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From: Forex CT Claims Team <fxct@fticonsulting.com>
Sent: Friday, 24 September 2021 2:11 PM
To: Choong, Jiin Herng
Subject: Forex Capital Trading Pty Ltd (In Members Voluntary Liquidation) | Potential Claim



[View in Browser](#)

— Forex Capital Trading Pty Ltd (In Members Voluntary Liquidation) – Potential Claim

Dear Sir / Madam

Forex Capital Trading Pty Limited ACN 119 086 270 (In Members' Voluntary Liquidation) ("Company" or "Forex CT")

We understand you are a former client of Forex CT, which has now ceased providing financial services in Australia.

Following an investigation by the Australia Securities and Investments Commission ("ASIC"), ASIC commenced proceedings in the Federal Court of Australia ("Court") against Forex CT. At the end of the trial, Forex CT was found to have engaged in a system of unconscionable conduct by (in part), employing high pressure sales tactics, recommending inappropriate trading strategies to clients and making misleading or deceptive representations to clients.

Forex CT was also found to have failed to act in the best interests of its clients when providing personal advice and failed to do all things necessary to ensure that the financial services covered by their licence were provided efficiently, honestly and fairly.

The judge in the case said that Forex CT 'had "systemic compliance deficiencies" and a culture of non-compliance' and said that 'the vast losses incurred by clients support the imposition of a significant pecuniary penalty.' Forex CT was ordered to pay a \$20 million penalty, plus costs of the Court proceedings and ASIC's investigations.

You can read more about this case on ASIC's website: <https://asic.gov.au/about-asic/news-centre/find-a-media-release/2021-releases/21-120mr-forex-ct-ordered-to-pay-20-million-penalty-and-sole-director-disqualified-fined-400-000/>

The full judgment can be read here: [https://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/FCA/2021/570.html?context=1;query=\[2021\]%20FCA%20570;mask_path=au/cases/cth/FCA#](https://www.austlii.edu.au/cgi-bin/viewdoc/au/cases/cth/FCA/2021/570.html?context=1;query=[2021]%20FCA%20570;mask_path=au/cases/cth/FCA#)

Why am I receiving this email?

We understand you are a former client of Forex CT. As a result of the findings made by the Court about Forex CT, you may potentially have a claim against Forex CT for, among other things, the loss and damage you may have suffered as a client due to Forex CT's "unconscionable system".

If you traded with Forex CT and suffered a loss, then Forex CT may potentially owe you money – and we are collecting the details of all parties that may be owed money by Forex CT (i.e. the Company’s creditors), and the circumstances that may give rise to claims against the Company.

Who is writing this email?

We are Daniel Woodhouse, and Nathan Stubing, and we work for FTI Consulting (Australia) Pty Ltd (“FTI”). We have been appointed as joint and several liquidators of the Company (“Liquidators”). As Liquidators, before Forex CT is wound up, we need to ensure that any creditors – e.g. the people who Forex CT might potentially owe money to – are identified and given an opportunity to lodge a claim to get paid in the event there is sufficient funds to do so. You may be one of those people.

What do I need to do?

If you would like to lodge a claim against the Company for losses you might have suffered when dealing with Forex CT, you can register your claim by going to www.forexctclaims.com.au and providing your contact details.

You should provide these details, as soon as possible. If you had multiple accounts with Forex CT (i.e. you signed up with more than one email address), you should register a claim for each account separately.

We will contact you again by 3 December 2021 to request further information, which will allow us to assess your claim.

Where can I get more information?

We have prepared a Frequently Asked Questions (“FAQs”), which you can access from [this link](#). We will continue to update the FAQs, which can be accessed at both www.forexctclaims.com.au or www.fticonsulting.com/creditors/forex-capital-trading-pty-ltd.

Please review the FAQs first to see whether your question is answered. If the FAQs do not answer your question, you can email your question to fxct@fticonsulting.com.

We have also established a messaging service, where you can provide your details and leave a question. To contact us in this manner, you can call one of the following numbers:

- Victoria and Tasmania – (03) 9604 0665
- New South Wales and Australian Capital Territory – (02) 8247 8048
- Queensland – (07) 3225 4944
- Western Australia, South Australia and Northern Territory – (08) 6430 1313

To be clear, this is a messaging service and not attended by a person. You will be asked to leave your contact details, in addition to a short description of your question. An FTI staff member will endeavour to respond to your question within 3 business days. If our claims team is experiencing a high volume of enquiries, it may take a little longer.

So we are able to answer all questions as quickly as possible, please ensure you read the FAQs before leaving a message.

Have the Liquidators prepared a report?

Yes, the Liquidators have prepared a Statutory Report to Creditors dated 24 September 2021, which is available for download from our firm's website at <http://www.fticonsulting-asia.com/creditors/forex-capital-trading-pty-ltd>. If you do not have access to the internet, you can request that a copy of the report be mailed to you by sending an email to fxct@fticonsulting.com.

Yours sincerely

Daniel Woodhouse

Joint and Several Liquidator, Forex Capital Trading Pty Limited (in Members' Voluntary Liquidation)



Experts with Impact

FTI Consulting is an independent global business advisory firm dedicated to helping organisations manage change, mitigate risk and resolve disputes: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centres throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. For more information, visit www.fticonsulting.com.

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Frequently Asked Questions

Forex Capital Trading Pty Ltd (In Members Voluntary Liquidation) ("Forex CT" or "Company")

Question	Answer
<i>Why have I received an error message?</i>	<p>The most common cause of error message is using Internet Explorer or Microsoft Edge.</p> <p>Please try again using either Mozilla Firefox or Google Chrome.</p> <p>If the error persists, please take a screenshot and e-mail it to fxct@fticonsulting.com.</p>
<i>Why am I being contacted?</i>	<p>You have been identified as a former client of Forex CT. Our investigations indicate that former clients who invested between 1 January 2017 and 1 April 2019 (and potentially former clients who invested outside this period) may be entitled to compensation for any loss or damage suffered as a result of trading with Forex CT and therefore may be creditors of the Company.</p>
<i>How did you get my address / contact details?</i>	<p>In accordance with their legal obligations, the Liquidators have taken possession of the Company's records. Former client details are in these records.</p>
<i>Why wasn't I informed previously?</i>	<p>The liquidation process for the Company commenced on 27 June 2021.</p> <p>As part of their investigations, and information that has come to their attention since their appointment, the Liquidators have determined that former clients might be creditors. We are, therefore, now contacting you.</p>
<i>Is this a scam?</i>	<p>No. FTI Consulting is a global consulting firm with offices located in 29 countries with over 6,400 employees worldwide. We regularly undertake liquidations of companies. Details of FTI Consulting can be obtained from our website: https://www.fticonsulting.com/</p>
<i>Do I need to seek my own legal advice?</i>	<p>We recommend that creditors may be assisted by obtaining their own independent legal advice, although we acknowledge that the decision to do so is an individual decision.</p> <p>The Liquidation process is governed by the Corporations Act 2001 (Cth) ("Act") and the Liquidators are regulated by the Australian Securities and Investments Commission.</p> <p>We will continue to report to all stakeholders on the progress and outcome of the liquidation, as prescribed in the Act.</p>
<i>What is a Members Voluntary Liquidation / solvent liquidation?</i>	<p>A Members Voluntary Liquidation ("MVL") is a solvent liquidation – that is, it proceeds on the understanding that all creditors of the Company will be paid in full.</p> <p>Under the Act, the liquidators are required to assess whether the Company is able to pay creditors in full. If they do not believe that the Company can pay all debts in full, they are required by law to convert the liquidation into an insolvent liquidation.</p> <p>In an insolvent liquidation, a company is unable to pay all debts in full and the liquidators are required to recover as many assets as possible (including any legal claims) to pay creditors.</p>

<i>Who pays for the liquidation?</i>	The Liquidators are entitled to be paid from the Company's assets.
<i>Will this cost me anything?</i>	You are not required to contribute any additional money to pay for Liquidation.
<i>How long is the process?</i>	It is difficult to determine how long the liquidation will last. It will depend on a number of factors, including whether the liquidation remains solvent (i.e. an MVL), or is converted to an insolvent liquidation. We will continue to update creditors of the progress of the liquidation.
<i>How does the liquidation proceed and what do I need to do?</i>	<p>If you would like to lodge a claim against the Company for losses or damages you might have suffered when dealing with Forex CT, you can register your claim by going to www.forexctclaims.com.au.</p> <p>You should provide your details as soon as possible.</p> <p>If you lodge a claim, we will look to contact you by 3 December 2021 to request further information, which will allow us to assess your claim.</p>
<i>How much should I be claiming?</i>	You should claim as much as you believe you are owed by Forex CT.
<i>Is there a minimum loss that excludes me from claiming?</i>	No. There is no minimum threshold. Everyone with a claim is entitled to submit a claim.
<i>What do I have to give you to prove my claim?</i>	<p>At this stage, we only require you to register your name and contact details at www.forexctclaims.com.au. We intend contacting you again by 3 December 2021 to request further details from you to assess your claim. These details might include, for example:</p> <ul style="list-style-type: none"> ■ your account information held with Forex CT, e.g. account name, account holder, investor numbers or any other client identification. ■ emails confirming amounts deposited. ■ redacted bank statements, showing amounts paid from your bank account to Forex CT. ■ any amounts received from Forex CT. ■ any Forex CT documents showing account balances.
<i>When should I expect to hear from you again?</i>	By 3 December 2021, we hope to be in a position to contact you to request further information to allow us to assess your claim.
<i>How much will I be paid?</i>	<p>We will need to assess your claim to determine whether you are owed any money by Forex CT.</p> <p>Once your claim is assessed, the amount you are paid will depend on whether the Company has enough money to pay all claims.</p> <p>If the Company has enough money to pay all debts, you will receive 100% of your valid debt, as adjudicated by the Liquidators. If the Company cannot pay all of its debts, how much you receive will depend on how much money the Liquidators can recover and the total amount claims of creditors of the Company.</p>

<i>When will I be paid?</i>	It is too difficult to assess, at this stage, when creditors may be paid. It will also depend on whether the Company can pay all its debts in full, or not.
<i>Who will assess my claim? Will Forex staff / claims manager be involved?</i>	The Liquidators are completely independent to Forex CT and are responsible for assessing your claim in accordance with their statutory duties as set out in the Act.
<i>Forex said I didn't have a claim and rejected my claim. Can I submit a claim to you?</i>	Yes. We are independent of Forex CT and will review the legal merits of all claims submitted in the liquidation.
<i>What happens if Forex CT cannot pay all debts in full?</i>	The Liquidators will contact you if Forex CT cannot pay all debts in full. If this happens, the Liquidators will need to convert the liquidation into an insolvent liquidation.
<i>I settled my claim with Forex CT, before the Liquidators were appointed. Can I still claim?</i>	Potentially. If you believe your loss was above the total settlement amount reached with Forex CT, please feel free to submit a claim in the liquidation for the balance of this claim and it will be assessed on its merits.
<i>What if I previously dealt with AFCA on a complaint/claim?</i>	We have spoken to AFCA about former client claims made prior to our appointment. Even if your complaint has been adjudicated by AFCA, it does not prevent you from lodging a claim in the liquidation.

17 March 2019

The Director
Forex Capital Trading Pty Limited
Level 18, 636 St Kilda Road, Melbourne Victoria 3004

Dear Sir

Letter of comfort

The purpose of this letter is for Invesus Group Limited (registration number 112170) to provide comfort to Forex Capital Trading Pty Limited ACN 119 086 270 (**FXCT**) and the director(s) of FXCT regarding its financial position.

Invesus Group Limited is aware of orders made by the Federal Court of Australia in proceedings VID218/2019, of investigation of FXCT by the Australian Securities and Investments Commission (**ASIC**) and of allegations that, if proved, will mean that FXCT and its director(s) may have to make consumer redress to certain FXCT customers. Without any admission whatsoever in relation to those allegations, this letter is intended to provide comfort that FXCT and its director(s) will be provided financial support from Invesus Group Limited so that in any event, including without limitation unsuccessful defence of any proceedings, they are able to satisfy any obligations arising from court proceedings or flowing from ASIC's investigation and can pay any settlement amount or judgment sums required to be paid to customers of FXCT.

Invesus Group Limited irrevocably undertakes in favour of FXCT and any director of FXCT that with effect from the date of this letter, upon requests from time to time, it will provide to FXCT and its director(s), or procure from external sources, financial support to the extent FXCT or its director(s) require such financial support to meet any debts, including judgment debts, incurred by FXCT or its director(s) prior to or after the date of this letter in respect of FXCT's customers.

This undertaking is for the benefit of FXCT and the directors of FXCT.

This document and any dispute arising out of or in connection with this document is governed by the laws of the State of New South Wales within the Commonwealth of Australia.

Invesus Group Limited submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in New South Wales in the Commonwealth of Australia, including the Federal Court of Australia, and any court that may hear appeals from any of those courts, for any proceedings in connection with this document, and waives any right it might have to claim that those courts are an inconvenient forum. Invesus Group Limited irrevocably consents to the registration of any judgment obtained in these courts in any proceedings in connection with the ASIC investigation currently underway and Federal Court proceedings VID218/2019 in a court of Gibraltar.

This undertaking terminates on **30 June 2022**.

