and recommend any changes to the design of both our short-term and long-term incentive programs. As a result of this review:

- The balanced scorecard used to determine STI funding will be adjusted in FY22 to reflect a 60% weighting for financial metrics and a 40% weighting for non-financial metrics that are aligned to the strategic objectives of the Company and create shareholder value as well as reflect our focus on effective risk management and sustainability; and

- The loan-based Executive Share Plan will be retired and no new awards will be granted under this plan. New long-term incentives will be awarded under the Global Equity Plan where performance rights will be granted to Executives subject to a three-year performance period wherein performance rights will only vest if the performance conditions are met.

Further detail of the changes to our short term and long-term incentive plans in FY22 are contained in the report.

Overall, whilst performance throughout FY21 has fluctuated, we are pleased with our results given the challenging environment globally and we are encouraged by the momentum we saw in the business in the second half of the year. Remuneration outcomes reflect the Executive team's success in both protecting the Company and positioning it for long-term sustainable growth.

Douglas Snedden
Chair, Remuneration and Nomination Committee
18 May 2021

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 2021 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 outlines the remuneration arrangements in place 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 Group Executive Team that are KMP and includes Mr Skander Malcolm, as an Executive Director, Ms Selena Verth as Chief Financial Officer (CFO) and Mr Mark Shaw as Chief Operating Officer (COO).

The following table details the Group's KMP during FY21 and up to the date of this report.

Name	Role
Non-Executive Directors	
Connie Carnabuci	Non–Executive Director
Lisa Frazier*	Non–Executive Director
Cathy Kovacs**	Non–Executive Director
Grant Murdoch	Non–Executive Director
Steven Sargent	Chairman and Non–Executive Director
Douglas Snedden	Non–Executive Director
Executive Director	
Skander Malcolm	Managing Director and Chief Executive Officer (CEO)
Other Executive KMP	
Selena Verth	Chief Financial Officer (CFO)
Mark Shaw	Chief Operating Officer (COO)

* Lisa Frazier resigned effective 19 May 2020
** Cathy Kovacs was appointed effective 22 February 2021

2. Remuneration framework and link to business strategy

2.1 Remuneration strategy

Our Mission	Our Strategy	Our Remuneration Strategy
To be a trusted global money provider for consumers and businesses, by combining the best of digital experience with human support and expertise. We solve for the complexity and anxiety of moving money globally – enabling better decisions and real savings.	• **Our opportunity:** we are currently in the middle of a decade where our addressable share of a US$231 billion cross-border payments revenue market is opening rapidly to non-bank specialists. • **Our Vision:** to be the world's leading value-added cross-border payments specialist. • **Our competitive positioning:** what makes our competitive positioning different is choices on two fronts: our distinctive customer value proposition (CVP) and the 'moat' we develop to sustain an advantage in the long run: • our distinctive CVP is to deliver a competitively priced and trusted experience, through both DIGITAL ease and with HUMAN support and expertise (our OFXperts), and • our strong 'global moat' is built upon a single scalable technology and operations platform that powers three superior capabilities: global payments, risk management and customer service. • **Building a more valuable company:** we seek to create increased value by investing in profitable growth, by maintaining a high recurring revenue and by growing revenue from Corporate and Enterprise clients faster than our Consumer clients.	To attract, retain and motivate the best people to drive a great culture that delivers on our business strategy and contributes to sustainable long-term returns.

2.2 Remuneration principles

Culture	Alignment to performance	Competitive	Simple and transparent	Sustainable
Align reward practices to effective risk management, high performance and a diverse and inclusive culture.	Reward performance that supports execution of our business strategy and aligns Executive and shareholder interests.	Attract, retain and motivate appropriately qualified and experienced people who will contribute to the Group's financial and operational performance.	Simple structures with clear expectations.	Motivate Executives to deliver results with both short-term and long-term horizons at the same time demonstrating OFX's values through their behaviours and actions.

2.3 Executive KMP remuneration components

OFX'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.

Total Fixed Remuneration (TFR)

TFR is the sum of base salary and the value of guaranteed employee benefits such as superannuation.

Performance Conditions	Remuneration Strategy
TFR takes into account the size and complexity of the role, as well as skills and experience of the Executive KMP.	Set to attract, retain and motivate the right talent to deliver on the Group's strategy and contribute to the Group's financial and operational performance.

Short-Term Incentive (STI)

Delivered as a combination of a cash award and deferred equity issued as performance rights.

Performance rights are issued under the Global Equity Plan as approved by shareholders at the 2018 Annual General Meeting.

Performance Conditions	Remuneration Strategy
Calculated using: • Percentage of TFR; • Company performance measures; and • Individual performance measures. There is no overall Company financial gateway; however, the Board maintains absolute discretion as to whether any STI awards will be paid. Company performance measures (financial and non-financial) are reviewed and reset by the Board annually with threshold/target/maximum levels set for each measure.	Annual 'at risk' incentive opportunity awarded on the achievement of performance conditions over a 12-month period. Performance conditions are clearly defined and measurable and designed to support the financial and strategic direction of the Group which in turn translates into shareholder return. For FY21 the Company performance measures are largely determined by financial metrics with one KPI set for Leadership and Culture based on measurements including talent management, risk management outcomes, Net Promoter Score (NPS) outcomes and employee engagement scores.
Company performance measures for FY21: • Underlying Earnings Before Tax (EBT) (40%) • Net Operating Income (NOI) (10%) • Strategic Investments (10%) • Enterprise Deals (20%) • Leadership and Culture (20%). Assessment of threshold/target/maximum levels follows agreed targets, with the vesting scale ranging from 50% through to 110%. Individual performance measures are equally weighted and, along with evaluation of behaviour against the OFX values, support an overall performance rating.	Individual performance measures are specific to the Executive KMP's role. Threshold/target/maximum level performance for each measure are set by the Board to provide a challenging but purposeful incentive. The Board also has the discretion to adjust STI outcomes up or down to be satisfied that individual outcomes are appropriate. The part allocation of STI into deferred equity directly aligns Executive KMP to shareholder interests. The number of the performance rights is determined based on the Volume Weighted Average Price (VWAP) for the Company's shares for the five days immediately preceding the grant date.
Short-Term Incentive (STI) – Retention Rights Retention payments in the form of an equity grant were issued to Executives as a one-off incentive. This issuance represented a commitment made by the Board as a part of the unsolicited M&A proposal during FY20. This award vests 12 months from the date of the award.	

Long-Term Incentive (LTI)

Executive Share Plan Options

Three-year incentive opportunity delivered through restricted Company shares – allocated upfront, pursuant to a non-recourse Company loan.

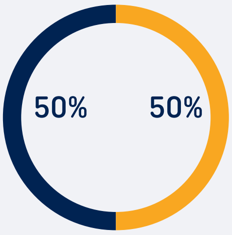
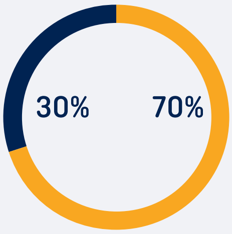
Note: A new LTI plan for Executives will be introduced in FY22. The loan share plan will be retired and replaced with a performance rights plan globally.

Performance Conditions	Remuneration Strategy
Shares allocated in two tranches (50% in each tranche). **Vesting conditions:** Tranche 1: 5% EBITDA per share Compound Annual Growth Rate (**CAGR**) over three years. Tranche 2: 10% Absolute Total Shareholder Return (TSR) CAGR over three years. Loan forgiveness is then granted as follows: Tranche 1: • 10% forgiveness for 5% EBITDA CAGR; • 20% forgiveness for 10% EBITDA CAGR; and • 30% forgiveness for 15% EBITDA CAGR. • Further 1% loan forgiveness per 1% EBITDA CAGR >15%. Tranche 2: • 10% forgiveness for 10% Absolute TSR CAGR; • 20% forgiveness for 15% Absolute TSR CAGR; and • 30% forgiveness for 20% Absolute TSR CAGR. • % awarded is on a sliding scale Loan forgiveness is capped at 30%. Executive KMP must either settle their loan at the end of the loan period or surrender all shares in full settlement of the loan. On settlement, shares will convert from restricted to ordinary.	Designed to encourage sustainable, long-term value creation and align Executive KMP with shareholders. This form of incentive delivers immediate share ownership, linking a significant portion of remuneration to OFX's share price and returns generated for shareholders. Allocation of shares upfront aligns Executive KMP to shareholders from the grant date. The shares are restricted and subject to risk of forfeiture during the vesting/performance periods and while the loan remains outstanding and links remuneration to EBITDA as well as Absolute TSR. The EBITDA per share CAGR and Absolute TSR CAGR performance conditions are designed to encourage Executive KMP to focus on the key performance drivers which underpin sustainable growth in shareholder value. The EBITDA per share CAGR provides a 'counterbalance' to the Absolute TSR CAGR performance condition, designed to check that the quality of the share price growth is supported by the Group's earnings performance, and not market factors alone. Substantial benefit from the ESP is only achieved through loan forgiveness. If the performance thresholds are not achieved there is no loan forgiveness and the Executive KMP has to repay the full loan amount, less any after-tax dividend payments applied against the loan.

2.4 Remuneration delivery and mix

The Executive KMP remuneration mix is structured so that a substantial portion of remuneration is delivered as OFX securities through either deferred STI or LTI. The total remuneration correlates to performance. The following diagram (which is not to scale) sets out the remuneration structure and delivery timing for Executive KMP.

