

**OzForex Group Limited**

**Annual General Meeting**

**5 August 2015**

**Chairman's address**

*Performance*

OzForex delivered strong financial results for the 2015 financial year.

Our financial highlights for 2015 included:

- 24% increase in net operating income on FY14
- 22% increase in proforma EBTDA on FY14
- 21% increase in proforma NPAT on FY14

In light of this strong performance, the Board declared an 18% increase in the 2015 total dividend to 10.11 cents per share fully franked.

In addition, during the 2015 year, the Company undertook a number of initiatives including

- a brand review,
- a review of our It architecture and functionality and subsequently made significant progress in its agile technology program system re-architecture,
- an analysis of our marketing strategy and customer base,
- substantial development work on our mobile application,
- and completed an operational review of the business.

All of these areas of work set the Company up well for its next phase of growth which Richard will address shortly. The Company also received positive outcomes regulatory examinations conducted across a number of jurisdictions. In addition, additional US money transmitter licences were obtained taking the US licence portfolio to 47 states.

The Board is further encouraged by the progress in the first quarter of this financial year with active clients growing 18% over the corresponding period last year. Transactions were up 22% PCP to 193,000 for the quarter. The Company has completed a record quarter for net operating income (up 31.9%) to \$25.5m and most importantly, we are seeing this trend continuing past the quarter with July gross revenue exceeding \$10m for the first time.

### *Change in leadership*

These strong financial results were delivered during a transition year for the business as we announced the resignation of our former CEO Neil Helm in February and the appointment of Richard Kimber as our new CEO in May.

I would like to take this opportunity to thank former CEO, Neil Helm for his outstanding vision and contribution to the Company over a period of eight years. Neil oversaw the significant growth and expansion of the Company over that period. When he commenced as CEO there were 35 staff and we were located only in Sydney, Toronto and London. Today there are more than 250 staff with offices in six locations. He led the decision by Macquarie Group in June 2007 to make its initial investment in OzForex, the subsequent investments from Carlyle Group and Accel Partners in November 2010 and the subsequent successful listing on the ASX in October 2013. Neil made a decision to step down to make a lifestyle change and spend more time with his family. I know that he has been enjoying the opportunity to do that already. Neil is here today and I would like to take a moment to thank him for his contribution.

The Board was delighted to appoint Richard Kimber as CEO and Managing Director in May, following a comprehensive search process. Richard has 25 years of diverse global leadership experience in the banking and technology sectors, including at First Direct Bank, Google and ANZ. Richard is the right person to take the Company to its next stage in this exciting and quickly evolving industry. Richard commenced in his role on 1 June and has had a very busy couple of months getting to know the business, spending time with the Executive Team and meeting with key stakeholders. Richard will be sharing his initial observations, vision and view of the strategic direction of the Company in his presentation shortly.

### *Board composition*

The Board is committed to the success of OzForex and that the Company maintains the highest standards of governance.

I want to take this opportunity to talk about a couple of board changes during the year. Bill Allen stepped as a Director on 31 March. This was a change that we were expecting and I flagged the likelihood of that at AGM last year. Bill is employed by Carlyle Group and until the IPO, he represented them on the Board. Neither Carlyle or Bill are current shareholders. It is not typical for a private equity owner to have employees acting as directors on public company boards that they are not invested in. Given all the other non-Executive directors were new at the time of the IPO, Carlyle kindly agreed that Bill could remain on the Board to assist with his historical knowledge of the Company. We greatly appreciated having Bill on the Board and thank him for his contribution.

In March we were delighted to welcome Doug Snedden onto the Board. Doug has an excellent background with more than 30 years experience in finance, consulting, strategic management and

outsourcing. Prior to becoming a professional director he had a distinguished career at Accenture, most recently as Managing Director of its Australian business. Doug's background in IT is a particular skill that the Directors are very pleased to have on the Board. Doug is standing for election today, having been appointed to fill a casual vacancy during the year and he will speak to you shortly.

The Board remains relatively small for an ASX200 listed company and we will likely seek to fill out the Board with a further director during the next year or so to compliment the existing range of skills on the Board.

*Thanks*

In closing, may I again thank the members of the Board and particularly all of the Executive Team for their dedication, commitment and hard work over the past year. This has been a year of change of leadership in the Company and the Board is confident in the future of the Company in the hands of Richard. The Board very much appreciates the continued focus by the Executives in operating and growing the business through this period.

I would also like to thank our shareholders for your continued support

[ends]