EXECUTED AS A DEED POLL

SIGNED, SEALED AND DELIVERED by
INVESUS GROUP LIMITED in the
presence of:



Signature of witness

[Handwritten signature]

Name of witness

Hananel Levi

Signature of witness

[Handwritten signature]

Name of witness

Hananel Levi

Signature of first authorised signatory

[Handwritten signature]
TOHER TZUMAN

Name of first authorised signatory

[Handwritten signature]

Signature of second authorised signatory

EYAL LEVY

Name of second authorised signatory



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What we do

Global online CFD platforms for FX, commodities, equities and indices.

- **Online trading platform.** Commenced in 2008, Invesus provides traders (B2C model) and White Label Partners (B2B model) with global online Contracts for Differences (CFDs) trading platforms for foreign exchange, commodities, equities and indices.
 - **B2c model for traders (~60% revenues).** Invesus provides online trading focused on high trading novice traders via brands FXGM, GTCM and ForexCT.
 - **B2B model for White Label Partners (~40% revenues).** Invesus provides its full product suite including the trading platform and marketing services.
- **Global operations.**
 - Offices in Bulgaria, Israel, Cyprus and Australia with revenues across 100 countries in Europe, Australia, Middle East and Africa.
 - Employs 370 employees and >800 outsourced call centre agents in 8 call centres, covering 12 languages.
- **Global growth strategy.** Invesus is exploring an IPO to accelerate its global growth strategies.
- **Revenues are increasingly fee-related:**
 - Transaction fees (~37%): 2 - 3 basis point spreads on average.
 - Overnight fees (~43%): a 0.5 – 1.5 bp financing change on positions still open at the market close.
 - Counterparty on client trades (~20%): counterparty revenues are declining as a proportion of total revenues.
- **Focus on first time traders.** The first time trader CFD market is relatively untargeted by bigger/more established players.

History

The current Company was established in its present form in 2014

- 2008 – commenced operations. Commenced under its current structure in 2014.
- 2013 – The first building blocks were put in place.
 - Acquisition of Depaho, a CIF authorised and regulated by CySEC under license number 161/11
 - Depaho initiated its operation in Europe in December 2013 following the acquisition of the brand name and business activity of FXGM, a well-established CIF.
 - The activity expanded significantly in December 2013 following the acquisition of the brand name and business activity of FXGM, a well-established CIF.
- In December 2013, the Group also completed the acquisition of 50 per cent of the ownership of Forex Capital Trading Ltd (Vanuatu), the sole shareholder of ForexCT, an Australian incorporated Company, authorised and regulated by ASIC under the Australian financial services laws with license number 306400.
 - The Group acquired a further 33.34% holding in the Forex Capital Trading Ltd (Vanuatu) in November 2015 and January 2016 and now holds 83.34 percent in total.
- 2014
 - The Group entered into an arrangement with Tradenetworks Group Ltd. for acquisition of the rights in proprietary, state-of-the-art, trading technology, as well as related services for OTC derivative trading operations including: back office solutions, CRM, BI solutions, marketing optimisation, extensive billing solutions, data streaming, hosting, storage and communications services. The acquired technology (including servers, IT system, etc.) has been operative since 2010 and the Group had prior experience using this technology.
 - November the Group established:
 - Invesus Services Ltd, a service company in Israel, to provide operational and marketing support services to the Group
 - Naxex Technological Development Ltd, a technology services company for the purpose of providing technological development solutions for the Trading Platform, marketing system, technical support and software development
- Under this structure the companies and businesses grew in professionalism and focused their activities separating into 4 main poles - regulated trading platforms, technology for trading platforms, marketing and call-centers.

Key investment considerations

Strong profit growth momentum and outlook

- From FY14 to FY16, adjusted operating profit rose from \$21.1m to \$33.0m, growing at 25.1% annually
- On track to achieve FY17F operating profit of \$39.7m
- Forecast earnings growth +15.5% and +10.5% in FY17F and FY18F respectively

Strong revenue growth momentum

- 29.9% revenue CAGR from FY14-16, up from \$75.3m to \$127.0m
- All organic growth

High growth in Australia

- High growth outlook, from revenue \$11.7m in FY16 to \$18.1m in FY18F (~11% total Group revenue).
- Trades under brand name forexCT.
- ASIC regulated.

High gross margins

- Average EBITDA margins of c.30% from FY14-FY16
- Outlook for growing margins driven by implementing new automated technology platform and mobile application

Highly cash generative

- High free cash flow generation supports high dividend payout ratio and growth reinvestment

High dividend payout ratio

- Company can support a payout ratio of 50-60% of underlying NPAT
- Strong dividend growth outlook

Key investment considerations

Multiple growth options

- Expand into new markets and increase new client. Future growth drivers expected to be Australia, Middle East, Asia and Africa.
- Increasing revenues through the higher margin B2C segment
- Materially increase ARPU while maintaining low CCA
- Provide industry leading technology and trading capability

Readily scalable into new geographies

- OPEX growth driven by increased lead prospecting, new call centres and new employees, establishing a base for the next level of growth
- Highly scalable technology

Highly experienced management

- Proven track record in global expansion and earnings growth
- Stable management team

Visible cash flow

- Net deposits are a clear leading indicator of future earnings and cash flow.
- On this basis, the Company has a visibly strong near-term earnings outlook.

Well diversified revenues

- Revenues are well diversified by geography, product type, business model (B2C and B2B) and customer base.
- Business model shifting towards increased fee and market maker (spread) income. Once the business achieves certain scale, it will cease taking counter-party risk, de-risking the business.

Key investment considerations

Multiple competitive advantages

- Direct customer relationships. Invesus' has low dependency on affiliate marketing (c. 10% of leads) relative to peers, enhancing lifetime value of customer.
- Technology. Proprietary platform connects all functions including sales, leads management, retention management, compliance, finance and trading.
- Diversified product offering

Intelligent sales management systems & process

- Advanced Business Intelligence system gathers data to optimize marketing campaigns
- Lead generator ensures “best fit” of leads to sales agents based on various classification parameters (including language, age, gender, personal info etc.)

Focus on first time traders

- Lower Costs of Client Acquisition (CCA) and relatively higher Lifetime Trading Value (LTV) compared to competitors that target “high rollers”
- Tendency to trade only more liquid and less volatile major instruments, facilitating self-hedging and superior risk management.

Well regulated

- Compliant with multiple regulatory frameworks including Australian ASIC compliance

IPO purpose

- IPO new money raising to accelerate global expansion
- IPO to increase visibility and retail customer awareness in B2c markets

High free cash flow generation with strong growth outlook

High free cash flow generation supports dividend payout and continued global expansion

\$m, December, Y/E	2014A	2015A	2016A	2017F	2018F	14-'18 CAGR
Revenues from Continuing Operations	75.3	103.0	127.0	146.7	162.2	21.1%
Operating Expenses from Continuing Operations	(52.3)	(84.6)	(98.0)	(106.8)	(113.2)	21.3%
One-off Adjustments						
Share-based Compensation	-	13.7	2.7	0.7	0.1	
Other One-time Expenses	-	0.3	2.3	-	-	
Adjusted EBITDA	23.0	32.4	34.0	40.6	49.1	20.9%
D&A	(1.9)	(0.6)	(1.0)	(1.0)	(1.0)	
Adjusted Operating Profit	21.1	31.8	33.0	39.6	48.1	22.9%
Financial Expenses	(0.1)	(0.7)	(0.8)	(0.7)	(0.9)	
Other expenses	(0.4)	1.0	-	-	-	
Minority interest	-	-	(0.2)	(1.2)	(1.4)	
Adjusted Profit Before Tax	20.6	32.1	32.0	37.7	45.8	22.1%
Taxes	(1.0)	(1.3)	0.6	(2.5)	(3.2)	
Adjusted Net Income from Continuing Operations	19.6	30.8	32.6	35.2	42.6	21.4%

Notes: (1) Adjusted Net Income excludes share based compensation and one-time expenses in FY15 and FY16 of \$14.0m and \$5.0m respectively and discontinued operations (French market). Refer Appendix for Financial Statements which include discontinued operations.

Adjusted Net Income (1)

- From FY14 to FY16, adjusted operating profit rose from \$21.1m to \$33.0m, growing at 25.1% annually
- Reflects average margin of c. 27%
- Net income translates to free cashflow

Revenue growth driven by:

- Penetration of new markets (eg. Poland, Sweden)
- Overnight commission's policy change in FY14 from overnight swap model to fixed charge of total exposure
- Increase in net deposits primarily resulting from retention sales
- Continuous investment in technology (PROfit & Plexop platforms)
- Improved monitoring capabilities of the call centres

Operating Expenses

- From FY14 to FY16, OPEX increased at 36.9% CAGR to \$98.0m
- OPEX remain stable around 69.5% of revenues from 2016-18
- Primary expenses are marketing and call centres
- OPEX growth driven by increased lead prospecting, new call centres and new employees, establishing a base for the next level of growth
- Main CAPEX are technology licenses and company systems
- Minimal working capital requirements expected

Revenue model

Revenues are generated through dealing spreads, overnight fees and customer counter-party trading positions. The business model is moving towards increased fee and market maker (spread) income and less counterparty income.

Revenue Breakdown by Type of Trade

Dealing Spreads on the trading platform: 2 – 3 basis points

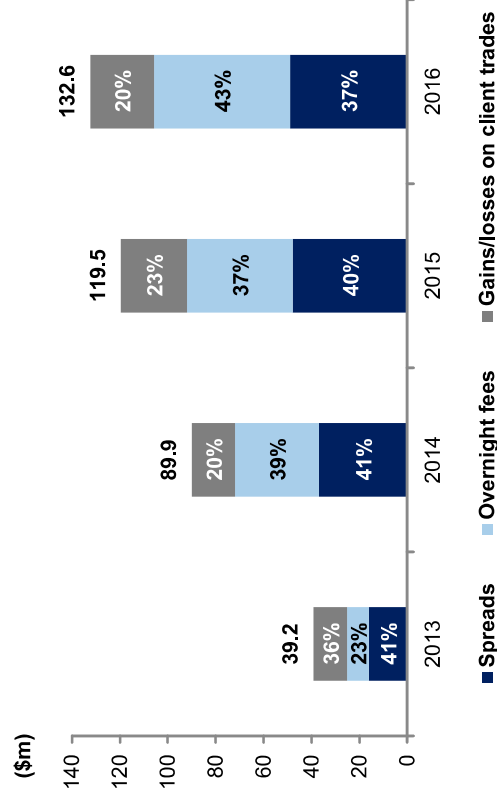
- Spreads differ for each instrument, averaging across the platform at 2-3bps
- Bid and ask quotes are obtained from an external third party provider and based on real time prices
- Spreads can be manually widened during high volatility

Overnight Fees (Rollover): 0.5 – 1.5 basis points

- This is effectively a financing charge on positions still open at the market close.
- In FY14, changed to a fixed fee on total exposure (between 0.5 and 1.5 bps)
 - Overnight commissions increased to 43% of FY16 revenues (vs 23% in FY13)
 - Previously fees were based on a swap model

Gains/ losses as counterparty on client trades

- Revenues from net gains on client trades were c. 20% of FY16 revenues
 - c. 70% of annual trades were winning trades (ie. losses for the company)
 - Although losing trades (or gains to company) are only c.25% of volumes, loss magnitude across trades are generally bigger compared to gains magnitude
- Once the business achieves certain scale, it will cease taking counter-party risk, de-risking the business.



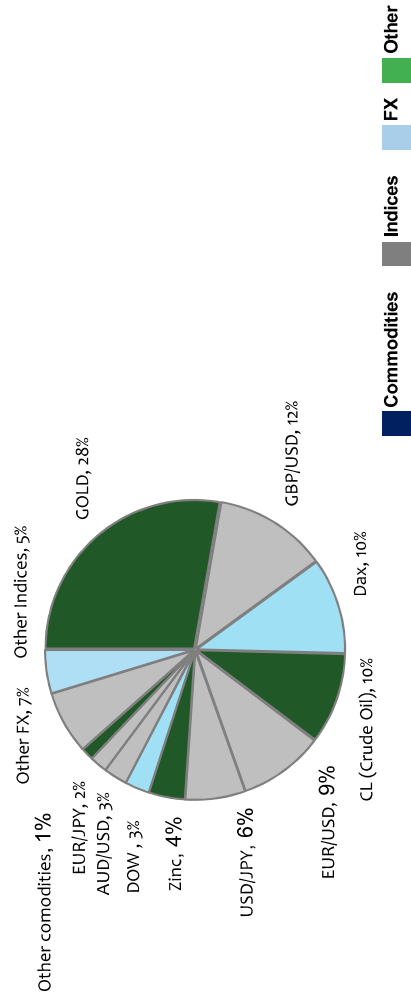
Source: Company data.

Note: 2013 numbers are proforma non-audited financial numbers before reorganisation in 2013. Revenue numbers are reported gross numbers (ie. inclusive of discontinued businesses).