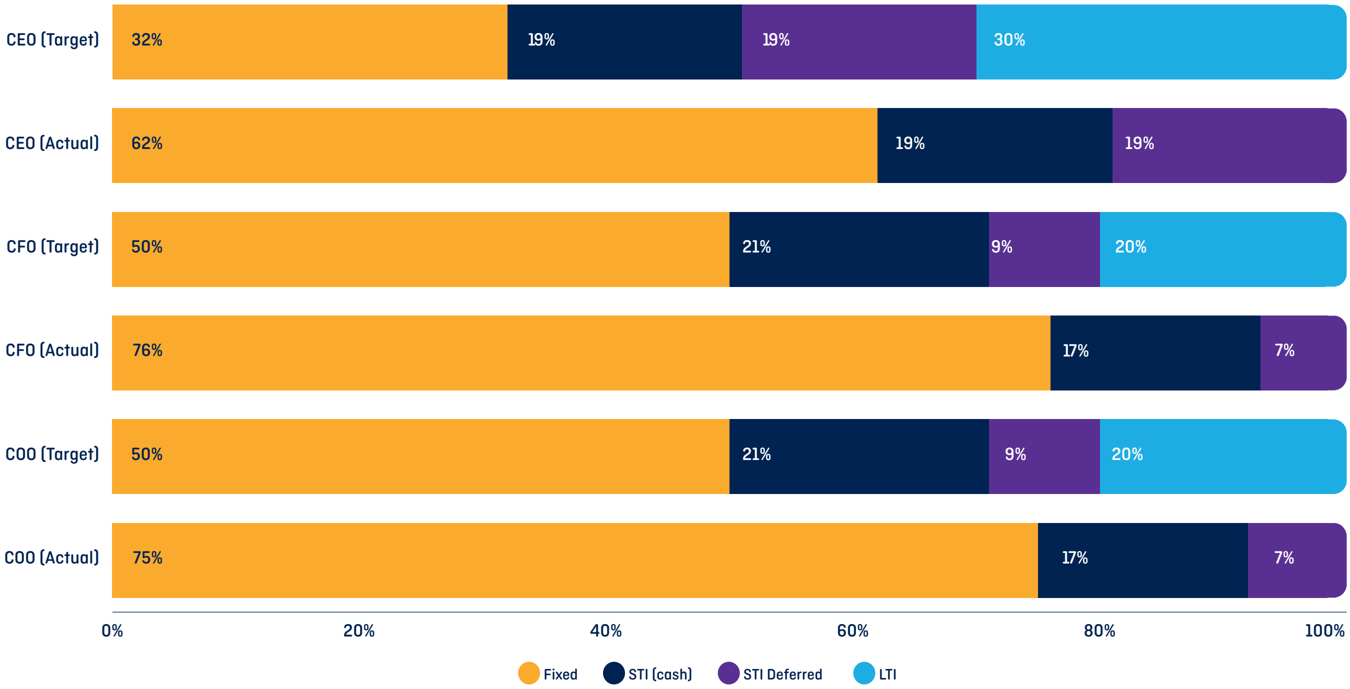
Remuneration delivery

	Year 1	Year 2	Year 3
1. Fixed Remuneration 	Salary and other benefits (including statutory super-annuation)		
2. STI (Target is 115% of TFR for CEO and 60% of TFR for each other Executive KMP) **CEO**  CEO: 50% cash. 50% deferred into performance rights. **EXECUTIVE KMP**  KMP: 70% cash. 30% deferred into performance rights.	Cash STI 12 months deferred vesting	12-month holding lock post vesting	
3. LTI (92% of TFR for CEO and 40% of TFR for each other Executive KMP)	Subject to three-year performance period FY21 issuance in two tranches	Portion of loan may be forgiven at the end of the three-year performance period according to the schedule below: **FY21** Tranche 1: • 10% forgiveness for 5% EBITDA CAGR; • 20% forgiveness for 10% EBITDA CAGR; and • 30% forgiveness for 15% EBITDA CAGR. • Further 1% loan forgiveness per 1% EBITDA CAGR >15%. Tranche 2: • 10% forgiveness for 10% Absolute TSR CAGR; • 20% forgiveness for 15 % Absolute TSR CAGR; and • 30% forgiveness for 20% Absolute TSR CAGR. **FY20** • 10% forgiveness for 10% Absolute TSR CAGR; • 20% forgiveness for 15% Absolute TSR CAGR; and • 30% forgiveness for 20% Absolute TSR CAGR.	

Remuneration mix

FY21 Remuneration Outcomes[1]

The chart 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 FY21.



3. Company performance FY21

5-year Group performance

The Group's FY17-FY21 annual financial performance measures compared with short-term and long-term remuneration outcomes set out below.

Performance Metrics[2]	2017	2018	2019[3]	2020	2021
Net operating income[4]	$105.1m	$109.9m	$118.7m	$125.2m	**$117.9m**
EBITDA	$27.8m	$29.8m	$31.6m	$36.9m	**$29.4m**
Underlying EBITDA	$27.8m	$29.8m	$36.0m	$38.2m	**$30.4m**
Basic earnings per share[5]	8.17cps	7.79cps	7.07cps	8.37cps	**5.25cps**
Underlying basic earnings per share[6]	8.17cps	7.79cps	8.45cps	8.80cps	**5.55cps**
Dividend per share[7]	$0.05900	$0.05800	$0.05640	$0.0563	**$0.0316**
Closing share price	**$1.48**	**$1.69**	**$1.67**	**$1.24**	**$1.10**

1. Target mix accounts for partial loan forgiveness under the ESP for 'on target' performance.
2. These are not calculations based on constant currency.
3. FY19 information has been restated to conform with the presentation in the financial statements.
4. Net operating income, a non-IFRS measure, is the combination of 'Fee and trading income' and 'Fee and commission expense' and 'Interest income'.
5. For the calculation of EPS refer to Note 6 of the financial statements.
6. Underlying basic earnings per share is the basic earnings per share calculation utilising the underlying NPAT of the Group.
7. This represents dividends distributed in the period.

4. Statutory disclosures

This table details the remuneration paid to Executives (KMP) and has been prepared in accordance with the accounting standards.

		Short-term benefits		Post-employment benefit	Long-term benefits	Share-based payments			
	Year	Cash salary and fees	Cash bonus	Super-annuation	Long service leave	Deferred STI – Performance Rights[1]	STI – Retention	LTI – Executive Share Plan[2]	Total[3]
Current KMP									
S Malcolm	**2021**	**664,731**	**210,937**	**21,521**	**8,703**	**189,329**	**74,382**	**40,941**	**1,210,544**
(Restated)[1,2,3]	2020	657,379	228,131	20,885	6,633	189,816	–	97,553	1,200,397
S Verth	**2021**	**372,397**	**88,488**	**21,521**	**3,330**	**36,633**	**85,525**	**10,435**	**618,329**
(Restated)[1,2,3]	2020	367,813	86,932	20,885	1,413	36,988	–	24,352	538,383
M Shaw	**2021**	**344,397**	**83,187**	**21,521**	**2,984**	**39,394**	**85,525**	**9,945**	**586,953**
(Restated)[1,2,3]	2020	339,843	96,305	20,885	1,159	28,724	–	22,478	509,394
Total KMP remuneration									
	2021	**1,381,525**	**382,612**	**64,563**	**15,017**	**265,356**	**245,432**	**61,321**	**2,415,826**
(Restated)[1,2,3]	2020	1,365,035	411,368	62,655	9,205	255,528	–	144,383	2,248,174

1. The amounts for deferred STI – performance rights reflect the accounting expense on a fair value basis. The prior year STI – performance rights expense for each KMP differs from the reported figures in the FY20 Remuneration Report due to revisions in the valuation methodology and to certain assumptions applied. The figures reported in the FY20 Remuneration Report were: Mr Malcolm $70,670, Ms Verth $12,103, Mr Shaw $12,091 and total KMP STI remuneration of $99,864. The current reported figures for FY20 reflect an increase for each KMP of $119,146, $24,885 and $16,634 respectively and total KMP STI remuneration of $160,664.
2. The amounts for LTI – executive share plan reflect the accounting expense on a fair value basis. The prior year LTI – executive share plan expense for each KMP differs from the reported figures in the FY20 Remuneration Report due to revisions in the valuation methodology and to certain assumptions applied. The figures reported in the FY20 Remuneration Report were: Mr Malcolm $151,300, Ms Verth $37,555, Mr Shaw $34,714 and total KMP LTI remuneration of $223,569. The current reported figures for FY20 reflect a decrease for each KMP of $53,747, $13,203 and $12,236 respectively and total remuneration of $79,186.
3. The total remuneration expense for FY20 as reported in the FY20 Remuneration Report was $2,166,696. This has increased by $81,479 to $2,248,175 on account of the changes to STI and LTI as detailed in footnotes 1 and 2. Actual cash paid to each KMP has not changed as a result of this restatement.

5. Performance and remuneration outcomes for FY21

5.1 Fixed remuneration

Regular reviews of remuneration levels are a key accountability of the Board, and a comprehensive market review was conducted for each Executive KMP in FY21 which resulted in the below amendments to base salary for Executive KMP in FY21. Executive KMP elected to defer their fixed remuneration increases for six months from 1 June 2020 to 1 December 2020 due to the impacts of COVID-19 on the business.

Name	% increase
S Malcolm	2.5
S Verth	2.6
M Shaw	4.6

The Board believes that these changes result in appropriate, market-competitive fixed remuneration for Executive KMP.

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.

Mandatory deferral of STI award into performance rights acting as a retention mechanism (50% deferred for CEO and 30% deferred for other Executive KMP).

Company Performance measures x **Individual Performance measures** x **Target STI %** x **TFR** = **STI**

Company Performance measures

Company performance objectives set and reviewed by the Board annually

	Payout
Threshold	50%
Target	100%
Max	110%

Individual Performance measures

Does not meet	1	0%
Mostly meets	2	75%
Meets	3	100%
Exceeds	4	110%
Outstanding	5	120%

Target STI %

TFR

(TFR is base salary outside Australia)

STI

Min = 0%

Max = 132%

FY21 STI outcomes

Individual performance measures:

In determining individual STI awards, the CEO provides recommendations to the Remuneration and Nominations Committee in respect of the CEO's direct reports (which includes all Executive KMP except the CEO). The Committee reviews these recommendations and evaluates the CEO's performance and recommends to the Board any fixed pay changes and incentive awards for the CEO and Executive KMP. Recommendations take into account the STI pool funding percentage and the performance of the Executive KMP against individual and business performance goals as well as the behaviour demonstrated by the Executive KMP in their role consistent with the Company values. Individual Executive KMP goals align to the financial and operational objectives used to determine STI pool funding.

STI achieved by Executive KMP for FY21 is set out in the table below:

Executive KMP	STI at target $	Company Performance Measures	Individual Performance	STI achievement	STI achievement $	Cash $	STI portion deferred[1] $
S Malcolm	802,348	47.8%	110%	52.8%	421,875	210,937	210,937
S Verth	240,416	47.8%	110%	52.8%	126,411	88,488	37,923
M Shaw	226,016	47.8%	110%	52.8%	118,839	83,187	35,652

1. STI deferred portion is calculated as STI achieved multiplied by STI remuneration delivery mix and is a non-statutory measure.

Bonus Pool Calculation	Weighting	FY21 Actual $m	Payout rate	Funding[1]	FY20 Actual $m	YOY %
Underlying EBT	40%	**17.3**	64.7%	25.3%	26.1	(33.7)%
NOI	10%	**117.9**	0%	0%	125.2	(5.8)%
Strategic Investments	10%	See commentary	25.0%	2.5%		
Enterprise deals	20%	See commentary	50.0%	10.0%		
Leadership and Culture	20%	See commentary	50.0%	10.0%		
TOTAL	**100%**			**47.8%**		

1. Funding rate is calculated as payout rate multiplied by company performance measures.

Company funding of 47.8% for STI for FY21 is a reduction in overall funding from FY20 STI funding. This reduction reflects Company performance against revised targets approved by the Board in June 2020 in the context of the uncertainty regarding the economic impact of the COVID-19 pandemic. As part of the revised STI targets approved by the Board, it was agreed that the payout rate for non-financial metrics would be capped at 50% achievement if targets were met. Funding for Strategic Investments includes the development of a single, scalable platform and 10% revenue growth in our Online Seller segment both of which will deliver quantifiable benefits for the business over the longer term. Funding for Enterprise Deals is based on target performance of signing two Enterprise clients whose expected revenue is >$500k in the first three years. Performance against the Leadership and Culture measure is based on steps taken by management to mitigate risks to the business during the period of the pandemic and to effectively manage the wellbeing and engagement of our people over this time. The Board considers the STI funding outcome for FY21 to be appropriate based on the balance of performance on financial and non-financial measures.

STI	Held at 1 April 2020[1]	Granted during the year[2]	Vested during the year	Lapsed during the year	Held at 31 March 2021
Current KMP					
S Malcolm	134,810	247,136	(134,810)	–	**247,136**
S Verth	26,382	107,628	(26,382)	–	**107,628**
M Shaw	25,139	110,564	(25,139)	–	**110,564**

1. All holdings at 1 April 2020 were granted during FY20. Grants in FY21 occurred on 9 June 2020, with a 12-month vesting period and fair value at grant date of $1.32.
2. STI grants during the year include STI – retention, each granted to Mr Malcolm, Ms Verth and Mr Shaw in the amount of 80,398.

Vested and Realised Remuneration:

The table 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.

	Year	Cash salary and fees $	Cash bonus $	Superannuation $	Vested STI deferral[1] $	LTI – Executive Share Plan	Total $
S Malcolm	**2021**	**664,731**	**210,937**	**21,521**	**186,038**	**–**	**1,083,227**
	2020	657,379	228,131	20,885	280,017	–	1,186,412
S Verth	**2021**	**372,397**	**88,488**	**21,521**	**36,407**	**–**	**518,813**
	2020	367,813	86,932	20,885	36,905	–	512,535
M Shaw	**2021**	**344,397**	**83,187**	**21,521**	**34,692**	**–**	**483,797**
	2020	339,843	96,305	20,885	–	–	457,033

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

5.3 Long Term Incentive (LTI) – Executive Share Plan Options

How performance translates into LTI outcomes

The Executive Share Plan (ESP) is aligned to shareholder interests by:

Encouraging Executive KMP to make business decisions that reflect long-term interests of the Company by enabling share ownership. Shares are restricted and subject to risk of forfeiture during the vesting/performance periods and while the loan remains outstanding.

EBIDTA Gateway and Absolute TSR CAGR performance condition encourage Executive KMP to focus on the key performance drivers which underpin sustainable growth in shareholder value with potential loan forgiveness (on a sliding scale to a maximum of 30%) for growth in Absolute TSR CAGR.

LTI Outcomes for FY21

No shares under the ESP vested in FY21 however Executive KMP were issued grants under the ESP for FY21 as outlined in the table below.

From FY19, as approved by shareholders at the Company's AGM in August 2018, in order to reward good performance, part of the loan may be forgiven at the end of the three-year performance period upon the achievement of specified performance conditions.

From FY19 Executive KMP were offered a single grant of shares. The value of the grants is determined by reference to a set % of TFR. The number of shares that each Executive KMP received was determined using the following formula:

> **Fixed Remuneration x Grant % x Gross-up Factor (2) divided by the share acquisition price (being the five day VWAP for the period prior to and including 11/05/2019).**

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

Australian Accounting Standards require the ESP awards be treated as options for accounting purposes due to the structure of the plan. The number and value of notional options held by Executive KMP under the ESP during the financial year ended 31 March 2021 is set out in the table below.

LTI Issuances	Grant date	Vesting date	Expiry date	Fair value at grant date[1]	Performance achieved	% vested
FY18 share-based loan	22 September 2017	7 June 2020	6 June 2022	0.65	No	–
FY19 share-based loan	22 June 2018	7 June 2021	6 June 2023	0.44	To be determined	–
FY20 share-based loan	2 September 2019	7 June 2022	6 June 2024	0.38	To be determined	–
FY21 share-based loan	28 August 2020	9 June 2023	9 June 2025	0.28	To be determined	–

1. FY19 and FY20 fair values have been amended from prior year reported figures in the FY20 Remuneration Report to reflect the change in fair value calculation methodology and underlying assumptions. FY19 and FY20 fair values were previously reported as 0.53 and 0.30 respectively.

LTI Issuances	Held at 1 April 2020	Granted during the year	Exercised during the year	Lapsed during the year	Held at 31 March 2021	Total value of options as at grant date $
Current KMP						
S Malcolm	3,370,532[1]	937,352	–	(1,877,166)	**2,430,718**	2,149,147
S Verth	591,399[2]	233,886	–	(220,370)	**604,915**	373,720
M Shaw	342,886[3]	219,853	–	–	**562,739**	200,996

1. Includes 1,877,166 shares granted in FY18 ESP, 691,603 shares granted in FY19 ESP and 801,763 granted in FY20 ESP.
2. Includes 220,370 shares granted in FY18 ESP, 170,985 shares granted in FY19 ESP and 200,044 granted in FY20 ESP.
3. Includes 158,209 shares granted in FY19 ESP and 184,677 granted in FY20 ESP.

6. Loans to Executive KMP

The details of non-recourse loans provided to Executive KMP under the ESP during FY21 are set out below.

Under the ESP, Executive KMP acquire 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 'gateway' is achieved, the participant can either repay the loan directly or sell some or all of their shares and apply the proceeds to repay the loan. Shares remain restricted 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.

Name	Held at 1 April 2020 $	Advances during the year $	Loans lapsed during the year $	Repayments during the year $	Held at 31 March 2021 $	Interest free value $	Highest indebtedness during the year $
Current KMP							
S Malcolm	5,698,502	1,282,485	(3,229,404)	(64,693)	**3,686,890**	903,894	6,980,988
S Verth	988,258	320,003	(379,153)	(12,997)	**916,111**	156,138	1,308,261
M Shaw	559,529	300,803	–	(9,515)	**850,817**	87,928	860,331

7. Changes to Executive remuneration for FY22

In FY21, the Board undertook to review the remuneration plans for Executives given:

- The complexity of the Executive Share Plan from both a participant and shareholder point of view;
- The opportunity to better align performance metrics to Company strategy and shareholder experience; and
- A desire to better align to market practice.

The Board appointed Guerdon Associates, a remuneration specialist firm, to review the current remuneration framework for Executives (including STI and LTI) and recommend any changes to the framework that would be valued by executives and supported by shareholders. As a result of this review, the Board approved changes to the performance metrics for Company funding for the Short-Term Incentive Plan as well as the design and performance metrics for the Long-Term Incentive Plan for Executives. Key changes are summarised in the tables below:

FY22 STI performance metrics and weightings for Company funding of STI:

Performance metric	Weighting	Rationale
Net Operating Income	30%	Retained as a key performance metric to reflect the Company's focus on revenue growth
Earnings before interest, tax, depreciation and amortisation (EBITDA)	30%	EBITDA is a good proxy for cash from operations and is a key metric for investors on how the business is performing
Strategic investments	20%	Measures aligned to the strategic objectives of the Company and which create shareholder value including key strategic investments related to the growth of long-term sustainable revenue
Risk and ESG	20%	Measures for effective risk management as well as ESG measures relevant to our various stakeholders

FY22 LTI Plan key characteristics:

FY22 LTI Plan feature	Detail
Purpose of the LTI Plan	Motivate and retain Executives by providing awards that align with longer-term Company performance and shareholder outcomes
LTI potential by Executive	CEO 92% of TFR Other Executive KMP 40% of TFR
Performance Metrics	**Earnings per Share (normalised) compound annual growth rate (50% weighting):** 50% of the FY22 LTI grant. EPS calculated as normalised net profit divided by the weighted average number of ordinary shares. **Absolute Total Shareholder Return compound annual growth rate (50% weighting):** 50% of the FY22 LTI grant. Absolute total shareholder return calculated as the shareholder return taking into account the change in share price and dividends.
Performance period	Three (3) years

FY22 LTI Plan feature	Detail
Award determination	Each 50% tranche of share rights operates independently. At the end of the performance period, final vesting percentages will be determined via a Board and Committee review, recommendation and approval process. The Board and the Committee have authority and discretion to adjust LTI vesting % and individual awards, including to 0% of grant if appropriate.
Share rights grant calculation	The number of performance share rights will be determined by dividing the grant value by a 10-day VWAP following the release of full year results. The Committee and Board believe using a VWAP (instead of the share price at a single point in time or a discounted fair value methodology) reduces the impact daily volatility may have on the number granted and provides greater transparency around the value of performance share rights granted.
Treatment of dividends	Dividends will not be earned or payable on unvested performance share rights.
Payment method	Grant of share rights. Vested share rights entitle the holder to ordinary shares in the Company for nil consideration. The Company retains discretion to satisfy vested share rights delivered through the LTI plan via the issuance of new shares or via an on-market purchase.
Treatment of terminating Executive KMP	Eligibility for an LTI grant or award is contingent on active, continuous employment throughout the vesting period. In the event of resignation/termination, unvested share rights lapse except as provided at the discretion of the Board.
Change of control	The Board has discretion.

8. Executive KMP service agreements

Contractual arrangements for Executive KMP

The key employment terms and conditions for Executive KMP as at 31 March 2021 are set out below.

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 month 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.

9. Remuneration Governance

9.1 Role of the Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board on the Company's remuneration packages for Non-Executive Directors, the CEO, and Executives. It is also responsible for reviewing the Company's recruitment policies, superannuation arrangements, Board and Executive succession planning and performance evaluations among other things. The Charter of the Remuneration and Nomination Committee is available on the Group's website at www.ofx.com/en-au/investors/corporate-governance/.

To assist in performing its duties, the Remuneration and Nomination Committee seeks independent advice from external consultants on various remuneration related matters. The Remuneration and Nomination 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 the 2021 financial year, Guerdon Associates were engaged to provide advice on Executive Remuneration relating to STI and LTI and recommend any changes to the framework that would be valued by Executives and supported by shareholders.

The Board is satisfied that the recommendations received from the remuneration consultants were free from undue influence from the KMP to whom the recommendations relate and in accordance with section 9B of the *Corporations Act 2001* (Cth).

Further, the following arrangements were made to meet this requirement:

- The remuneration consultants were engaged by and reported to the Remuneration and Nomination Committee on behalf of the Board;
- The advice containing the remuneration recommendations was provided by the remuneration consultants directly to the Chair of the Remuneration and Nomination Committee; and
- The remuneration recommendations made by external advisers to the Remuneration and Nomination Committee and the Board were used as an input to decision making only.

The total fees paid to external advisers for remuneration recommendations included $28,374 (including GST) paid to Guerdon Associates.

9.2 Board discretion

The Company has a structured and objective approach to remuneration. However, the Remuneration and Nomination 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

Participants are not eligible for any STI cash payment or any deferred STI 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 appropriate 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 payment in respect of the current performance year and may determine that deferred STI previously awarded is retained.

In general, all ESP shares are forfeited and surrendered in full settlement of the loan if a participant ceases employment prior to the end of the performance period. The Board, however, has absolute discretion in appropriate circumstances to deem an Executive KMP to be a 'good leaver' and determine that some or all of a participant's ESP share awards be 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 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

A minimum shareholding requirement for Non-Executive Directors was introduced in FY19. The minimum shareholding requirement seeks to align the interests of the Board and shareholders with a minimum shareholding requirement for Non-Executive Directors. Each Non-Executive Director must establish and maintain a level of share ownership equal to one times the Non-Executive Director 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. At the date of this Remuneration Report, all Non-Executive Directors either met the minimum requirement or were on track to meet it within the required time.

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 meeting. The 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 advisers for this purpose. There were no changes in fees for Non-Executive Directors during FY21.

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 in General Meeting prior to the Company's listing on the ASX in 2013. 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.