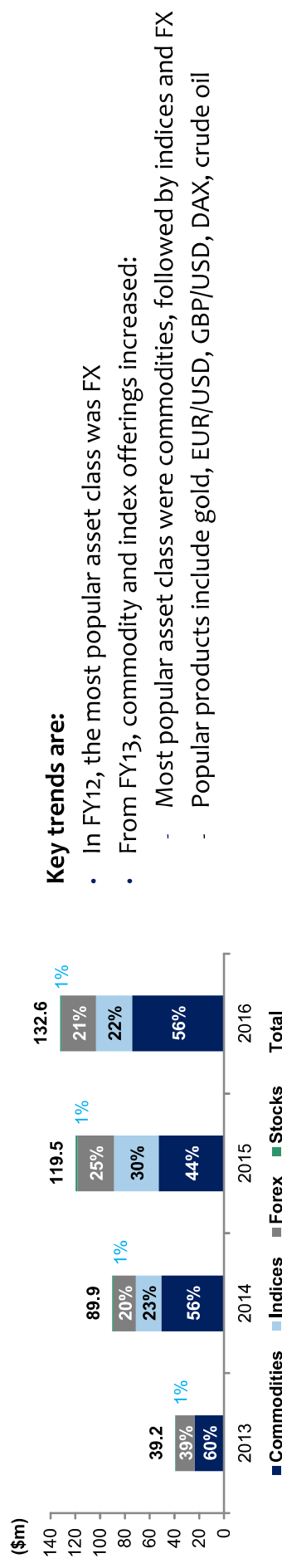
Revenue mix - by product

Revenues are well diversified across commodities, indices, FX. Top three asset classes traded were those easily understood and popular with retail traders – commodities (gold), indices and FX.

H1 2017 revenue: \$329.6bn



Revenue Breakdown by Financial Instruments



Key trends are:

- In FY12, the most popular asset class was FX
- From FY13, commodity and index offerings increased:
 - Most popular asset class were commodities, followed by indices and FX
 - Popular products include gold, EUR/USD, GBP/USD, DAX, crude oil

Revenue mix – by segment

- Business segments are divided into regulated B2C retail markets and unregulated B2B markets (trades through 3rd party broker and partner networks)
- Historic growth is primarily driven by the B2C European (Italian, Spanish and French until 2016) and B2B Arabic and African markets

Revenues by B2C and B2B and Region

	(\$m)	(\$m)
	119.5	132.3
	89.9	
	39.2	

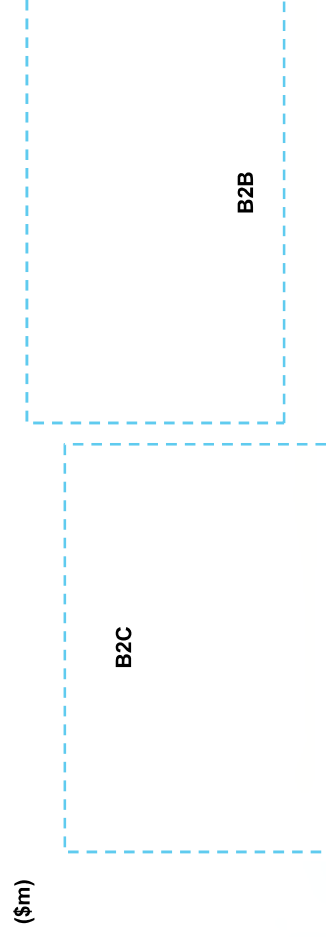
B2C

- B2C represents retail trading from regulated regions, ie. licenses have been granted by local regulatory authorities (CySec & ASIC)
- The increase in the B2C portion of revenues is in line with the Company's strategy
- Growth was primarily generated from European countries with Italian, Spanish and French languages (French until 2016). Growth drivers include:
 - Expansion of operations in existing regulated markets
 - Opening of new desks which reached full operational maturity
 - Push towards increasing sales and retention sales efforts
- Entrance into the Polish and Swedish markets contributed positively (\$7.3m and \$6.7m in FY16 respectively), representing important new European markets.

Revenues by Business Model

Revenues By Region

Revenues by B2C, B2B and Language



B2B

- B2B represents revenues derived through a network of global brokers and are from non-regulated regions, ie. geographical areas that currently do not have a regulatory trading environment in place
- Growth was primarily through the expansion of existing markets:
 - Arabic market (Saudi Arabia and UAE) is the most significant, through the white label partner Financika
 - Largest growth impact came from the English (Africa) language (\$4.6 m)
 - Russian operations were wound down towards the end of FY15

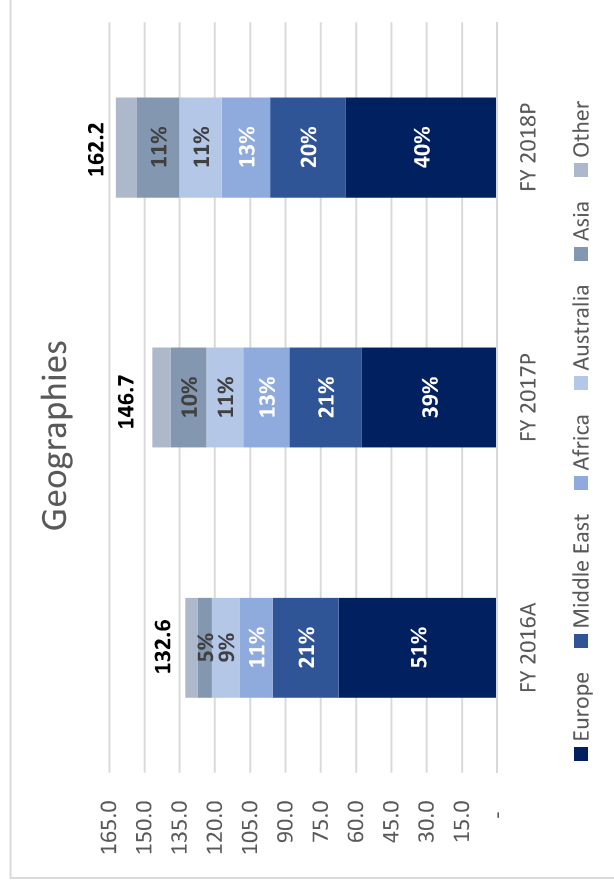
Source: Company data. Note: 2013 numbers are proforma non-audited financial numbers before reorganisation in 2013.

STRICTLY PRIVATE & CONFIDENTIAL

Revenue mix – by geography

- Historic growth primarily driven by the B2C European (Italian, Spanish and French until 2016) and B2B Arabic and African markets
- Future growth drivers expected to be Middle East, Africa, Australia, Asia.

Revenues By Region (\$m)



Revenues by Region (2018F Revenues, 2016A-2018E CAGR)

- **Asia (\$18.1m, 72.9%)**: Substantial opportunities through partner
 - Existing partner is currently focused on offshore Indian clients only
- **LatAm (\$6.7m, 63.4%)**: Recently explored on the surface
 - Invested in new payment methods which have started to monetise
- **Australia (\$18.1m, 24.1%)**: High growth in past year
 - Significant upside potential (e.g. IG is 10x larger than Invesus)
- **Africa (\$20.6m, 20.6%)**: Expansion into various countries
 - South Africa is growing rapidly
- **Middle East (\$31.8m, 6.6%)**: Advance current strategy
 - Main regions are Saudi Arabia and UAE
- **Europe (\$64.6m, -2.1%)**: Maintain market position
 - Main regions are Italy and Spain
- **New desks/ partners (\$2.3m, 100%)**: Continual review of new opportunities

Multiple competitive advantages

- Invesus is the leading online trading platform focused on novice clients with high trading volume
- Invesus' unique client base (first time traders) differentiates against bigger / more established players client acquisition strategy
- Although the CFD market is generally very competitive, the first time trader market is relatively untargeted

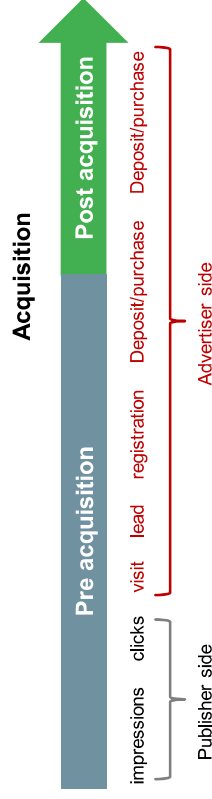


Multiple competitive advantages

	Feature	Advantage
Target customer	<ul style="list-style-type: none"> First time trader 	<ul style="list-style-type: none"> First time trader less likely to migrate to competitor platform Tendency to trade only more liquid and less volatile major instruments, facilitating self-hedging and risk management
Lead generation	<ul style="list-style-type: none"> c. 90% direct, 10% via affiliates 	<ul style="list-style-type: none"> Lower media buying cost via unrelated websites. Intelligent filtering of untargeted traffic into high quality leads
Personal contact with customer	<ul style="list-style-type: none"> Sales and Retention Agents in direct contact with customer 	<ul style="list-style-type: none"> Facilitates conversion of leads, customer education and obtaining of initial and subsequent deposits
Personal involvement in on-boarding	<ul style="list-style-type: none"> Direct contact between Compliance Team and customer during on-boarding 	<ul style="list-style-type: none"> Experienced Compliance staff vet on-boarding process and subsequent customer relationship
Proprietary technology	<ul style="list-style-type: none"> Integrated end-to-end proprietary IT platform 	<ul style="list-style-type: none"> Development of platform within Sydney control. Less risk of client defection, particularly first time trader who is familiar only with Sydney platform

Competitive advantage # 1- “one stop shop” offering

- Invesus offers a “one stop shop” trading platform that is fully integrated across all client activities and multiple asset classes
- Invesus owns 100% of the website database and 100% technology IP



PROfit Platform

- Proprietary platform provided to Invesus controlled brands and white label brands, which allows forex, commodities and CFD trading
- End-to-end online platform, fully integrated across all client activities: marketing, trading, risk management, compliance and financial reporting.
- Three versions (PC, tablet and mobile)
- In-house development team of c. 110 people based in Bulgaria

Plexop Platform

- A unique and powerful technology solution for direct marketing.
- Provides Campaign Optimization, Trading Insights, Pool Prediction, Self Automated Retention & Acquisition and Lead Assignment Generation.
- Development team of c. 100 technology and marketing people based in Israel

Data driven

- By controlling the process end-to-end, an ROI calculation for the entire process can be made
- This approach allows, for example, measurement of the income or lifetime-income generated from a specific advertisement during a specific time period.
- Because the publisher side is controlled in the process, it is known what the cost of a given ad was during the time period and the actual ROI can be calculated.

Competitive advantage #2 – advanced marketing systems

Advanced sales and marketing technology drives high lead conversion and revenue growth through customer retention

Key Advantages

Target First Time Traders
<ul style="list-style-type: none"> First time trader less likely to migrate to competitor platform Tendency to trade only more liquid and less volatile major instruments, facilitating self-hedging and risk management



Lead generation ⁽¹⁾
<ul style="list-style-type: none"> c. 90% direct⁽²⁾, 10% via affiliates Lower media buying cost via unrelated websites Intelligent filtering of untargeted traffic into high quality leads: c.150,000 leads per month, of which 3-4% are converted into depositing traders Business Intelligence and Marketing teams continuously test conversion of leads vs. costs



Personal marketing approach
<ul style="list-style-type: none"> Sales and retention agents in direct contact with customer Sales agents provide real-time feedback on leads Facilitates conversion of leads, customer education and obtaining of initial and subsequent deposits



Proprietary technology
<ul style="list-style-type: none"> Integrated end-to-end proprietary IT platform Development of platform within Invesus control Less risk of client defection, particularly first time trader who is familiar only with Invesus platform



Sophisticated Revenue Generating Model

Marketing	Sales	Retention
<ul style="list-style-type: none"> Approximately 90%(2) of leads originated directly in 2016 Online marketing strategy avoids buying media on traditional sites, resulting in lower costs Automated data capture and profiling enables effective campaign management and client lead allocation Enables live feedback and rapid response to optimise each separate campaign's effectiveness c. 10% of leads from affiliates in 2016 	<ul style="list-style-type: none"> Sales Agents seek to convert leads into customers They receive lead data which is automatically captured, profiled and allocated to them Sales Agents typically seek to contact leads within minutes of allocation The Group operates an "Academy", a structured training program for new Sales Agents Before taking full customer responsibility, new agents are tailed to experienced Sales Agents for an additional period 	<ul style="list-style-type: none"> Once a customer has made a deposit, the customer management passes from Sales Agents to Retention Team Retention Agents seek to maximise the revenue from traders on the platform and the spread between the value of the customer to Invesus and the CCA Invesus typically aims to allocate up to c. 100 traders to each Retention Agent Agents are compensated based on conversion frequency (deposit), total deposits raised, number of unique depositors, unique traders, etc. Invesus offers a "Retention Agent Academy", a six week training period

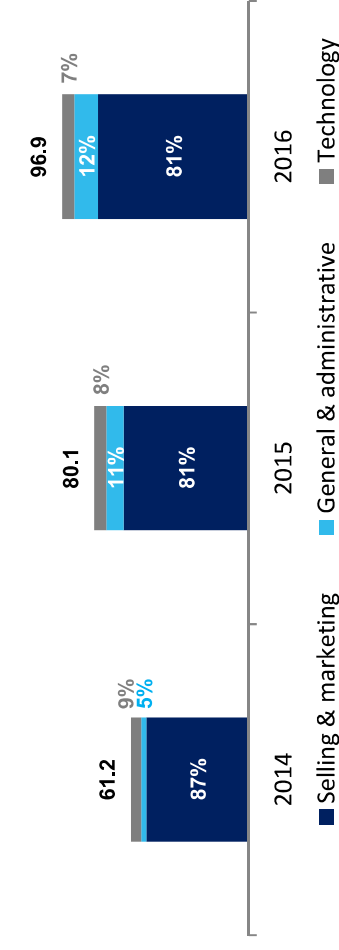
1. A lead is an individual who was exposed to an advertisement, and provided contact information.
2. Leads are generated by Internovus, a related party. Invesus has integrated the team of c.20-25 employees of Internovus into its in-house media studio in Jan 2017. Servicing agreements between Internovus and external parties will remain in place for economic reasons.

Highly scalable

- Opex/revenue ratio forecast decline from 75% to 70% from 2016-18F is indicative of business scalability.
- Primary expenses are marketing and outsourced call centers. Opex growth driven by efforts to increase the number and quality of leads, new call centers and new employees.

Operating Costs Structure⁽¹⁾

(\$m)

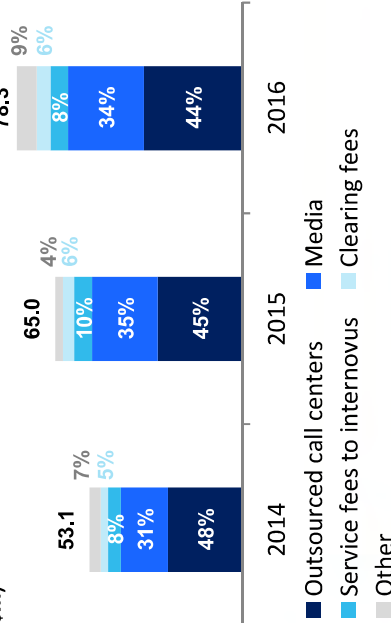


Operationally-gearred business model

- Sales and marketing costs are linked to volume of first time deposits
- Marketing spend linked to volume of leads purchased
- Call centres are outsourced, providing cost flexibility
- 100% of IT costs are expensed through the income statement

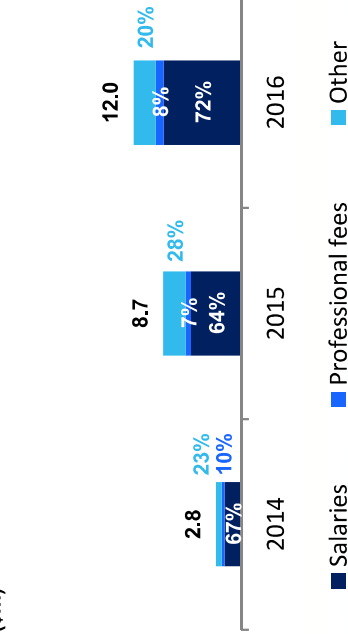
Sales & Marketing Costs Structure

(\$m)



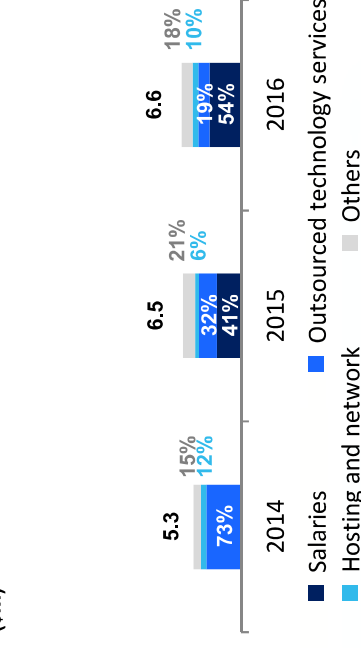
General & Administrative Costs Structure

(\$m)



Technology Costs Structure⁽²⁾

(\$m)



Source: Company data.

Notes: 1. OPEX breakdown excludes shares compensation and IPO expenses, and includes all other one time expenses and D&A (Note: Definition differs from Historic Financials and Forecasts slides). 2. Technology expenses include operations infrastructure, technology development and maintenance, and technology services. In 2014, all salaries were captured within outsourced technology services.

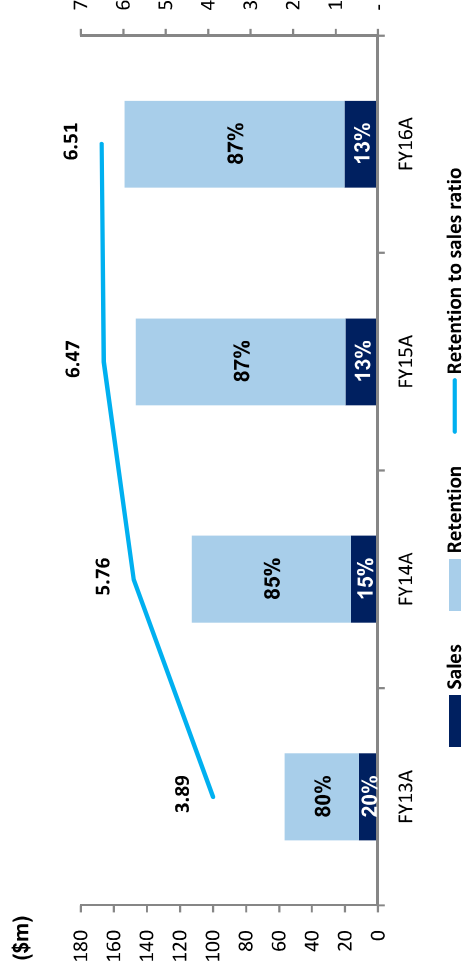
Multiple growth drivers

Initiative	Description	Goal	Launch / status
Grow in existing markets	<ul style="list-style-type: none"> Expand the business in existing markets 	<ul style="list-style-type: none"> Leveraging existing infrastructure to increase revenues with lower costs 	<ul style="list-style-type: none"> Currently focusing on the Australian market growing operation
New automated platform (SARA)	<ul style="list-style-type: none"> Self Automated Retention & Acquisition (SARA) is supporting software for client acquisition/reactivation designated to allow full automatic control of users workflows 	<ul style="list-style-type: none"> Provide industry leading technology and trading capability Decrease CCA for small clients 	<ul style="list-style-type: none"> Completion of three month pilot project. Installed on production environment, fully functional
New Mobile Trading Application	<ul style="list-style-type: none"> A new mobile trading application will be launched in 2017 	<ul style="list-style-type: none"> Increase advertising, registration number and trading volume through the application 	<ul style="list-style-type: none"> Ongoing
Enter new markets	<ul style="list-style-type: none"> Expand the business in new markets <ul style="list-style-type: none"> Expansion strategy consists of a trial and error approach, which quickly and cheaply assesses the region's suitability Four key criteria: <ul style="list-style-type: none"> Existing and growing middle class High internet penetration Well developed payment methods Entering market as 2nd or 3rd player (no market education) 	<ul style="list-style-type: none"> Generate attractive revenues with increasing new clients and relatively low costs 	<ul style="list-style-type: none"> Recently entered markets: South Africa, Colombia, Ecuador and Mexico New partnerships in Hungary and Finland
M&A	<ul style="list-style-type: none"> Selectively undertake to acquire, or enter into revenue / profit share arrangements in respect of, under-utilised assets of other trading platforms (i.e. call centers with excess capacity, under-utilised but highly regarded brands, client databases etc.) Acquiring existing partners shares in JVs for discounted EBITDA multiple 	<ul style="list-style-type: none"> Acquire assets to the extent that they can be folded into the Group's focused business strategy Identifying successful existing partners 	<ul style="list-style-type: none"> Finished negotiations for acquiring the Italian partner's share (50%) In negotiations for acquiring the Indian and Australian partner's share

Growth driver #1 – retention agents

Clear strategy to grow revenues through a strong customer retention program and quality agents, to accelerate customer value through increased trade frequency and trade amounts

Sales and Retention Net Deposits (FY13–FY16)

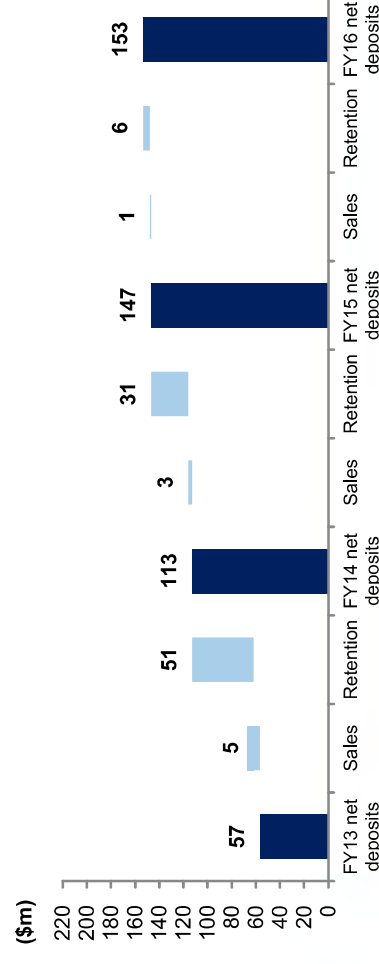


Sales and Retention Process

- Net deposits from First Time Depositors (FTD) are classified as new sales
 - First Time Deposits are the initial amount deposited at outset
- Once a sales agent has acquired an FTD, customer is automatically directed towards a retention agent
 - Any additional deposits are classified as retention deposits
 - Each retention agent is typically allocated c.100 traders
 - Agents are benchmarked based on KPIs including deposit conversion rate, total deposits raised and unique traders

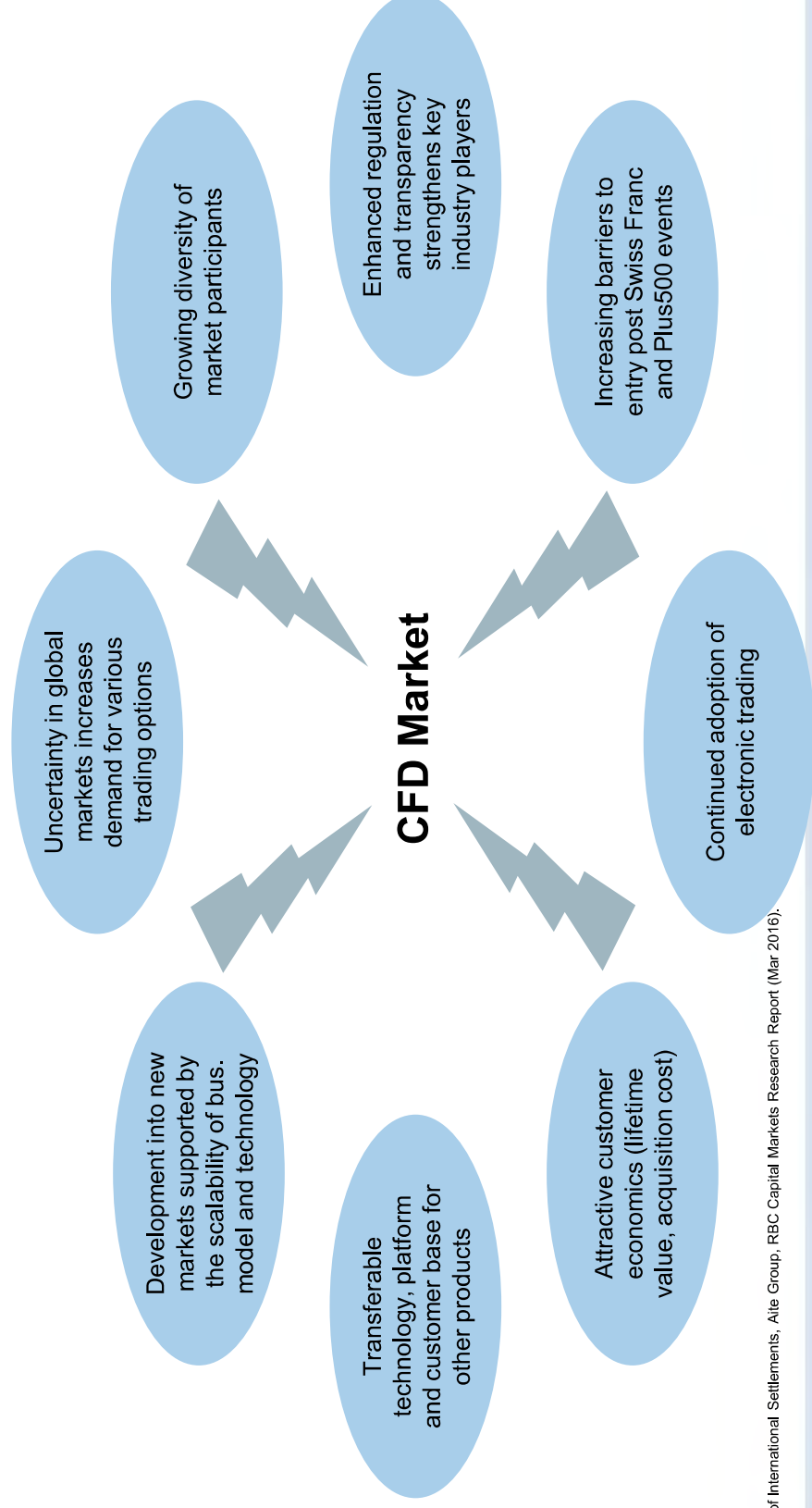
Growth Strategy

- Between FY13–FY16, net deposits significantly increased primarily due to retention deposits
 - 80% – 87% of net deposits
 - Contributed to c.90% of the 97m increase in net deposits
 - Ratio of net deposits from retention to net deposits from sales increased from 3.9 to 6.5 between FY13 and FY16
- Retention deposits growth is consistent with company's revenue growth strategy to focus on customer retention and increase existing customer value
 - Net deposits can be viewed as a proxy for number of active clients, which is positively correlated with trading revenue
- Continuous efforts to develop retention department and retention agents
 - Offers "Retention Agent Academy", a 6-week training



Growth driver #2 – organic growth

- In recent years, the global FX retail trading market has been growing at 10-20% p.a. (1)
- Average trading volume expected to reach \$7.8 trillion per day by 2019, corresponding to a CAGR of c.8% from 2014 onwards
- The fee pool from retail FX, CFD and spread betting activity are estimated to reach £1.9bn globally, of which £1.7bn is retail



Source (1): Bank of International Settlements, Aite Group, RBC Capital Markets Research Report (Mar 2016).