Fees applicable for FY21

Role	$
Chairperson fee	200,000
Base Director fee	100,000
Committee Chair fee	25,000
Subsidiary Chair fee	20,000
Committee Member fee	15,000

Statutory Non-Executive Director fees for the year ended 31 March 2021

Details of the fees paid to the Non-Executive Directors for the year ended 31 March 2021 are outlined below:

		Short-term employee benefits	Post-employment benefits	
Non-Executive Directors	**Year**	**Cash salary and fees $**	**Superannuation $**	**Total $**
C Carnabuci	**2021**	**105,023**	**9,977**	**115,000**
	2020	105,023	9,977	115,000
L Frazier[1]	**2021**	**19,787**	**1,880**	**21,667**
	2020	118,722	11,278	130,000
C Kovacs[2]	**2021**	**11,795**	**1,120**	**12,915**
	2020	–	–	–
G Murdoch	**2021**	**114,155**	**10,845**	**125,000**
	2020	114,155	10,845	125,000
S Sargent	**2021**	**210,046**	**19,954**	**230,000**
	2020	210,046	19,954	230,000
D Snedden	**2021**	**127,854**	**12,146**	**140,000**
	2020	127,854	12,146	140,000
Total Non-Executive Director Remuneration	**2021**	**588,660**	**55,922**	**644,582**
	2020	**675,800**	**64,200**	**740,000**

1. Resigned effective 19 May 2020.
2. Hired effective 22 February 2021.

Directors' shareholdings

Details of the Directors' and their affiliates' shareholdings in OFX Group Limited are set out below:

	Type	Opening balance	Issued	Acquired	Lapsed	Closing balance
C Carnabuci	Ordinary	19,332	–	–	–	19,332
L Frazier	Ordinary	54,645	–	–	–	54,645
C Kovacs	Ordinary	–	–	–	–	–
S Malcolm	Ordinary	3,598,592	1,152,560[1]	117,900	(1,877,166)[2]	2,991,886[3]
G Murdoch	Ordinary	245,000	–	100,000	–	345,000
S Sargent	Ordinary	100,000	–	18,444	–	118,444
D Sneddon	Ordinary	100,000	–	–	–	100,000

1. Shares issued to Mr Malcolm during FY21 comprise:
   - 134,810 ordinary shares issued upon vesting of FY19 STI. These shares are subject to a 12-month holding lock.
   - 937,352 ordinary shares issued under the Executive Share Plan as FY21 LTI incentive, subject to vesting conditions. These shares are restricted until performance measures have been met and the corresponding loan in respect of those shares has been repaid. These shares were reallocated from shares issued on 22 September 2017 pursuant to the Executive Share Plan which were subject to vesting conditions, did not vest and were forfeited on 7 June 2020 in accordance with the terms of the Executive Share Plan. No new shares were issued.
   - 80,398 fully paid ordinary shares were newly issued on 1 September 2020 as a retention award pursuant to the OFX Global Equity Plan. These shares are subject to a vesting condition.
2. Shares issued to Mr Malcolm on 22 September 2017 pursuant to the Executive Share Plan were subject to vesting conditions. These shares did not vest and lapsed on 7 June 2020 in accordance with the terms of the Executive Share Plan.
3. Total ordinary shares held by Mr Malcolm comprise 2,430,718 issued ordinary shares under LTI, 480,770 issued ordinary shares by way of personal holdings and vested STI, and 80,398 shares issued as a retention award. In addition, Mr Malcolm holds STI performance rights of 166,738.

11. Additional Disclosures

Transactions of KMP

Shares held in the Company by KMP at the end of the financial year, excluding shares granted under the ESP and STI, are set out below.

	Held at 1 April 2020	Acquisitions	Other movements	Held at 31 March 2021
Current KMP				
S Malcolm	55,210	117,900	–	**173,110**
S Verth	5,800	–	–	**5,800**
M Shaw	52,222	–	–	**52,222**

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, 18 May 2021.

Steven Sargent
Chairman

18 May 2021

Skander Malcolm
Chief Executive Officer and Managing Director

18 May 2021

Auditor's Independence Declaration

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 2021 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
18 May 2020

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2021

	Notes	2021 $'000	2020 $'000
Fee and trading income	2	**134,232**	137,235
Fee and commission expense	2	**(16,762)**	(13,187)
Net income		**117,470**	**124,048**
Interest and other income	2	**460**	1,106
Net operating income		**117,930**	**125,154**
Employment expenses	3	**(57,992)**	(53,414)
Promotional expenses		**(12,794)**	(13,632)
Information technology expenses		**(6,303)**	(6,273)
Occupancy expenses		**(678)**	(700)
Bad and doubtful debts		**(1,951)**	(3,331)
Other operating expenses	3	**(8,779)**	(10,869)
Earnings before interest expense, tax, depreciation and amortisation (EBITDA)		**29,433**	**36,935**
Depreciation and amortisation expense	12, 13, 16	**(11,745)**	(10,521)
Interest expense		**(1,359)**	(1,647)
Net profit before income tax		**16,329**	**24,767**
Income tax expense	4	**(3,548)**	(4,436)
Net profit attributable to ordinary shareholders		**12,781**	**20,331**
Other comprehensive income			
Other comprehensive income that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations, net of hedging		**(1,303)**	66
Total comprehensive income attributable to ordinary shareholders		**11,478**	**20,397**

Earnings per share attributable to ordinary shareholders		**Cents**	**Cents**
Basic	6	**5.25**	8.37
Diluted	6	**5.10**	8.16

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 2021

	Notes	2021 $'000	2020 $'000
ASSETS			
Cash held for own use	7	**33,454**	28,771
Cash held for settlement of client liabilities	7	**241,807**	207,038
Deposits due from financial institutions	7	**27,119**	32,276
Derivative financial assets	9	**22,546**	35,094
Prepayments		**4,680**	3,144
Other receivables	8	**5,037**	7,071
Property, plant and equipment	12	**1,054**	2,279
Intangible assets	13	**18,048**	14,832
Right-of-use assets	16	**13,899**	17,211
Current tax assets		**6,273**	4,015
Deferred tax assets	5	**–**	2,099
Total assets		**373,917**	**353,830**
LIABILITIES			
Client liabilities	7, 8	**247,094**	211,908
Derivative financial liabilities	9	**16,733**	32,656
Lease liabilities	16	**17,302**	21,143
Other creditors and accruals	14	**4,261**	6,520
Provisions	15	**6,059**	5,616
Deferred tax liabilities	5	**1,239**	–
Total liabilities		**292,688**	**277,843**
Net assets		**81,229**	**75,987**
EQUITY			
Ordinary share capital	18	**28,990**	28,774
Retained earnings		**51,493**	46,502
Foreign currency translation reserve		**(1,230)**	73
Share-based payments reserve		**1,976**	638
Total equity attributable to shareholders		**81,229**	**75,987**

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 2021

	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 2019		29,113	40,155	7	374	69,649
Net profit		–	20,331	–	–	20,331
Other comprehensive income		–	–	66	–	66
Total comprehensive income			**20,331**	**66**	**–**	**397**
Transactions with shareholders in their capacity as shareholders:						
Acquisition of shares		(339)	–	–	–	(339)
Dividends paid	19	–	(13,984)	–	–	(13,984)
Expenses related to share based payments	22	–	–	–	264	264
Subtotal		(339)	(13,984)	–	264	(14,059)
Balance at 31 March 2020		**28,774**	**46,502**	**73**	**638**	**75,987**
Net profit		**–**	**12,781**	**–**	**–**	**12,781**
Other comprehensive income		**–**	**–**	**(1,303)**	**–**	**(1,303)**
Total comprehensive income		**–**	**781**	**(1,303)**	**–**	**11,478**
Transactions with shareholders in their capacity as shareholders:						
Shares issued under employee share scheme		**216**	**–**	**–**	**–**	**216**
Dividends paid	19	**–**	**(7,790)**	**–**	**–**	**(7,790)**
Expenses related to share based payments	22	**–**	**–**	**–**	**1,338**	**1,338**
Subtotal		**216**	**(7,790)**	**–**	**1,338**	**(6,236)**
Balance at 31 March 2021		**28,990**	**51,493**	**(1,230)**	**1,976**	**81,229**

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 2021

	Notes	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit from ordinary activities after income tax		**12,781**	20,331
Adjustments to profit from ordinary activities			
Depreciation and amortisation		**11,745**	10,521
Interest expense		**1,359**	1,647
Movement in share-based payment reserve		**1,338**	264
Foreign exchange revaluation		**5,151**	58
Fair value changes on financial assets and liabilities through profit or loss		**(3,375)**	261
Movement in foreign currency translation reserve		**(1,303)**	66
Operating cash flow before changes in working capital		**27,696**	33,148
Changes in assets and liabilities			
Decrease/(Increase) in prepayments and other receivables		**497**	(3,827)
Decrease/(Increase) in deferred income tax assets		**2,099**	(1,893)
(Increase) in cash held for settlement of client liabilities		**(34,769)**	(51,887)
Increase in amounts due to clients		**35,186**	54,714
(Decrease)/Increase in accrued other creditors and accruals		**(2,259)**	2,064
Increase/(Decrease) in deferred income tax liabilities		**1,239**	(379)
Increase/(Decrease) in provisions		**443**	(216)
(Increase) in current tax assets		**(2,258)**	(1,219)
Net cash flows from operating activities		**27,874**	**30,505**
Cash flows from investing activities			
Payments for property, plant and equipment	12	**(148)**	(972)
Payments for intangible assets	13	**(10,265)**	(9,309)
Decrease in cash deposited with financial institutions		**5,157**	181
Net cash flows from investing activities		**(5,256)**	**(10,100)**
Cash flows from financing activities			
Payments for lease liabilities	16	**(5,200)**	(3,365)
Proceeds from sale/(Payments for acquisition) of shares		**216**	(339)
Dividends paid	19	**(7,790)**	(13,984)
Net cash flows from financing activities		**(12,774)**	**(17,688)**
Net increase in cash held for own use		**9,844**	**2,717**
Cash held for own use at the beginning of the year		**28,771**	26,112
Exchange gains on cash held for own use		**(5,161)**	(58)
Cash held for own use at the end of the year	**7**	**33,454**	**28,771**
Including cash held for settlement of client liabilities (classified as operating activities)			
Cash held for settlement of client liabilities at the beginning of the year		**207,038**	155,151
Cash inflows from clients		**24,894,379**	24,556,639
Cash outflows to clients		**(24,869,578)**	(24,501,554)
Exchange loss/(gain) on cash held for client liabilities		**(9,968)**	(3,198)
Cash held for settlement of client liabilities at the end of the year	**7**	**241,807**	**207,038**
Total cash and cash equivalents	**7**	**275,261**	**235,809**

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 2021

About this Report

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 2021 and was approved and authorised for issue by the Board of Directors on 18 May 2021. 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; and
- 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 9 and Note 10)
- Estimated credit losses on receivables (Note 11(c))
- Share-based payments (Note 22)
- Leases (Note 16)

The COVID-19 pandemic created economic uncertainty resulting in changes to cross-border payment flow activity; impacting all regions. Following the global outbreak of COVID-19, the Group enacted its Business Continuity plans and transitioned almost all of its global workforce to work from home arrangements. Many of the Group's key suppliers, including its major banking counterparties, enacted similar arrangements. As a result, no major disruption to the Group's services has occurred to date. There remains a risk the virus and/or government measures to contain the virus could further impact the Group's employees and the availability of its key suppliers. The Group has and will continue to closely monitor the situation. There has been no significant impact on estimates and key judgements as a result.