Growth driver #3 – new automated platform and mobile app

Client acquisition costs are expected to decline as the Company rolls out a fully automated customer acquisition platform. SARA is a new trading platform, designed to allow full automatic control of user workflow.

Fully automated client acquisition trading platform

- Allowing self-registration, self-trading, default configuration that can be fully customized by client. User can unlock trading features or conditions, assets or tools, according to a variety of conditions: Time in level, number of closed positions, successfully passing a knowledge test, documents verifications etc. This is a fully automated workflow.

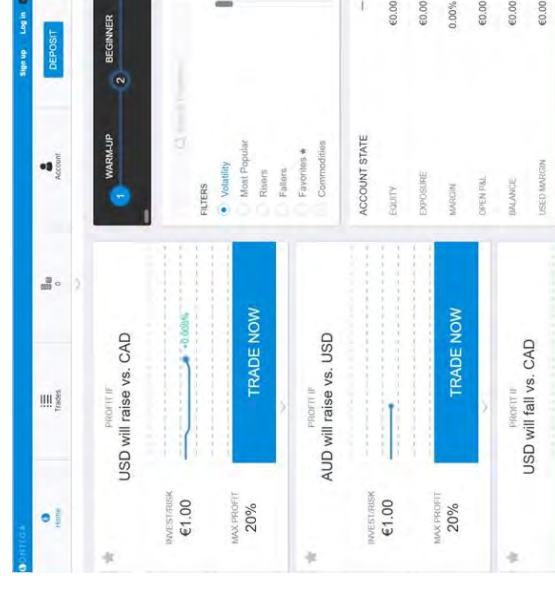
Three different modules

- The trading platform includes the following modules: education, compliance, admin.

3 trading interfaces according to trader's level to fit the widest traders population

- Trading interface, charts controllers are presented according to the user's level of education and experience.

✓ **SARA will create a fully automated acquisition and expected to generate material savings on the largest cost component in the company work flow.**



Growth driver #3 – new mobile app

Significant potential to increase mobile trading revenue

- The Company has only ~10% revenue through mobile apps vs estimates of up to ~70% in the industry in 2016.
- Further upside through mobile advertising, which is currently underutilized by the Company.
- During Q2-2017, a new mobile application was launched
 - Full synchronization between web interface (WebPROfit) and mobile.
 - Native application for Android and iOS.
 - Real time pricing, charts, trading, market analysis, Economic calendar and latest news.
 - Full compliance registration.
- We have started rolling out the new technology in the 3rd quarter.



Growth driver #4 – enter new markets

In addition to the existing geographies experiencing high growth listed below, the Company is continually reviewing new global growth options.

Asia

- 72.9% : FY16-18F revenue CAGR
- \$18m: FY18F revenues

- Substantial opportunities through partner
 - Existing partner is currently focused on offshore Indian clients only
 - Plans to expand to Thailand, Malaysia, Indonesia and Vietnam through partner

LatAm

- 63.4% : FY16-18F revenue CAGR
- \$7m: FY18F revenues

- Recently explored on the surface
 - Invested in new payment methods which have started to monetise
 - Significant potential in Mexico, Costa Rica, Chile, Argentina

Australia

- 24.1% : FY16-18F revenue CAGR
- \$18m: FY18F revenues

- High growth in past year
 - Significant upside potential (e.g. IG's local market is 10x bigger vs. Invesus)
 - Presence since 2008 but recently changed approach to market unlocking additional market share
 - Increased shareholding in local venture to 83% by buying out partners to optimise exposure and allow more control in expansion

Africa

- 20.6% : FY16-18F revenue CAGR
- \$20.6m: FY18F revenues

- Expansion into various countries
 - South Africa is growing rapidly (\$13m, 27%), with >\$1.3m in net deposits and plans to obtain a local license
 - Exploring North Africa and West Africa, in particular Ivory Coast

Middle East

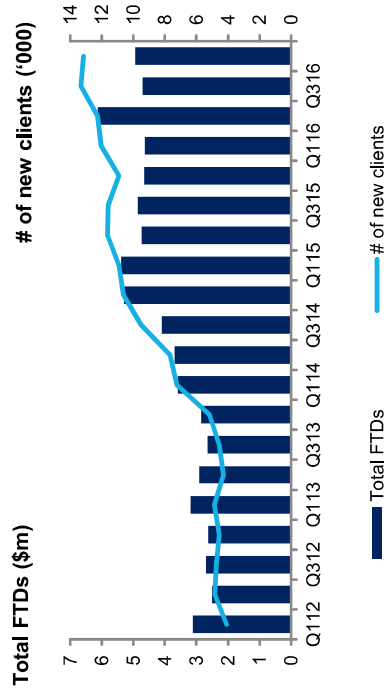
- 6.6% : FY16-18F revenue CAGR
- \$32m: FY18F revenues

- Advance current strategy
 - Main regions are Saudi Arabia and UAE
 - Moderate growth expected supported by existing operations

Positive operating metrics

- First Time Deposits act as a proxy for number of New Clients, while Net Deposits act as a proxy for Active Clients
- Both deposits and number of clients have grown substantially between FY12 and FY16, driving the high growth in revenues

New Clients vs. Total First Time Deposits ("FTDs")



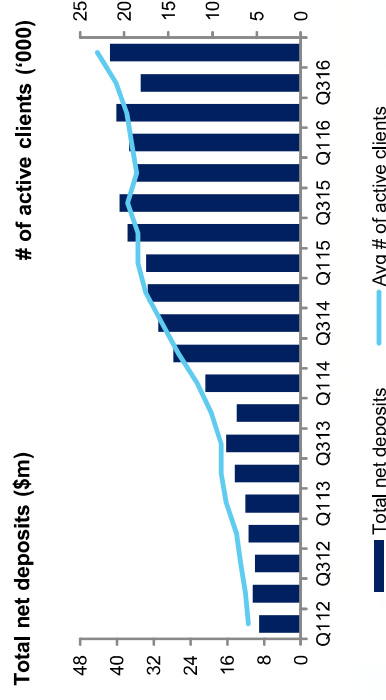
New Clients

- Number of new accounts opened quarterly
- Grew 29% annually to c.50,780 between FY12 and FY16

First Time Deposits (FTD amount)

- Amount of first time deposits in the quarter
- Proxy measure for new clients
- Grew 17% annually to \$20.4m between FY12 and FY16
 - Increased focus on purchasing larger number of leads
 - Led to decline in average FTDs from \$602 to \$402 between FY12 and FY16
 - Substantial increase in FTD volumes (ie new clients) compensated the decline in average FTD

Average Active Clients vs. Net Deposits



Active Clients

- Number of clients with at least one trade in the quarter
- Grew 33% annually to c.52,700⁽¹⁾ between FY12 and FY16

Net Deposits

- Amount of deposits less withdrawals in the quarter
- Proxy measure for active clients
- Grew 39% annually to \$153.8m between FY12 and FY16

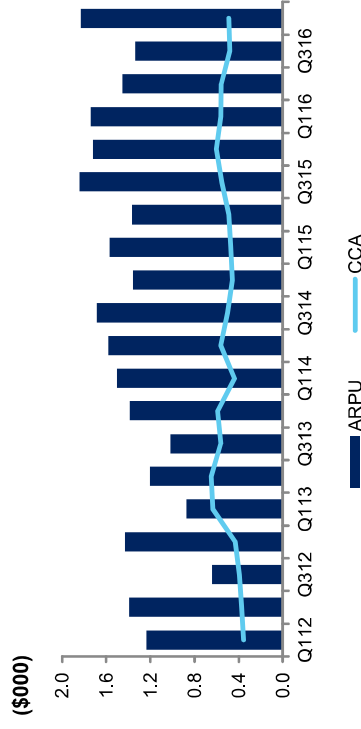
Source: Company data.

Note: 1. The number of active clients is calculated as per the period presented. A specific client can be considered as an active client in Q1 and in Q2, Q3 and Q4, but will be considered as only one active client in the FY (not as 4 clients). Hence, the sum of the quarters' numbers will always be different from the annual number.

Positive operating metrics

- Consistently low Cost of Customer Acquisition (CCA) based on intelligent marketing enables a competitive and efficient cost structure
- The difference in average FTD and average LTD reflects the additional value created after initial sales contact with client

Cost of Customer Acquisition (“CCA”) vs. Average Revenue Per User (“ARPU”)



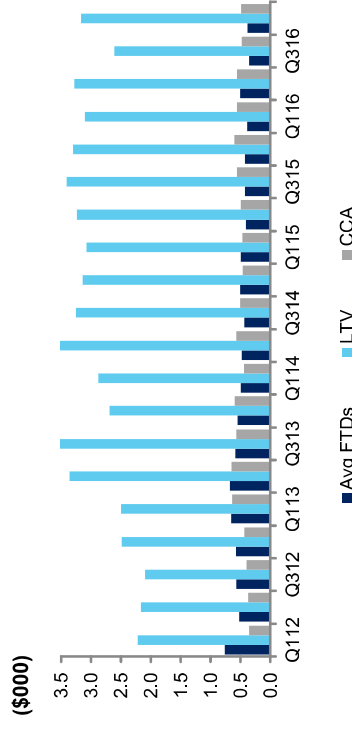
Cost of Customer Acquisition (CCA)

- Marketing costs divided by number of new accounts in the quarter
- Grew 8% annually to \$537 between FY12 and FY16, ranging between \$356 and \$650
 - Consistently low CCA is a key competitive advantage
- CCA varies between regions e.g. B2C European leads have higher regulation and marketing costs

Average Revenue Per User (ARPU)

- Total revenues divided by number of active clients in the quarter
- Grew 9% annually to \$2,597⁽¹⁾ between FY12 and FY16
 - Mirrors growth in CCA

Average First Time Deposits (“FTDs”) vs. Average Life Time Value (“LTV”)



Average First Time Deposit (Average FTDs)

- Total dollar amount of first time deposits divided by number of new accounts in the quarter
- Declined 10% annually to \$402 between FY12 and FY16 due to focus on increasing FTD volumes (ie new clients)
 - Overall, average at c.\$400 in 2016

Average Life Time Value (Average LTV)

- Net deposits divided by number of new accounts in the quarter
- Grew 8% annually to \$3,030 between FY12 and FY16
 - Overall, average at c. \$3,000
- Difference between FTD and LTV demonstrates value added from retention process

Source: Company data.

Note: 1. ARPU is calculated based on the active clients numbers. The number of active clients is calculated as per the period presented. A specific client can be considered as an active client in Q1 and in Q2, Q3 and Q4, but will be considered as STRONG and active in the FTD and LTV calculations. The sum of the quarters' numbers will always be different from the annual number.

Strong Risk Management

- Risk management is carried out during all trading hours by the Group dealing room with technology that enables real time monitoring and the application of risk limits
- Significant exposures are identified and elevated to senior management

Credit risk

- Invesus has no credit exposure to its clients, whose losses are limited to their deposits
- Stop loss triggered when margin / deposit reaches zero

Market risk

- Large and diversified client base
- Trading high liquidity and low volatility financial instruments

Regulatory risk

- Robust risk management policies and procedures in place
- In order to mitigate further regulatory risk, at the moment the Group does not accept customers who are residents of the following countries: United States, Canada, Turkey, Israel or Japan

Technology risk

- Disaster/recovery arrangements with sites in the USA and Europe
- Includes daily automatic back up of critical data held in the network and stored in a secure location

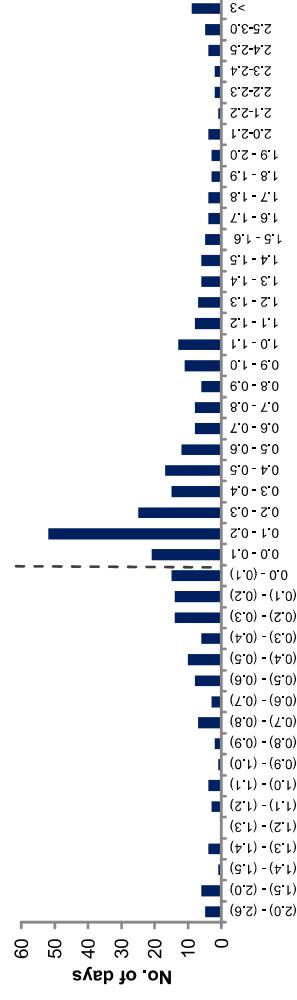
Key Risk Management Rules

Single customer exposure limit:
Maximum customer exposure of 30m (€/\$)

Single instrument exposure limit:
Only major instruments traded, limiting exposure to high volatility and low volume instruments

Total exposure restrictions:

Portfolio exposures split by Forex, Commodities, Indices and Stocks are limited on a gross and net basis



- Gross and net exposure limits are consistently monitored by the Group
- Net exposure refers to the net exposure over all customer short positions and all customer long positions
- Group limits to net exposure are in place with reference to the current level of Group equity

1. Includes all three revenue streams to Invesus i.e. spreads, overnight fees and gains/ losses from counterparty trades. Loss magnitudes across counterparty trades are generally bigger compared to gain magnitudes.

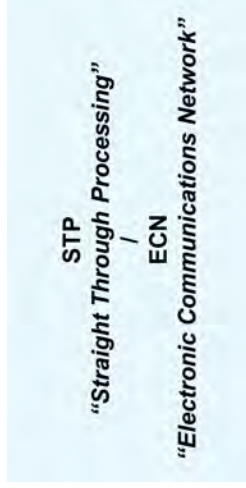
Strong Risk Management

Risk management combines the advantages of different risk models used by financial brokers across the industry

Risk Management Approach

Key Characteristics

Impact on Business Model



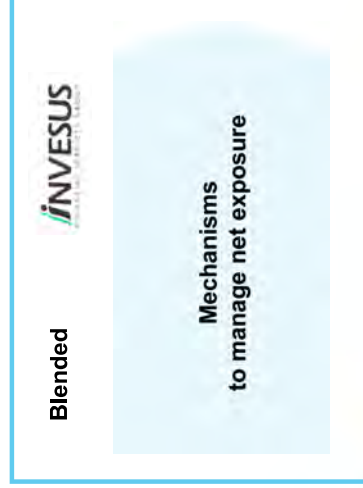
- Broker takes trading orders (and generally collects required security margin funds)
- Every trade is forwarded directly to a liquidity provider (a bank or prime broker) offering bid / ask quotes
- The quotes obtained can differ from communication to client (broker liable for that however generally covered by spread)

- ✓ Close to risk free approach on highly liquid / low volatility markets
 - ✓ Commission model depending on negotiating power with liquidity provider, no conflict of interest
- Quotes not guaranteed (example: during CHF volatility in Jan 2015 banks did not offer quotes for several minutes leaving brokers with exposure. This led to the bankruptcy of some brokers working with an STP / ECN model)*



- All trades are opened and held directly by the broker
- The broker acts as a counterparty to all clients' trades
- Orders processed internally and do not reach market

- ✓ No reliance on external quotes
 - ✓ Quick execution
 - ✓ Maximisation of spread due being able to "net" a large part of the book
- Requirement for sufficient capital buffers, liquidity and high volumes while having prudent risk management procedures in place*



- Broker acts as a counterparty and accepts exposure on certain assets...
 - ... however some liquidity agreements are put in place (e.g., above certain exposure)
- ✓ Real-time monitoring before a trade is executed (trade is held for 2 seconds to compare development of new quotes in the market)
 - ✓ Possibility to adjust margin requirements and spreads
 - ✓ Option to refuse new trades
 - ✓ Agreements in place with 2 liquidity providers to transfer hedge exposure (similar to STP approach)
- ✓ Large and diversified client base across regions facilitating complementarity of positions
 - ✓ Limited number of instruments provided in the platform
 - ✓ Arrangements in place in catastrophe circumstances
 - Maximum exposure of c.\$400m leading to c.\$20m excess cash to be held to anticipate a 5% move in the same direction of all instruments

Highly experienced management

A highly experienced management team has led the rapid global growth of Invesus

Tomer Tzuman *Chief Executive Officer*

Tomer Tzuman, aged 43, is the Chief Executive Officer of Invesus and has, since 2010, been the Chief Executive Officer of companies previously within the Group's structure. As the CEO of Invesus he is responsible for overseeing all the Group's operations. Mr. Tzuman is responsible for establishing and managing the operations of the Company's outsourced call centres as well as involved in the planning and implementation of the Group's strategic growth initiatives. Prior to joining Invesus, Mr. Tzuman was the VP of Sales and Marketing and later the CEO of Finexo Global Investments (acquired by Playtech) where he was responsible for implementing the Company's growth strategy. Mr. Tzuman holds a B.A. in Economics and an LL.B in Law from Bar Ilan University, Israel.

Eyal Levy *Chief Financial Officer*

Eyal Levy, aged 46, is the Chief Financial Officer of Invesus and has, since 2008, been the Chief Financial Officer of companies previously within the Group's structure. Prior to that, he was Director of Finance and Reporting at Perrigo (Israel), part of Perrigo Company PLC, one of the world's largest manufacturers of over-the-counter (OTC) and generic prescription (Rx) pharmaceuticals. Before then, he was Senior Manager at PriceWaterhouseCoopers Israel, where he was responsible for auditing Israeli mid and large cap customers traded on both NASDAQ and the Tel Aviv Stock Exchange. Eyal is a Certified Public Accountant (CPA) and has a Master's degree in Law from Bar Ilan University as well as a B.A. in Economics and Accounting from the Hebrew University, Jerusalem.

Izlik Chiprut *Business Development*

Izlik Chiprut, aged 50, joined Invesus as Vice President of Business Development in 2014 with more than 20 years of experience in foreign exchange markets and the financial services industry. Prior to joining Invesus, he served as Chief Executive Officer (Israel) and Chief Financial Officer at IForex, an operator of retail-based foreign exchange services. Before that, he was Deputy General Manager for Finance and Investment at Eurotrade Bank where he was responsible for finance and risk management. Izlik is a Certified Public Accountant and has an MBA from Tel Aviv University where he also holds a BA in Accounting and Economics (magna cum laude).

Gil Farhang *CEO of Depaho*

Gil Farhang, aged 40, is the Chief Executive Officer of Depaho since 2013, where he oversees all aspects of the CIF, notably the compliance functions related to the CIF, including compliance with the rules and regulations of the Cyprus Securities & Exchange Commission (CYSEC), passporting rights through the Markets in Financial Instruments (MiFid) directives and customer onboarding policies and procedures related to Anti-Money Laundering (AML) regulations and Know-Your-Client (KYC) directives. Prior to joining Invesus, Mr. Farhang was vice president of sales and business development at Finexo Global Investments (later acquired by Playtech). Mr. Farhang received a B.A. in Business Administration and Economics from Ariel University. Mr Farhang is a certified broker-dealer by CySEC

Georgi Gerginov *Chief Technology Officer*

Georgi Gerginov is the Chief Technology Officer of Invesus Group and the CEO of NaXex Technological Development. Prior to NaXex, Georgi was assuming leadership roles for SAP Labs Bulgaria and SAP Labs Hungary. Before starting his managerial path, he had long and successful software engineering career. Georgi Gerginov is founder and chairman of the Innovations in Software Technologies (ISTA) association, which is organizing one of the biggest annual events for the software engineering sector in Bulgaria. Georgi holds a MS in computer science from Technical University of Sofia.

Shlomo Yoshai *Managing Director of ForexCT*

Mr. Shlomo Yoshai, aged 41, has been Managing Director of ForexCT since 2012. Prior to that, Mr. Yoshai was the Deputy CEO of Trade Networks Development Services, a provider of software applications and trading platforms solutions to on-line brokers. Before then, he was the COO of Trade FXL, a subsidiary of Markets.Com, which provided call centre and customer support services, back office, monitoring and analysis services. Prior to that, he was the Chief Compliance Officer at Finexo Global Investments (acquired by Playtech). Mr. Yoshai holds a BA in Economics and Business Management from Ariel University.

Independent Board

In addition to the current directors, the Company intends recruiting at least two Australian resident independent directors with ASX-listed company experience, ensuring a majority of independent Directors.

Independent non-executive Directors

Pieris (Akis) Hadjipieris,
Independent Non-Executive Director

Pieris Hadjipieris, aged 52, served as the Executive Vice Chairman of the Cyprus Securities & Exchange Commission (CYSEC) and as a Member of the Board of Directors of the Cyprus Stock Exchange. During that period, he was the Chairman of the Committee of the Investors Compensation Fund and a Member of the Examining Board for the Certification of Professional Competence of Supervisors and Employees of Banks and Investment Firms. Prior to that, Mr. Hadjipieris served as a Senior Officer at the Cyprus Central Agency for Equal Distributions of Burdens, a Government Authority set up to provide grants and low interest loans to Cyprus residents dispossessed of property as a result of the Turkish invasion of Northern Cyprus. Before then, he was an Internal Auditor at Pallouriotissa Cooperative Credit Society, a non-profit organisation that provides competitive banking facilities. He was appointed a Non-Executive Director of Depaho in December 2013, of Invesus Board in October 2014, and of ForexCT Board in May 2017.

The Company welcomes input on the most appropriate skills mix for the Board, including Australian NEDs with combination of:

- ASX listed company experience
- Legal
- Accounting
- Mergers & acquisitions
- Financial markets trading

Executive Directors

Tomer Tzuman
Chief Executive Officer

See “Management” slide for full biography.

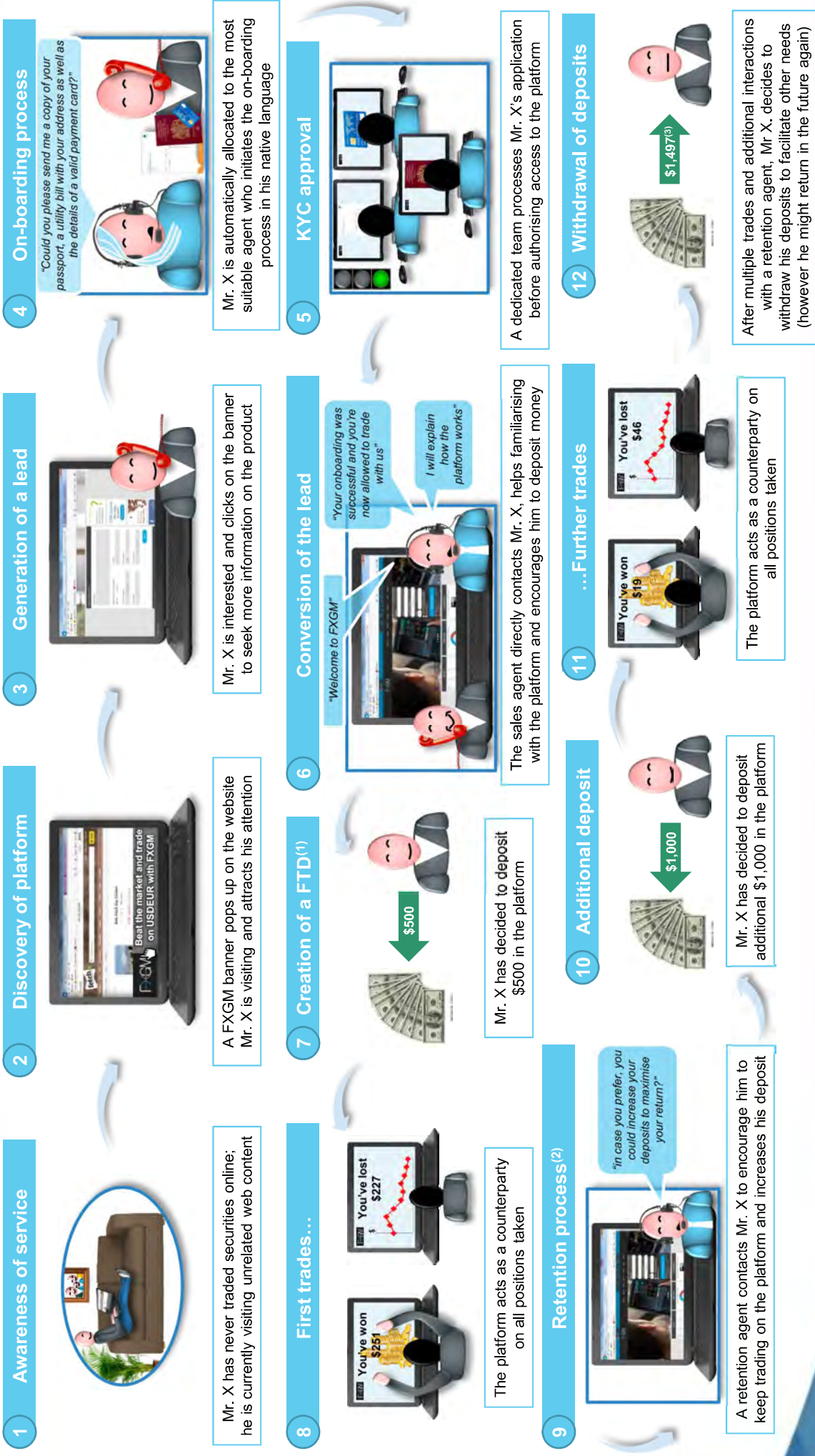
Eyal Levy
Chief Financial Officer

See “Management” slide for full biography.