Basis of consolidation

The consolidated financial report comprises the assets and liabilities of all subsidiaries of the Group as at 31 March 2021 and the results of all subsidiaries for the year then ended. A list of controlled entities at year end is contained in Note 21.

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 21.

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 flows.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2021 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group's financial statements.

Segment Information

Note 1. Segment Information

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

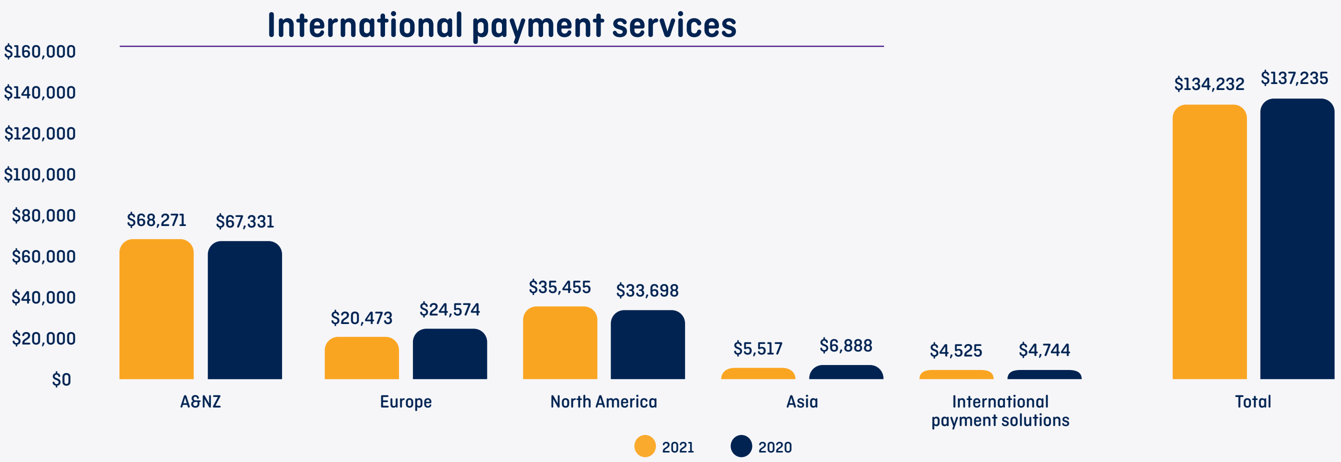
The chief operating decision makers examine the performance both from a product and geographic perspective and have identified five reportable segments.

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

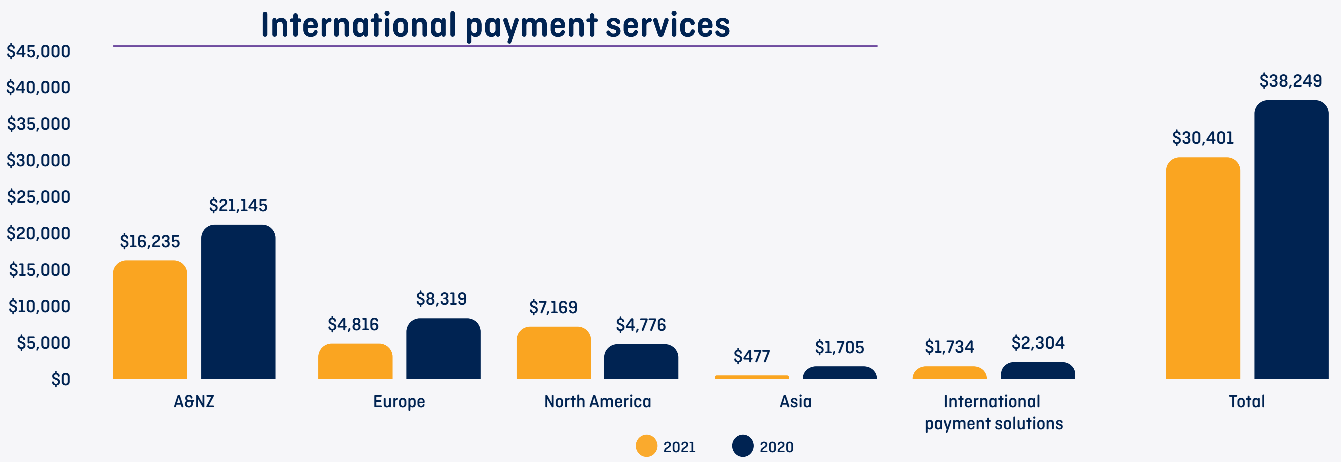
- International payment services are monitored by geographic region (based on client location) and provide bank to bank currency transfers servicing businesses and consumers.
- International payment solutions provide strategic partners with a package which includes: OFX IT platform; client service; compliance;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

Segments are managed on an underlying basis. Segment EBITDA excludes $1.0 million (2020: $1.3 million) of one-off expenses/non-operating.

Segment fee and trading income – 2021 v 2020 ($'000)



Segment EBITDA – 2021 v 2020 ($'000)



	2021 $'000	2020 $'000
Group underlying EBITDA	**30,401**	38,249
Depreciation and amortisation	**(11,745)**	(10,521)
Interest expense	**(1,359)**	(1,647)
Net profit before income tax	**17,297**	**26,081**
Income tax expense	**(3,548)**	(4,436)
One-off expenses/non-operating	**(968)**	(1,314)
Net profit	**12,781**	**20,331**

	Australia and New Zealand $'000	Europe $'000	North America $'000	Asia $'000	International payment solutions $'000	Consolidated $'000
2021						
Segment assets	**193,442**	**78,328**	**80,967**	**37,402**	**–**	**390,139**
Intergroup eliminations	**(4,159)**	**–**	**(12,063)**	**–**	**–**	**(16,222)**
Deferred tax assets						**–**
Total assets						**373,917**
Segment liabilities	**(142,008)**	**(71,037)**	**(65,165)**	**(29,461)**	**–**	**(307,671)**
Intergroup eliminations	**–**	**7,066**	**–**	**9,156**	**–**	**16,222**
Deferred tax liabilities						**(1,239)**
Total liabilities						**(292,688)**
2020						
Segment assets	230,595	42,986	82,008	28,549	–	384,138
Intergroup eliminations	–	(17,116)	–	(15,291)	–	(32,407)
Deferred tax assets						2,099
Total assets						**353,830**
Segment liabilities	(183,062)	(37,663)	(69,422)	(20,103)	–	(310,250)
Intergroup eliminations	6,266	–	26,141	–	–	32,407
Deferred tax liabilities						–
Total liabilities						**(277,843)**

Results for the Year

Note 2. Net Operating Income

Fee and trading income

Fee and trading income consists of the 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.

Fee and commission expenses

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.

	2021 $'000	2020 $'000
Realised margin and fees on foreign exchange contracts	**129,361**	137,242
Unrealised gains on foreign exchange contracts	**684**	1,709
Revaluation of foreign exchange assets and liabilities	**4,187**	(1,716)
Fee and trading income	**134,232**	**137,235**
Fee and commission expense	**(16,762)**	(13,187)
Net income	**117,470**	**124,048**
Interest and other income	**460**	1,106
Net operating income	**117,930**	**125,154**

Note 3. Expenses

	2021 $'000	2020 $'000
Employment expenses		
Salaries and related costs including commissions	**(50,537)**	(47,291)
Share based payments	**(1,553)**	(271)
Defined contribution plan	**(3,471)**	(3,209)
Total employee compensation expense	**(55,561)**	**(50,771)**
Other employment expenses (on-costs, recruitment and staff training)	**(2,431)**	(2,643)
Total employment expenses	**(57,992)**	**(53,414)**
Other operating expenses		
Professional fees	**(2,061)**	(3,133)
Communication	**(303)**	(443)
Compliance	**(2,402)**	(2,451)
Insurance	**(2,194)**	(1,434)
Travel	**–**	(1,283)
Non-recoverable GST	**(228)**	(238)
Service provider fees	**(892)**	(640)
Other expenses	**(699)**	(1,247)
Total other operating expenses	**(8,779)**	**(10,869)**

Note 4. 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 bases 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, OzForex Limited and its wholly owned Australian controlled entities are taxed as a single entity. The Group's tax year end has been aligned to financial year end as of 31 March 2021, changed from 30 September.

Offshore Banking Unit

OzForex Limited, a subsidiary of the Group, was declared an Offshore Banking Unit (OBU) on 10 October 2015. In accordance with Australian income tax legislation, assessable offshore banking (OB) income derived by the OBU is taxable at a concessional rate of 10%. OB income includes revenue earned on foreign exchange transactions with offshore counterparties, excluding those with any AUD component. In March 2021 the Australian Treasurer proposed amendments to the Offshore Banking Unit regime. The proposed bill includes removal of the concessional tax treatment for OBU (i.e. 10% tax rate). This will cease to apply from the 2023-24 income year. Over the transition period the Government intends to put alternative measures in place to ensure activity remains in Australia once the grandfathering period ends. The bill is yet to become law. The Group structure will be reassessed to ensure it remains optimal and tax effective.

a. Income tax expense

	2021 $'000	2020 $'000
Current tax expense	**1,279**	5,756
Adjustments to current tax of prior years	**(260)**	(318)
Total current tax expense	**1,019**	**5,438**
Deferred income tax (benefit)/expense	**2,529**	(1,002)
Total income tax expense	**3,548**	**4,436**

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

Net profit before income tax	**16,329**	24,767
Prima facie income tax expense at 30% (2020: 30%)	**4,899**	7,430
Effect of different offshore tax rates	**(669)**	(456)
Decrease in tax expense as a result of operating as an OBU in the current period	**(717)**	(1,285)
Entertainment	**6**	19
Research and Development tax credits	**(678)**	(284)
Research and Development tax credits associated with change of income tax year	**(443)**	–
Share based expenses	**384**	82
Other items	**766**	(1,070)
Total income tax expense	**3,548**	**4,436**

Note 5. Deferred Income Tax Assets/(Liabilities)

	2021 $'000	2020 $'000
Deferred income tax assets		
The balance comprises temporary differences attributable to:		
Provisions and accrued expenses	**1,305**	1,355
Corporate action costs deemed capital for taxation	**530**	728
Carried forward tax losses	**40**	104
Lease liabilities	**3,078**	3,513
Unrealised foreign exchange loss	**–**	824
Property, plant and equipment	**30**	30
Other	**79**	42
Total deferred income tax assets – before offset	**5,062**	6,596
Offset deferred income tax liabilities (refer to Note 4 for accounting policy)	**(5,062)**	(4,497)
Net deferred income tax assets – after offset	**–**	**2,099**
Deferred income tax liabilities		
The balance comprises temporary differences attributable to:		
Intangible assets	**(2,231)**	(1,212)
Financial instruments	**(1,712)**	(386)
Right-of-use assets	**(2,324)**	(2,834)
Property, plant and equipment	**(34)**	(65)
Total deferred income tax liabilities – before offset	**(6,301)**	(4,497)
Offset deferred income tax assets (refer to Note 4 for accounting policy)	**5,062**	4,497
Net deferred income tax liabilities – after offset	**(1,239)**	**–**
Net deferred income tax (liabilities)/assets	**(1,239)**	**2,099**

Note 6. 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	2021 Cents	2020 Cents
Basic	**5.25**	8.37
Diluted	**5.10**	8.16

b. Earnings	$'000	$'000
Net profit attributable to ordinary shareholders used to calculate basic and diluted earnings per share	**12,781**	20,331

c. Weighted average number of shares	Number	Number
Weighted average number of ordinary shares used to calculate basic earnings per share	**243,674,227**	242,768,161
Dilutive potential ordinary shares[1]	**7,151,139**	6,351,304
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	**250,825,366**	249,119,465

1. Includes issuances under the Executive Share Plan (ESP) and Global Equity Plan (GEP). Refer to Note 22.

Financial Assets and Liabilities

Note 7. Cash and Cash Equivalents, Client Liabilities, and Deposits Due from Financial Institutions

Cash and cash equivalents includes cash on hand and deposits held at short call with financial institutions with an original maturity of less than three months (together, 'cash held for own use') and cash held for subsequent settlement of client liabilities.

Cash held for subsequent settlement of client liabilities represents 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 to Note 8). Gross client liabilities total $247,094,000 as at 31 March 2021 (2020: $211,908,000).

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

	2021 $'000	2020 $'000
Cash held for own use	**33,454**	28,771
Cash held for settlement of client liabilities	**241,807**	207,038
Cash and cash equivalents	**275,261**	**235,809**
Deposits due from financial institutions	**27,119**	32,276
Cash held for subsequent settlement of client liabilities	**(241,807)**	(207,038)
Net cash held	**60,573**	**61,047**
Collateral and bank guarantees	**(23,756)**	(36,547)
Net available cash	**36,817**	**24,500**

Note 8. Other Receivables (Current Assets)

Other receivables include client receivables, GST receivables and other debtors. Other debtors include rental deposits and interest receivable. Client receivables include amounts settled on behalf of customers of the Group, which are yet to be received. All receivables are recognised at amortised cost, less any impairment. Details about the Group's impairment policies and the calculation of the expected credit loss allowance are provided in Note 11(c). Interest is recognised in the Statement of Comprehensive Income using the effective interest method.

	2021 $'000	2020 $'000
Client receivables	**5,287**	4,870
Provision for impairment	**(1,685)**	(1,588)
GST receivables	**154**	486
Other debtors	**1,281**	3,303
Other receivables	**5,037**	**7,071**

Note 9. 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 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. 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 hedge of net investments in foreign operations, which are recognised and measured in accordance with Note 11.

	2021 $'000	2020 $'000
Value of forward contracts – assets	**22,546**	35,094
Value of forward contracts – liabilities	**(16,733)**	(32,656)
Net financial instruments at fair value	**5,813**	**2,438**

Note 10. 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. Cash and cash equivalents, deposits due from financial institutions, other receivables, client liabilities, other creditors and accruals are excluded from the fair value hierarchy as these instruments are held at amortised cost. Their fair value approximates the carrying value as they are short-term in nature.

Level	Instruments	Valuation process
Level 1 Traded in active markets and fair value is based on recent unadjusted quoted prices.	None – the Group does not hold any of these instruments.	Not applicable.
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.	None – the Group does not hold any of these instruments.	Not applicable.

Note 11. Financial Risk Management

Financial risk management

The Group is exposed to the following risks, and manages these 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.	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.
Interest rate risk – Exposure to non-traded interest rate risk results from cash and term deposits held in different currencies.	Settlement of client liabilities between 12 and 24 hours of receipt of client cash results in low exposure to non-traded interest rate risk.

Type of risk	How the risk is managed
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 pay out 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 customer 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 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 21) 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 2021		31 March 2020	
Movement in exchange rate (basis points)[1]	**+/-500 Sensitivity of profit before tax $'000**	**+/-500 Sensitivity of equity after tax $'000**	**+/-500 Sensitivity of profit before tax $'000**	**+/-500 Sensitivity of equity after tax $'000**
CAD	**(36)**	**(9)**	(27)	(12)
EUR	**10**	**70**	(1)	(6)
GBP	**(44)**	**63**	(25)	(11)
NZD	**12**	**11**	(40)	(41)
SGD	**(2)**	**66**	3	4
USD	**(102)**	**(271)**	(41)	(323)
Other	**37**	**42**	80	79
Total	**(125)**	**(28)**	**(51)**	**(310)**

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

b. Interest rate risk

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

	31 March 2021		31 March 2020	
Movement in exchange rate (basis points)[1]	**+/-500 Sensitivity of profit before tax $'000**	**+/-500 Sensitivity of equity after tax $'000**	**+/-500 Sensitivity of profit before tax $'000**	**+/-500 Sensitivity of equity after tax $'000**
AUD	**482**	**362**	552	414
CAD	**48**	**36**	30	23
EUR	**186**	**148**	101	78
GBP	**229**	**180**	135	102
NZD	**39**	**29**	42	31
SGD	**88**	**73**	19	15
USD	**303**	**206**	358	236
Other	**137**	**105**	103	77
Total	**1,512**	**1,139**	**1,340**	**976**

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

c. Credit risk

Maximum exposure to credit risk and credit quality of financial assets

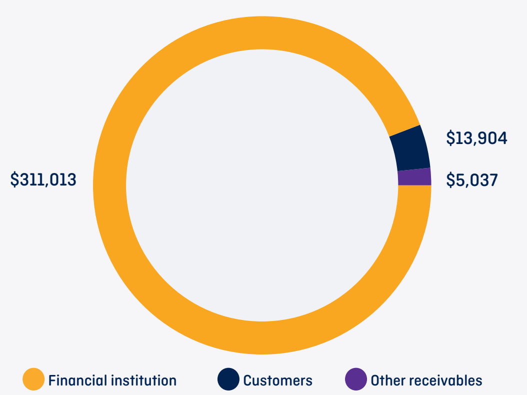
The amounts shown represent the maximum exposure of the Group to credit risk at the end of the reporting period. This is equal to the carrying amount of each class of financial assets in the table below.

The Group uses internal credit ratings to manage the credit quality of its financial assets. The Group's financial assets held with financial institutions are investment grade (between Aaa-Baa3). There are no balances that are past due or impaired as at 31 March 2021 (2020: nil).

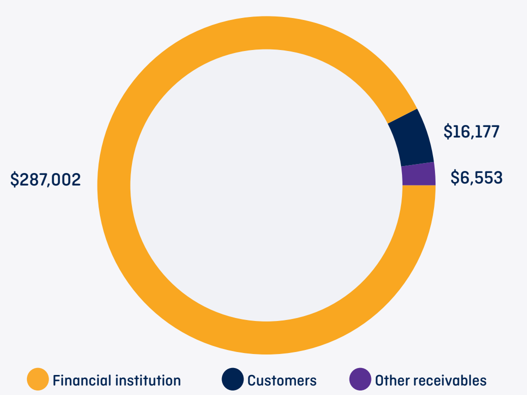
	Rating	**2021 $'000**	**2020 $'000**
Cash and cash equivalents	Investment grade	**275,255**	235,809
Deposits due from financial institutions	Investment grade	**27,119**	32,276
Derivative assets – with financial institutions	Investment grade	**8,639**	18,917
Derivative assets – with clients	Unrated[1]	**13,904**	16,177
Other receivables	Unrated[1]	**5,037**	8,659
Total gross credit risk		**329,954**	**311,838**

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

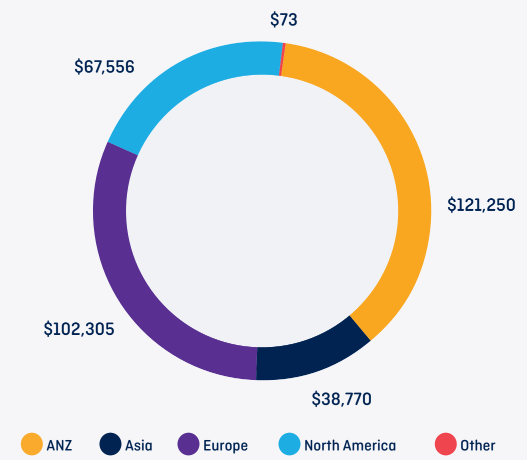
2021 Credit Exposure ($'000)



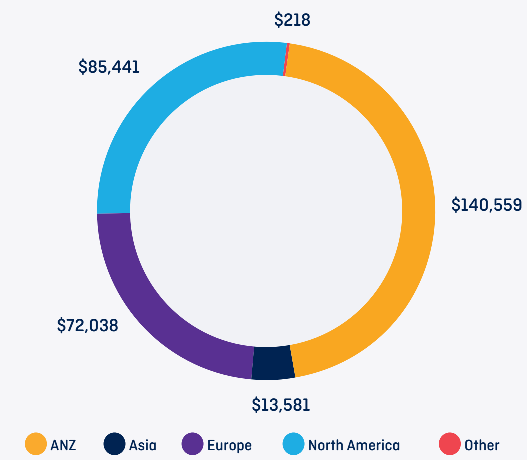
2020 Credit Exposure ($'000)



2021 Credit Exposure by Geography ($'000)



2020 Credit Exposure by Geography ($'000)



Maximum exposure to credit risk and credit quality of financial assets (continued)

For trading credit risk, the Group assesses the credit quality of the customer, taking into account its financial position, past experience, external credit agency reports and credit references. Individual customer 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 customers 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 2021 and 2020 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)	2021	**2,652**	**6**	**26**	**2,603**	**5,287**
Gross carrying amount ($'000)	2020	3,320	33	42	1,475	4,870
Provision ($'000)	2021	**60**	**–**	**–**	**1,625**	**1,685**
Provision ($'000)	2020	158	2	6	1,422	1,588

1. Expected loss rate for receivables more than 90 days past due incorporates the reduction attributable to amounts expected to be recouped from insurers.

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

	2021 $'000	2020 $'000
Opening loss allowance as at 1 April	**1,588**	544
Write off during the year	**(1,951)**	(3,331)
Increase in loss allowance recognised in profit or loss during the year	**2,048**	4,375
Closing loss allowance at 31 March	**1,685**	**1,588**

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 2021 based on contractual undiscounted repayment cash flows. Derivatives are included in the less than three 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.

	On demand $'000	3 months or less $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
2021						
Other liabilities[1]	**(2,220)**	**(250,129)**	**–**	**(2,155)**	**–**	**(254,504)**
Lease liabilities	**(237)**	**(474)**	**(2,136)**	**(14,455)**	**–**	**(17,302)**
Derivative financial instruments						
Inflows	**–**	**1,213,539**	**650,050**	**41,010**	**–**	**1,904,599**
(Outflows)	**–**	**(1,209,106)**	**(649,105)**	**(40,575)**	**–**	**(1,898,786)**
Total	**(2,457)**	**(246,170)**	**(1,191)**	**(16,175)**	**–**	**(265,993)**
2020						
Other liabilities[1]	(2,152)	(207,815)	–	(4,406)	–	(214,373)
Lease liabilities	(243)	(486)	(2,189)	(18,225)	–	(21,143)
Derivative financial instruments						
Inflows	–	965,623	450,371	71,705	–	1,487,699
(Outflows)	–	(963,590)	(450,089)	(71,582)	–	(1,485,261)
Total	**(2,395)**	**(206,268)**	**(1,907)**	**(22,508)**	**–**	**(233,078)**

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

i. Financial assets at amortised cost

The Group classifies its financial assets at amortised cost if the asset is held with the objective of collecting contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. These 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 8 for details relating to client receivables.

ii. Financial assets and liabilities 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 managing 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 are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised 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).