Appendices

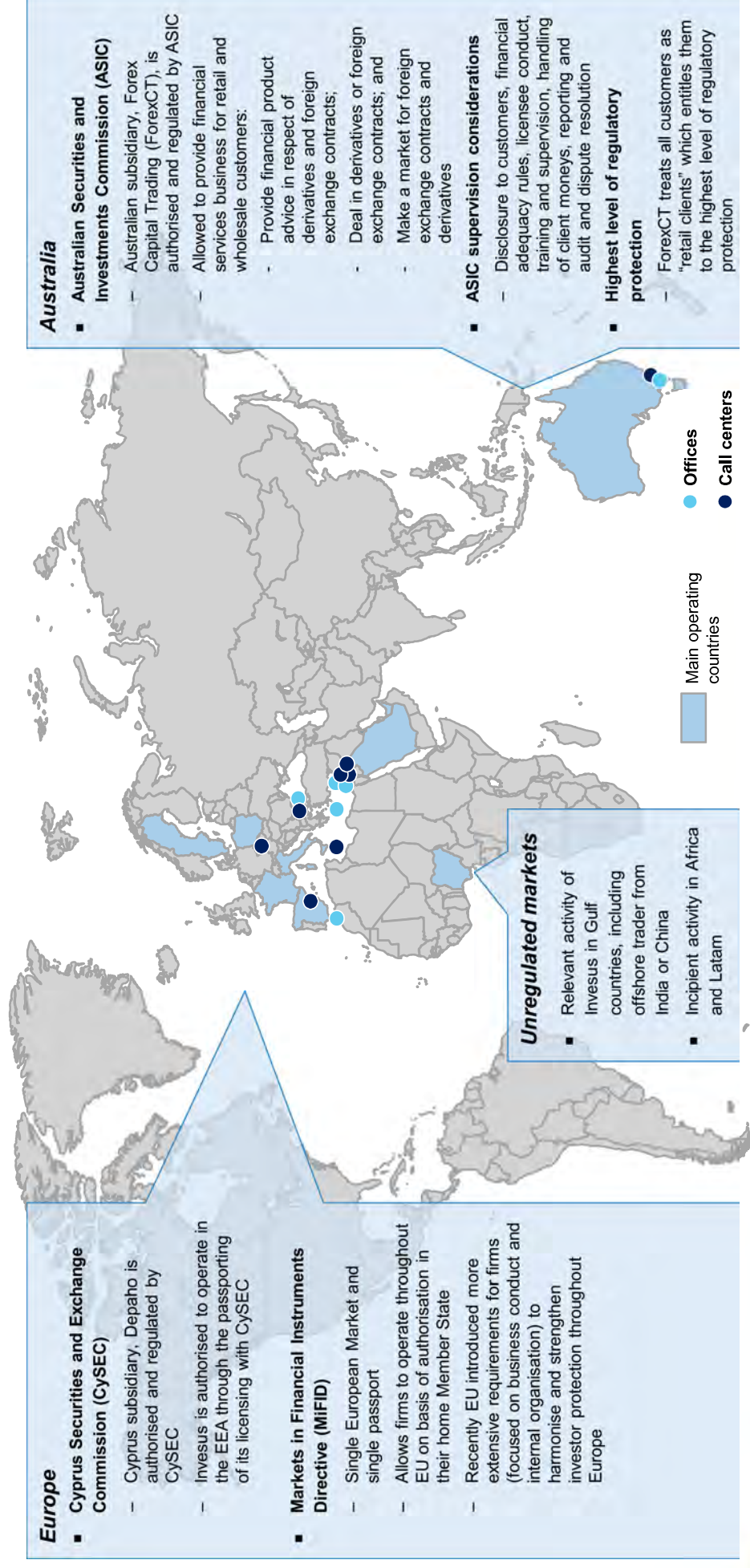
Illustrative Customer Lifecycle



Note: 1. FTD = First Time Deposit. 2. In December 2015 the Company implemented mandatory scripts to be used by sales and retention agents at the call centres that clearly indicate to the client that the products offered for trade are highly complex and that the client may lose all of his/her investment. 3. Corresponds to his initial deposits + net gain / (loss) - processing fees.

Regulatory Framework for CFD

- The Group includes two entities which have been granted licences by regulators:
 - Depaho, which is authorised and regulated in Cyprus by CySEC and has obtained “passports” allowing it to operate throughout the EEA and;
 - ForexCT, which is authorised and regulated in Australia by ASIC

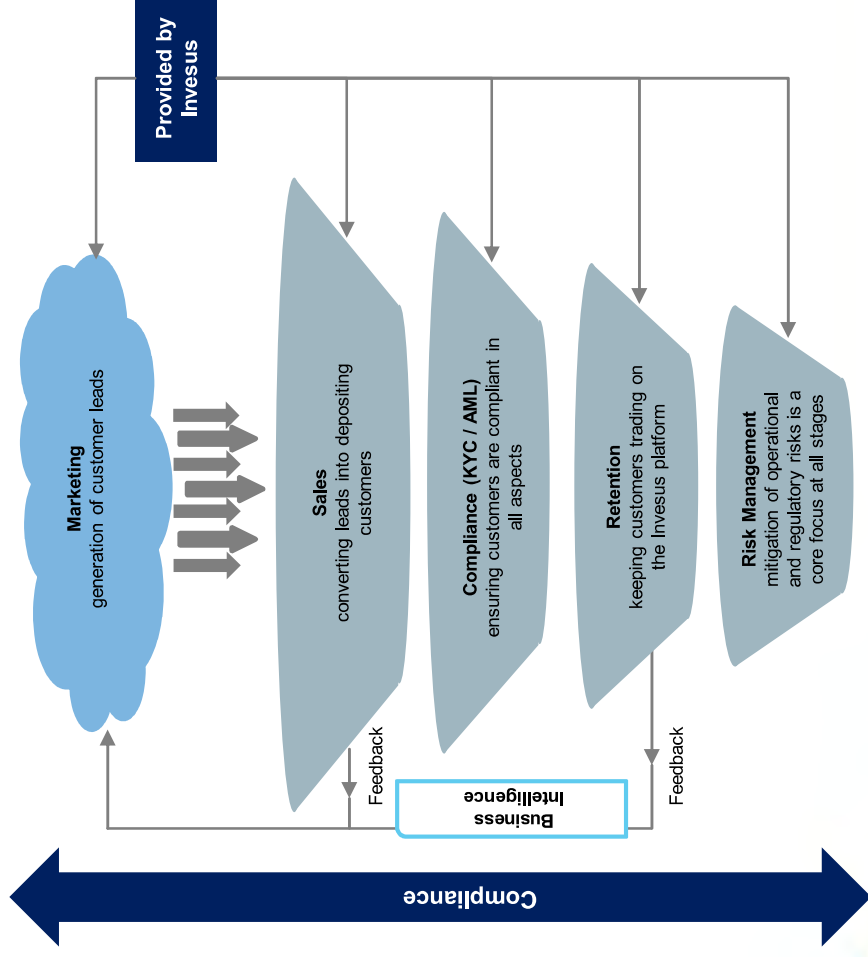


Source: Company data.

B2C and B2B

- Different business models and platforms across regions, depending on regulatory background and competitive landscape
- Both platforms emphasise strong KYC and AML policies and procedures across the board

Overview of Business Model



Direct to Market (B2C) – 60% of Revenues

- The Group's B2C channel operates in the markets where the Group has the relevant licences, namely the EEA and Australia, and is driven by Invesus' own brands
- The principal brands are FXGM, GTCM and ForexCT
 - Historical B2C revenue growth is primarily derived from FXGM and GTCM
 - The GTCM brand is owned by the Group but operates in a regulated market through a White Label Partner
- Most of the revenues are generated from customers in Italy, Spain, Poland, Sweden and Australia

White Label Partnership Channel (B2B) – c.40% of Revenues

- The Group's B2B channel involves relationships with third parties who channel transactions from markets where there is no applicable regulation or where the relevant White Label Partner has not yet obtained the requisite authorisation
- Invesus provides these White Label Partners with their full product suite, including the trading platform, lead generation and marketing, onboarding, compliance, and risk mitigation (liquidity provision when required)
- However, the White Label Partner retains the contractual relationship with the underlying customer
- White Label Partnership brands include Bforex, Financika and Dynamic Trade
- Primary B2B markets include Saudi Arabia, South Africa, Latin America, the United Arab Emirates, and Nigeria

Statutory Financial Statements

\$m, December, Y/E	2014A	2015A	2016A	2017F	2018F	14-'18 CAGR
Revenues	89.9	119.5	132.6	146.7	162.2	
Revenues from Discontinued Operations	(14.6)	(16.5)	(5.6)	-	-	
Revenues from Continuing Operations	75.3	103.0	127.0	146.7	162.2	21.1%
% <i>Growth</i>		36.8%	23.3%	15.5%	10.6%	
Selling & Marketing Expenses	(51.5)	(65.4)	(79.1)	(87.1)	(93.4)	16.0%
General & Administrative Expenses	(2.7)	(20.3)	(16.9)	(12.9)	(13.0)	48.1%
Technology Expenses	(5.1)	(7.5)	(6.2)	(6.8)	(6.8)	7.5%
Operating Expenses	(59.3)	(93.2)	(102.2)	(106.8)	(113.2)	
Operating Expenses from Discontinued Operations	7.0	8.6	4.2	-	-	
Operating Expenses from Continuing Operations	(52.3)	(84.6)	(98.0)	(106.8)	(113.2)	21.3%
One-off Adjustments						
Share-based Compensation	-	13.7	2.7	0.7	0.1	
Other One-time Expenses	-	0.3	2.3	-	-	
Adjusted EBITDA	23.0	32.4	34.0	40.6	49.1	20.9%
% <i>Margin</i>	30.5%	31.5%	26.8%	27.7%	30.3%	
D&A	(1.9)	(0.6)	(1.0)	(1.0)	(1.0)	
Adjusted EBIT	21.1	31.8	33.0	39.6	48.1	22.9%
% <i>Margin</i>	28.0%	30.9%	26.0%	27.0%	29.7%	
Reported Net Income	27.2	23.0	27.8	35.1	43.4	12.4%
% <i>Growth</i>		-15.4%	20.9%	26.3%	23.6%	
CAPEX	(2.7)	(1.5)	(2.4)	(1.8)	(1.8)	
% <i>Revenues</i>	-3.6%	-1.5%	-1.9%	-1.2%	-1.1%	

- Historical statutory financial statements include discontinued operations (eg. France)
- Proforma financial statements exclude discontinued operations

Disclaimer

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The Presentation is at the date hereof. Neither the delivery of this Presentation nor any further discussions in relation to the Group or potential sale of shares with any of the recipients shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this Presentation.

General Purpose Financial Statements

Forex Capital Trading Pty. Ltd.

ABN 69 119 086 270

30 June 2020

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Directors' Report

Your Directors present their report on Forex Capital Trading Pty Ltd ("the Company") for the financial year ended 30 June 2020.

Directors

The names of the directors in office at any time during, or since the end of, the period are:

- Shlomo Yoshai

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Review of operations

The loss of the Company for the financial year after providing for income tax amounted to \$2,232,232 (2019: profit \$238,316).

A review of the operations of the Company during the financial year and the results of those operations found that during the financial year the economic entity continued to engage in its principal activity, the results of which are disclosed in the attached financial reports.

Significant changes in state of affairs

No significant changes in the Company's state of affairs occurred during the financial year.

Principal activities

The principal activities of the Company during the financial year was the provision of an online margin foreign exchange, commodities and contracts for difference (CFDs) trading platform.

No significant change in the nature of these activities occurred during the year.

Events after the reporting period

No matters or circumstances have arisen since the end of the financial year (other than those disclosed in Note 21) which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future development, prospects and business strategies

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid or recommended

No dividends were paid or provided for during the financial year.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Forex Capital Trading Pty. Ltd.

ABN 69 119 086 270

Directors' Report (cont.)

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307c of the Corporations Act 2001 is set out on page 3.

The Directors' Report is signed in accordance with a resolution of the Board of Directors:



Shlomo Yoshai
Director

Dated this 24th day of December 2020

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE
CORPORATIONS ACT 2001 TO THE DIRECTORS OF
FOREX CAPITAL TRADING PTY LTD**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2020 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



J. C. Luckins
Director

Melbourne, 24th day of December 2020

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenue	2	(1,665,900)	43,236,095
Other Income	2	7,422,165	487,356
less:			
Employee Benefits Expense		2,900,616	12,180,760
Depreciation Expenses	3/10	489,436	256,273
Occupancy Expenses		-	698,223
Auditor's Remuneration	3	59,180	77,000
Finance Costs	3	(51,517)	101,463
Legal and Professional Expenses		5,272,071	4,080,872
Liquidity Settlements		-	19,738,224
Referral Commission		-	221,866
Advertising Expenses		(75,279)	4,742,605
Travel and Entertainment		63,066	117,133
Website and Internet Expenses		118,291	136,205
Telecommunications Expenses		53,626	150,543
Other Expenses		305,366	866,148
Profit/(Loss) Before Income Tax		(3,378,591)	356,136
less:			
Income Tax (Income)/Expense	4	(1,146,359)	117,820
Profit/(Loss) for the period		(2,232,232)	238,316
Other Comprehensive Income for the period, net of any income tax		-	-
Total Comprehensive Income for the period		(2,232,232)	238,316

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash and Cash Equivalents	5	3,941,132	8,901,045
Trade and Other Receivables	6	805,480	818,480
Financial Assets	7	292,311	672,311
Current Tax Assets		373	2,161,368
Other Current Assets	8	256,946	336,517
Total Current Assets		5,296,242	12,889,721
Non-Current Assets			
Trade and Other Receivables	6	2,438,522	-
Plant and Equipment	9	216,645	296,576
Right of Use Asset	10	1,303,009	-
Total Non-Current Assets		3,958,176	296,576
Total Assets		9,254,418	13,186,297
Current Liabilities			
Trade and Other Payables	11	5,943,680	5,039,615
Financial Liabilities	12	21,846	20,025
Right of Use Asset Liabilities	10	210,559	-
Provisions	13	275,302	289,921
Total Current Liabilities		6,451,387	5,349,561
Non-Current Liabilities			
Trade and Other Payables	11	-	3,163,283
Financial Liabilities	12	80,677	102,520
Right of Use Asset Liabilities	10	736,769	-
Deferred Tax Liabilities		-	352,287
Provisions	13	28,391	29,220
Total Non-Current Liabilities		845,837	3,647,310
Total Liabilities		7,297,224	8,996,871
Net Assets		1,957,194	4,189,426
Equity			
Issued Capital	14	1,429,446	1,429,446
Current Years Earnings		(2,232,232)	238,316
Accumulated Profits		2,759,980	2,521,664
Total Equity		1,957,194	4,189,426