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

The effects of applying hedge accounting on the Group's financial position and performance are as follows:

	2021 $'000	2020 $'000
Hedging instrument – forward foreign exchange contracts		
Carrying amount	**3,923**	(2,886)
Notional amount British Pounds	**3,646**	2,681
Notional amount US Dollars	**8,486**	7,390
Notional amount Canadian Dollars	**2,199**	1,337
Notional amount New Zealand Dollars	**2,462**	1,775
Notional amount Hong Kong Dollars	**30,000**	30,000
Notional amount Euros	**390**	–
Maturity date	**Apr 2020 – Mar 2022**	Apr 2019 – Mar 2021
Hedge ratio	**1:1**	1:1
Change in value of outstanding hedge instruments since 1 April	**3,923**	(2,886)
Change in value of hedged item used to determine hedge effectiveness	**(3,923)**	2,886
Weighted average hedge rate – British Pounds	**A$1 : GBP0.5521**	A$1 : GBP0.5101
– US Dollars	**A$1 : US$0.7279**	A$1 : US$0.6667
– Canadian Dollars	**A$1 : CA$0.9611**	A$1 : CA$0.8709
– New Zealand Dollars	**A$1 : NZ$1.0846**	A$1 : NZ$1.0537
– Hong Kong Dollars	**A$1 : HK$5.9190**	A$1 : HK$4.7596
– Euros	**A$1 : EUR0.6213**	–

Other Assets and Liabilities

Note 12. 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 2020			
Cost	8,682	4,511	13,193
Less accumulated depreciation	(7,030)	(3,884)	(10,914)
Net carrying amount	**1,652**	**627**	**2,279**
Movement			
Balance at 31 March 2019	2,661	541	3,202
Additions	480	492	972
Disposals	(21)	(7)	(28)
Depreciation	(1,468)	(399)	(1,867)
Balance at 31 March 2020	**1,652**	**627**	**2,279**
Year ended 31 March 2021			
Cost	**8,554**	**4,787**	**13,341**
Less accumulated depreciation	**(8,017)**	**(4,270)**	**(12,287)**
Net carrying amount	**537**	**517**	**1,054**
Movement			
Balance at 31 March 2020	**1,652**	**627**	**2,279**
Additions	**12**	**276**	**288**
Disposals	**(13)**	**–**	**(13)**
Depreciation	**(1,114)**	**(386)**	**(1,500)**
Balance at 31 March 2021	**537**	**517**	**1,054**

Note 13. Intangible Assets

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 straight-line basis over the estimated useful life of three to five years. Costs incurred on research related costs or software maintenance are expensed as incurred.

	Internally generated software $'000	Externally acquired software $'000	Total $'000
Year ended 31 March 2020			
Cost	14,393	15,845	30,238
Less accumulated amortisation	(4,477)	(10,256)	(14,733)
Less impairment	(192)	(481)	(673)
Net carrying amount	**9,724**	**5,108**	**14,832**
Movement			
Balance at 31 March 2019	7,958	3,061	11,019
Additions	5,246	4,063	9,309
Amortisation	(3,288)	(1,535)	(4,823)
Impairment	(192)	(481)	(673)
Balance at 31 March 2020	**9,724**	**5,108**	**14,832**
Year ended 31 March 2021			
Cost	**24,658**	**15,845**	**40,503**
Less accumulated amortisation	**(10,531)**	**(11,251)**	**(21,782)**
Less impairment	**(192)**	**(481)**	**(673)**
Net carrying amount	**13,935**	**4,113**	**18,048**
Movement			
Balance at 31 March 2020	**9,724**	**5,108**	**14,832**
Additions	**10,265**	**–**	**10,265**
Amortisation	**(6,054)**	**(995)**	**(7,049)**
Balance at 31 March 2021	**13,935**	**4,113**	**18,048**

Note 14. Other Creditors and Accruals (Current Liabilities)

	2021 $'000	2020 $'000
Accrued charges and sundry liabilities	**4,255**	6,186
Other liabilities	**6**	334
Total other liabilities	**4,261**	**6,520**

Note 15. 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 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 $'000s	Short-term incentives $'000s	Long service leave $'000s	Leasehold makegood $'000s	Total $'000s
Carrying amount at beginning of the period	1,971	2,610	491	544	5,616
Additional provisions made	3,308	2,712	262	1	6,283
Release of provisions	(3,408)	(2,399)	–	(33)	(5,841)
Carrying amount at the end of the period	**1,872**	**2,923**	**752**	**512**	**6,059**

All employee provisions are current liabilities apart from $404,429 (2020: $305,390) of long service leave which is non-current.

Note 16. 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 10 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:

Right of use assets	2021 $'000	2020 $'000
Buildings	**13,899**	17,211
Total lease assets	**13,899**	**17,211**
Lease liabilities		
Current	**2,848**	2,918
Non-current	**14,455**	18,225
Total lease liabilities	**17,302**	**21,143**

Amounts recognised in the Statement of Comprehensive Income:

Depreciation charge of right-of-use assets	2021 $'000	2020 $'000
Buildings	**3,196**	3,158
Total depreciation charge	**3,196**	**3,158**
Interest expense	**1,359**	**1,647**

Capital Structure

Note 17. 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 and no breaches have occurred.

Note 18. 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 243,872,167 fully paid ordinary shares (2020: 242,957,636). Ordinary shares entitle the holder to vote and to receive dividends and the proceeds of the Company if it is liquidated in proportion to the number of shares held.

There are 5,775,021 (2020: 5,775,021) restricted ordinary shares issued to KMP in connection with the LTI – Executive Share Plan. Refer to Note 22 for further information.

Note 19. Dividends

Dividends are recognised as a liability and a reduction to retained earnings when declared. The interim dividend paid was not franked. (2020: 70%).

	2021 $'000	2020 $'000
Final dividend from the preceding year $0.0235 (2020: $0.0328) per share	**(5,797)**	(8,219)
Interim dividend $0.0081 (2020: $0.0235) per share)	**(1,993)**	(5,765)
Total dividends recognised and paid	**(7,790)**	**(13,984)**

On 18 May 2021, the Company announced an on-market share buyback program to replace the dividend in the near term. The on-market share buyback program will be up to 10% of the Company's fully paid ordinary shares and will commence 7 June 2021.

	2021 $'000	2020 $'000
Franked dividends		
Franking credits available for subsequent financial years based on a tax rate of 30% (2020: 30%)	**2,975**	1,472

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for the franking credits that will arise from paying the current tax liability, but before taking account of the final declared dividend for 2021.

Other Items

Note 20. Events Occurring After Balance Sheet Date

Refer to the share buy back disclosed in Note 19.

We are delighted to announce we have agreed terms for a strategic investment in TreasurUp, a European treasury management software company, that will allow us to provide automated hedging and risk management solutions for small and medium size corporates to manage their F/X risk. OFX have agreed terms to invest in a minority stake in TreasurUp. The Company's investment is expected to comprise €3.15 million in preference shares and €0.75 million in convertible debt, with projected close in 1H22.

Note 21. Related Party Information

Subsidiaries

The following entities are wholly owned subsidiaries of the Group and all have a 31 March year end:

Entity	Country of incorporation	Functional currency
CanadianForex Limited	Canada	CAD
OzForex (HK) Limited	Hong Kong	HKD
OFX (Shanghai) Co. Ltd	China	CNY
OzForex Limited	Australia	AUD
OFX Australia Pty Limited	Australia	AUD
OFX Group Pty Limited	Australia	AUD
OFX (SNG) 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

Note 22. 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	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.
Long-Term Incentives (LTI) – Global Equity Plan Options	Long-Term Incentives (LTI) are issued to non-Australian employees under the Global Equity Plan with the same terms as above issuances.

Issuance	Description
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.
Short-Term Incentives (STI) – Retention	Retention payments in the form of an equity grant were issued to Executives as a one-off incentive. This issuance represented a commitment made by the Board as a part of the unsolicited M&A proposal during FY20. This award vests 12 months from the date of the award.
Employee Shares	Employee shares are issued under the Group's Global Equity Plan. The Board has discretion to gift shares to Employees and/or to offer a matching plan. Shares, where issued, are held in a holding lock and not traded for the earlier of, three years or when the employee ceases employment.

For details on the vesting conditions of share issuances, refer to the Remuneration Report.

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

	2021 $	2020 $
Long-Term Incentives (LTI)	**100,838**	204,957
Short-Term Incentives (STI) – Performance Rights	**549,699**	60,201
Short-Term Incentives (STI) – Retention	**686,522**	–
Employee Shares	**215,850**	6,158
Total share based payment expense	**1,552,909**	**271,316**

Accounting for share based payments

The fair value 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 options are measured at fair value at the date of grant using the Monte Carlo simulation 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

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.

For the FY21 share based loans the Board has implemented a minimum performance below which no benefit accrues, being where the minimum absolute TSR and minimum EBITDA level of performance is met. There is a target measure being absolute TSR (Total Shareholder Return). There is a set performance matrix that determines loan forgiveness.

The assumptions underlying the LTI – Executive Share Plan Options valuations issued during the year are outlined in the table below.

Performance period (years)	Grant date	Vesting date	Exercise price	Fair value at grant date	Dividend yield	Risk free interest rate	Share price volatility
3	9 June 2020	9 June 2023	$1.37	$0.27	3.88%	0.28%	38.04%

Short-Term Incentives (STI) – Performance Rights

The fair value of the STI is determined using the Black-Scholes option pricing model with the following assumptions:

Deferral period (years)	Grant Type	Grant date	Vesting date	Exercise price	Fair value at grant date	Dividend yield	Risk free interest rate	Share price volatility
1	Retention	9 June 2020	9 June 2021	–	$1.32	3.88%	0.28%	45.63%
2	Performance rights	9 June 2020	9 June 2022	–	$1.27	3.88%	0.28%	42.09%
2	Performance Rights	1 September 2020	1 September 2022	–	$1.07	4.87%	0.28%	41.52%

Share based payment awards

	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year
LTI – Executive Share Plan Options	6,176,087	2,550,185	–	(2,810,359)	5,915,913
LTI – Global Equity Plan Options	–	722,612	–	–	722,612
Short-Term Incentives (STI) – Retention	–	803,980	–	(160,796)	643,184
Short-Term Incentives (STI) – Performance Rights	540,537	569,824	(518,799)	(31,161)	560,401

Note 23. 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	2021 $	2020[1] $
Short-term employee benefits	**2,401,432**	2,452,202
Post-employment benefits	**128,410**	126,855
Long-term employee benefits	**24,222**	9,206
Share based payments	**572,110**	399,911
Total remuneration paid to key management personnel	**3,126,174**	**2,988,174**

1 FY20 SBP expense has been restated and increased by $81,479 due to revisions in the valuation methodology and to certain assumptions applied.

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.

	2021 Number	2020 Number
Number of rights for fully paid ordinary shares	**465,328**	186,331
Number of fully paid ordinary shares	**813,908**	632,209
Number of LTI shares and shares subject to holding lock	**3,784,703**	4,500,448

Outstanding loans

The total loan amount outstanding from KMP in relation to the LTI – ESP is $5,453,818. Refer to Note 22 for details of the plan.

Other transactions with KMPs

All 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 2021.

In the normal course of business, the Group occasionally enters into transactions with seven 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 24. Auditor Remuneration

	2021 $	2020 $
Company's auditor remuneration[1]		
KPMG		
Audit and review of financial statements	**425,061**	–
Other professional services – regulatory review	**70,984**	–
PricewaterhouseCoopers (PwC)		
Audit and review of financial statements	**–**	417,000
Taxation services	**–**	134,208
Other professional fees	**–**	28,208
Total Company's auditor remuneration	**496,045**	**579,488**
Auditor remuneration to other accounting firms		
Audit and review of financial statements	**64,984**	41,244
Taxation services	**107,526**	92,344
Total auditor remuneration to other accounting firms	**172,510**	**133,588**

1. In FY20 all amounts with respect to Company's auditor remuneration were paid to member firms of PwC, being the Company's auditor for the financial year, prior to appointment of KPMG as the Company's auditor in FY21.

Note 25. 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	2021 $ '000's	2020 $ '000's
Statement of Financial Position		
Investment in subsidiaries	**30,966**	29,412
Total assets	**30,966**	**29,412**
Share based payments reserve	**1,976**	638
Ordinary share capital	**28,990**	28,774
Total equity	**30,966**	**29,412**
Profit or loss for the year (intercompany dividends received)	**7,792**	**13,984**
Total comprehensive income	**7,792**	**13,984**

Earnings per share attributable to ordinary shareholders:	Cents	Cents
Basic earnings per share	**3.20**	5.76
Diluted earnings per share	**3.11**	5.61

Directors' Declaration

In the Directors' opinion:

a. the financial statements and notes for the year ended 31 March 2021 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 requirements, and
   ii. giving a true and fair view of the consolidated entity's financial position as at 31 March 2021 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 75 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.

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

On behalf of the Board:

Steven Sargent
Chairman

Skander Malcolm
Chief Executive Officer and Managing Director

18 May 2021

Independent Auditor's Report

to the members of OFX Group Limited

KPMG

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 2021 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 2021;
- Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flows for the year then ended;
- Notes including a summary of significant 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 the Code.

Key Audit Matters

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

- Recognition of fee and trading income
- Taxation
- Share based payments

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 ($134.2m)	
Refer to Note 2 of 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: • Margins on foreign currency trades; and • Changes in exchange rates between the time when a client trade is agreed, and a subsequent trade is entered into.	• Assessed the appropriateness of the accounting policy applied by the Group, against the requirements of the accounting standards. • Obtained an understanding of the steps involved in processing a trade and recording revenue; • Tested controls over the reconciliations between the trade recording system and bank statements; • Tested IT controls over the trade recording system; • Tested IT controls over the feed of foreign exchange rates from external providers into the trade recording system; • Tested realised margin on the trades recorded by comparing the contracted rate noted in the trade recording system to market rates obtained from externally available published rates and recalculating the resulting margin; • Tested a sample of contract rates of customers in the trade recording system to underlying source documents, such as correspondence of trades with customers; • Compared a sample of trades to deal tickets and bank statements regarding the timing of their recording in the correct period; • Revalued a sample of foreign exchange contracts using external market rates to test unrealised gains and losses on contracts held by the Group at year end; • Assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.

KPMG

<table>
<tr><th colspan="2">Taxation ($3.5m)</th></tr>
<tr><td colspan="2">Refer to Note 4 of the financial report</td></tr>
<tr><td>The key audit matter</td><td>How the matter was addressed in our audit</td></tr>
<tr><td>Tax is considered a key audit matter due to the complexity of concessional tax arrangements used by the Group during the year, including:
• A subsidiary of the Group, OzForex Limited, qualifies as an Offshore Banking Unit (OBU), which attracts a concessional tax rate of 10%. We focused on the application of OBU conditions to the Group's transactions.
• Eligibility for Research and Development Tax Credits (R&D Credits) which further reduces the Group's tax expense. The eligibility for these tax credits is determined by the Group based on relevant tax legislation.
We involved our tax specialists to supplement our senior audit team members in assessing this key audit matter.</td><td>Working with our tax specialists, we performed the following procedures:
• Evaluated the Group's Policy in relation to the allocation of trades to the OBU. We assessed the OBU legal status against relevant Australian tax legislation. We assessed the wording of the policy in particular as defined in the Group's notes as assessable offshore banking income derived by the OBU against the criteria for OBU application of concessional arrangements in the tax legislation;
• Obtained a sample of trades recorded in the OBU and checked their features from the trade recording system against the allocation methodology within Group Policy;
• Assessed the scope, competence and objectivity of the external expert engaged by the Group to assist in determining the eligibility for R&D tax credits claimed under the relevant tax legislation;
• Assessed the appropriateness of the accounting treatment applied to R&D Credits against the accounting standards;
• Assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.</td></tr>
</table>

Share-based payments ($1.3m)	
Refer to Note 22 of the financial report	
The key audit matter	**How the matter was addressed in our audit**
Share-based payments are considered a key audit matter due to the significant audit effort required considering the nature of and changes to the Group's share incentive programs. We focused on the: • Valuation methodology and inputs, such as the share price, vesting period, and grant date used by the Group in the valuation of share incentive rights; • Assumptions made by management when assessing the likelihood of share incentive rights issuances vesting. We involved our share-based compensation specialists to supplement our senior audit team members in assessing this key audit matter.	Working with our share-based compensation specialists, we performed the following procedures: • Inquired of the Group and inspected a sample of share incentive programs to understand the remuneration process, structure and various share incentive program offerings. • Assessed the Group's accounting policy for share incentive program arrangements against the criteria in the accounting standards. • Assessed the valuation methodology against industry practice and the requirements of the accounting standards. • Checked key valuation inputs including determination of grant date, grant date share price, vesting period and vesting conditions against a sample of letters issued to employees, the Group's share price, the underlying share incentive program conditions, and the requirements of the accounting standards. • Recalculated the grant date fair value for a sample of issuances using externally available valuation models and assumptions, comparing these fair values to those calculated by the Group. • Using our independent grant date fair values, calculated the expected share-based payment expense and compared it to that calculated by management. • Challenged the assumptions made by management when assessing the likelihood of issuances vesting using our knowledge of the Group, their past and expected future performance and our industry experience; • Assessed the Group's disclosures of the key terms and valuation assumptions, as required by the accounting standards.

KPMG

Other Information

Other Information is financial and non-financial information in OFX Group Limited's annual reporting 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
- 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.

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.pdfThis description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of OFX Group Limited for the year ended 31 March 2021, complies with *Section 300A* of the *Corporations Act 2001*.

Emphasis of matter – Restatement of certain comparative balances

We draw attention to section 4 of the Remuneration Report, which describes a restatement of certain key management personnel remuneration comparative period disclosures. These restatements were due to revisions in the valuation methodology and to certain assumptions applied in calculations of short-term incentive and long-term incentive plans. Our opinion is not modified in respect of this matter.

The Remuneration Report of OFX Group Limited for the year ended 31 March 2020 was audited by another auditor who issued an unmodified opinion on that Remuneration Report on 19 May 2020.

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 49 to 69 of the Directors' report for the year ended 31 March 2021.

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
18 May 2021

Shareholder Information

The shareholder information set out below is current as at 13 April 2021.

Corporate Governance Statement

For FY21 the Company's governance practices complied with the ASX Corporate Governance Council's Principles and Recommendations. Further details are set out in the FY21 Corporate Governance Statement, as approved by the Board, which is available on the Company's website at: https://www.ofx.com/en-au/investors/corporate-governance.

This Corporate Governance Statement outlines the extent to which the Company has followed the ASX Corporate Governance Council's Recommendations during FY21.

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):

Name	Number Held	% of Issued Capital
Selector Funds Management Limited	24,006,692	9.6%
Ellerston Capital Limited	23,322,907	9.3%
Microequities	20,006,760	8.0%
Australian Ethical Investment	17,938,710	7.2%
Pendal Group	15,822,151	6.3%
Renaissance Smaller Companies	15,236,495	6.1%

Distribution of Security Holders

Number of shares	Total holders of ordinary shares	Number of ordinary shares	% of Issued Capital
1 – 1,000	834	445,831	0.18%
1,001 – 5,000	1,349	4,054,761	1.66%
5,001 – 10,000	639	5,109,443	2.10%
10,001 – 100,000	838	22,987,189	9.43%
100,001 – 999,999,999	72	211,274,943	86.63%
Total		**243,872,167**	**100.00%**

There were 352 holders of less than a marketable parcel of ordinary shares, based on the Company's closing market price of $1.17 on 13 April 2021.

Unquoted Equity Securities

Securities issued under the Company's Global Equity Plan 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)	5,775,021	11
Performance rights	860,362	43
Options	722,612	2

Twenty Largest Security Holders of Ordinary Shares as at 13 April 2021

The table below includes ordinary shares issued under the Company's Executive Share Plan.

Rank	Name	Units	% of Units
1.	Selector Funds Management	24,006,692	9.6%
2.	Ellerston Capital	23,322,907	9.3%
3.	Microequities	20,006,760	8.0%
4.	Australian Ethical Investment	17,938,710	7.2%
5.	Pendal Group	15,822,151	6.3%
6.	Renaissance Smaller Companies	15,236,495	6.1%
7.	Matthew Gilmour	12,552,548	5.0%
8.	Castle Point Funds Management	10,889,008	4.4%
9.	Harper Bernays	9,256,826	3.7%
10.	Mr Gary Lord	9,100,000	3.6%
11.	Dimensional Fund Advisors	6,259,589	2.5%
12.	Vanguard Group	5,763,691	2.3%
13.	Perennial Value Management	4,099,438	1.6%
14.	Martin Currie Australia	3,880,500	1.6%
15.	Solium Nominees	3,542,349	1.4%
16.	Salter Brothers Asset Management	3,316,000	1.3%
17.	Mr John A Malcolm	3,158,624	1.3%
18.	Powerwrap	2,405,795	1.3%
19.	Realindex Investments	2,087,246	0.8%
20.	Eley Griffiths Group	2,044,683	0.8%
	Totals: Top 20 holders of fully paid ordinary shares	**194,690,012**	**78.0%**
	Total remaining holders balance		**22.0%**

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.

Service rights

There are no service rights holders.

Share options

Option holders do not have any voting rights attaching to options.

Buyback

On 18 May 2021, the Company announced an on-market share buyback of up to 10% of the Company's fully paid ordinary shares during the 12 months commencing 7 June 2021.

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	Ms Connie Carnabuci Ms Cathy Kovacs Mr John ('Skander') Malcolm (Chief Executive Officer and Managing Director) Mr Grant Murdoch Mr Steven Sargent (Chairman) Mr Douglas Snedden
Company Secretary	Ms Elisabeth Ellis
Annual General Meeting	26 August 2021
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