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2020

	Ordinary Shares	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2018	1,429,446	2,521,664	3,951,110
Total Comprehensive Income for the period	-	238,316	238,316
Balance at 30 June 2019	1,429,446	2,759,980	4,189,426
Balance at 1 July 2019	1,429,446	2,759,980	4,189,426
Total Comprehensive Income for the period	-	(2,232,232)	(2,232,232)
Balance at 30 June 2020	1,429,446	527,748	1,957,194

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash Flows from Operating Activities			
Receipts from Customers		4,674,671	9,823,863
Payments to Suppliers and Employees		(6,299,460)	(23,659,333)
Interest Received		45,305	159,858
Finance Costs		51,517	(101,463)
Income Tax Received/(Paid)		2,955,067	(1,349,007)
Net Cash provided by/(used in) Operating Activities	16(b)	1,427,100	(15,126,082)
Cash Flows from Investing Activities			
Proceeds from the sale of Plant and Equipment		-	35,500
Net Purchase of Plant and Equipment		(1,712,514)	(304,884)
Amounts Received from/(Paid to) Related Party Entity		(5,601,805)	3,156,510
Net Cash provided by Investing Activities		(7,314,319)	2,887,126
Cash Flows from Financing Activities			
Proceeds from/(Repayment of) borrowings		927,306	29,254
Net Cash provided by/(used in) Financing Activities		927,306	29,254
Net Change in Cash and Cash Equivalents held		(4,959,913)	(12,209,702)
Cash and Cash Equivalents at beginning of period		8,901,045	21,110,747
Cash and Cash Equivalents at end of period	16(a)	3,941,132	8,901,045

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2020

The financial statements cover Forex Capital Trading Pty. Ltd. as an individual entity. Forex Capital Trading Pty. Ltd. is a company limited by shares, incorporated and domiciled in Australia. The company was controlled by a foreign company for all the reporting period and is not consolidated for that period in the financial statements lodged with the Australian Securities and Investments Commission.

The financial statements were authorised for release in 24th December 2020 by the directors of the Company.

1. Statement of significant accounting policies

Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Notes to the Financial Statements

for the year ended 30 June 2020

1. Statement of significant accounting policies (cont.)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Plant and equipment

Each class of plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured at cost less depreciation and impairment losses.

Leases entered into giving rise to a Right of Use Asset are measured in accordance with AASB 16 Leases and disclosed at Note 10.

Depreciation

The depreciable amount of all fixed assets including capitalised leased assets, is depreciated on a diminishing value basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leased assets are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

The depreciation rates used for each class of depreciable assets are:

Asset Class	Depreciation Rate (Diminishing Value)
Plant and equipment - Office furniture and equipment	20 - 66.67%
Plant and equipment - Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Company, are classified as Finance Leases.

Finance Leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset, or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and the benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Notes to the Financial Statements

for the year ended 30 June 2020

1. Statement of significant accounting policies (cont.)

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Notes to the Financial Statements

for the year ended 30 June 2020

1. Statement of significant accounting policies (cont.)

(iv) Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Notes to the Financial Statements

for the year ended 30 June 2020

1. Statement of significant accounting policies (cont.)

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as financial liabilities at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using the probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting during the next reporting period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: *Revenue*. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Impairment of Assets

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the Company's functional and presentation currency.

Notes to the Financial Statements

for the year ended 30 June 2020

1. Statement of significant accounting policies (cont.)

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising from the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and bank overdrafts.

Revenue

Revenue is measured at the fair value of the consideration received or receivable net of any trading wins or losses incurred in an event.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

for the year ended 30 June 2020

1. Statement of significant accounting policies (cont.)

Liquidity Settlements

Liquidity settlements represent fees paid to third parties to reduce or mitigate the downside risk associated with the Company's trading positions. In return for these fees the counterparty agrees to indemnify the Company against losses from trading activity.

Liquidity settlements are recognised in line with trading revenue, when trading activities expose the Company to downside risk.

Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid according to the suppliers' terms.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements

for the year ended 30 June 2020

	2020 \$	2019 \$
2. Revenue		
Operating Activities:		
Service Revenue	(3,460,025)	43,076,237
Interest Revenue	45,305	159,858
Liquidity Income	1,748,820	-
Total Revenue from Operating Activities	(1,665,900)	43,236,095
Other Income:		
Administration Fees	420,000	420,000
Liquidity Settlements	5,252,165	-
Other Income	1,750,000	67,356
Total Other Income	7,422,165	487,356
3. Expenses		
Profit before income tax from continuing operations includes the following specific expenses		
Depreciation Expenses:		
Office Furniture and Equipment	99,111	227,843
Motor Vehicles	29,918	28,430
Total Depreciation Expenses	129,029	256,273
Other Expenses		
Remuneration of Auditor:		
Auditing of the Financial Statements	59,180	77,000
Total Remuneration of Auditor	59,180	77,000
Interest Expenses:		
Other Corporations	(51,517)	101,463
Total Interest	(51,517)	101,463

Notes to the Financial Statements

for the year ended 30 June 2020

	2020 \$	2019 \$
4. Income Tax Expense		
Income Tax Expense:		
The components of tax expense comprise:		
Current Tax	-	1,139,124
Deferred Tax	(352,287)	(1,021,304)
(Over)/Under provision in prior periods	(794,072)	-
Total Income Tax (Income)/Expense	(1,146,359)	117,820
The prima facie tax on profit before income tax is reconciled to income tax as follows:		
Profit Before Income Tax	(3,378,591)	356,136
Prima facie tax on profit before income tax at 30% (2019:30%)	(1,013,578)	106,841
Add:		
Tax effect of:		
- Other Non Allowable Items	8,946	10,979
- Deferred tax which is unlikely to be recouped	(141,727)	-
Income Tax attributable to Entity	(1,146,359)	117,820
The applicable weighted average effective tax rates are as follows:	33.9%	33.1%

Notes to the Financial Statements

for the year ended 30 June 2020

	2020 \$	2019 \$
5. Cash and Cash Equivalents		
Cash on Hand	12	12
Cash at Bank	3,941,120	8,901,033
	3,941,132	8,901,045
6. Trade and Other Receivables		
Current		
Other Receivables	805,480	818,480
	805,480	818,480
Non-Current		
Intracompany Balances	2,438,522	-
	2,438,522	-
7. Financial Assets		
Current		
Short Term Bank Deposits	292,311	672,311
	292,311	672,311
8. Other Assets		
Current		
Bonds Paid	165,482	165,127
Prepayments	91,464	171,390
	256,946	336,517

Notes to the Financial Statements

for the year ended 30 June 2020

	2020 \$	2019 \$
9. Plant and Equipment		
Office Furniture and Equipment at cost	1,183,585	1,134,487
Less Accumulated Depreciation	(1,072,963)	(973,852)
	110,622	160,635
Motor Vehicles at cost	159,374	159,374
Less Accumulated Depreciation	(53,351)	(23,433)
	106,023	135,941
Total Plant and Equipment	216,645	296,576

Movements in carrying amounts

Movements in the carrying amounts of each class of plant and equipment between the beginning and the end of the current period.

	Office Furniture and Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 July 2018	242,968	43,350	286,318
Additions	145,510	159,374	304,884
Disposals - written-down value	-	(38,353)	(38,353)
Depreciation Expense	(227,843)	(28,430)	(256,273)
Balance at 30 June 2019	160,635	135,941	296,576
Balance at 1 July 2019	160,635	135,941	296,576
Additions	49,098	-	49,098
Depreciation Expense	(99,111)	(29,918)	(129,029)
Balance at 30 June 2020	110,622	106,023	216,645

10. Right of Use Asset (and Related Liability)

During the year the Company entered into a commercial lease of its offices for a term of five years. The Asset is classified in the Balance Sheet as Right of Use Asset and the accompanying liability is classified as Right of Use Asset Liability in accordance with AASB 16.

Notes to the Financial Statements

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
10. Right of Use Asset (and Related Liability) (Cont.)			
Non-Current Assets			
Right of Use Asset		1,663,416	-
Accumulated Depreciation		(360,407)	-
Current Liabilities			
Right of Use Asset Liabilities		210,539	-
Non-Current Liabilities			
Right of Use Asset Liabilities		736,769	-
Expenses			
Depreciation		360,407	-
Finance Costs - Interest Expense		63,098	-
Current			
Trade Payables		4,668,415	2,271,508
Sundry Payables and Accrued Expenses		415,249	729,836
PAYG Withholding Payable		30,945	119,983
Client Funds		829,071	1,918,288
		5,943,680	5,039,615
Non-Current			
Intracompany Balances		-	3,163,283
		-	3,163,283
11. Financial Liabilities			
Current			
Lease Liabilities	15	21,846	20,025
		21,846	20,025
Non-Current			
Lease Liabilities	15	80,677	102,520
		80,677	102,520

Notes to the Financial Statements

for the year ended 30 June 2020

	2020 \$	2019 \$
13. Provisions		
Current		
Employee Benefits	275,302	289,921
	275,302	289,921
Non-Current		
Employee Benefits	28,391	29,220
	28,391	29,220

Provision for employee benefits

Provision for employee benefits represents the amounts accrued for annual leave and long service leave. The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave that have been vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

	Note	2020 \$	2019 \$
14. Issued Capital			
Paid Up Capital			
1,429,446 fully paid ordinary shares	14(a)	1,429,446	1,429,446
		1,429,446	1,429,446
a. Ordinary shares		No.	No.
At the beginning of reporting period		1,429,446	1,429,446
Shares issued during the year		-	-
		1,429,446	1,429,446

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Notes to the Financial Statements

for the year ended 30 June 2020

	2020	2019
	\$	\$
15. Capital and leasing commitments		
Finance Lease Commitments		
Payable - minimum lease payments		
- not later than 12 months	25,549	25,549
- between 12 months and five years	90,768	113,855
- greater than five years	-	-
Minimum lease payments	116,317	139,404
Less future finance charges	(13,794)	(16,859)
Present value of minimum lease payments	102,523	122,545

16. Key Management Personnel

Compensation

The aggregate compensation made to directors and other members of key management personnel of the

Company is set out below:

	2020	2019
	\$	\$
Short Term Benefits	240,308	1,000,537
Long Term Benefits	14,769	11,308
Post-Employment Benefits	18,816	65,000
	273,893	1,076,845

Notes to the Financial Statements

for the year ended 30 June 2020

	2020 \$	2019 \$
17. Cash flow information		
a. Reconciliation of cash		
Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:		
Cash and Cash Equivalents	3,941,132	8,901,045
	3,941,132	8,901,045
b. Reconciliation of cash flow from operations with profit after income tax		
Profit after income tax	(2,232,232)	238,316
Non-cash flows in profit:		
- Depreciation	489,436	256,273
- Net Loss on Disposal of Plant and Equipment	-	2,853
Changes in assets and liabilities:		
- (Increase)/Decrease in other current receivables	13,000	(14,836)
- (Increase)/Decrease in financial and other assets	459,571	(770,568)
- (Increase)/Decrease in current tax assets	2,161,368	(209,884)
- (Decrease)/Increase in current tax liabilities	(373)	-
- (Decrease)/Increase in deferred tax liabilities	(352,287)	(1,021,303)
- (Decrease)/Increase in current trade and other payables	904,065	(13,581,454)
- (Decrease)/Increase in provisions	(15,448)	(25,479)
	1,427,100	(15,126,082)

18. Financial Instruments

Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk) and liquidity risk. As the Company is a market maker, its prerogative is not risk avoidance, but rather understanding the relationship between risk and return, thereby enabling the management of those risks.

The Company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign currency risks, and aging analysis in the case of liquidity risk.

The Company enters into hedging agreements with third parties to manage liquidity and foreign currency risks. The primary purpose of these arrangements is for the counterparty to accept the risk of losses in excess of the Company's prescribed stop loss limits. Terms within these arrangements stop them from impeding the Company's liquidity.

Notes to the Financial Statements

for the year ended 30 June 2020

18. Financial Instruments (cont.)

Market Risk

Foreign Currency Risk

The Company is in the business of trading in foreign currencies, and as such is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis.

At 30 June 2020 the effect on profit as a result of changes to foreign exchange to net liabilities of \$7,661,713 (assets \$344,586 less liabilities \$8,006,299) (2019 net liabilities of \$6,354,658 (assets \$318,508 less liabilities \$6,673,166)), with all other variables remaining constant would be as follows:

	Profit/(Loss) before tax	
	2020	2019
	\$	\$
10% USD depreciation (2019: 10%)	(766,171)	(635,466)
10% USD appreciation (2019: 10%)	766,171	635,466

The percentage change in the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last six months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ending 30 June 2020 was \$1,298,159 (for the year ending 30 June 2019: loss of \$167,479)

Price Risk

The Company is not exposed to any significant price risk, as it is a market-maker, and therefore responsible for setting its prices and spreads (margins).

Interest Rate Risk

The Company's main interest rate risk arises from interest bearing bank accounts and deposits.

At 30 June 2020 the effect on profit as a result of changes to interest rates to interest bearing bank accounts of \$3,842,931 (2019 \$8,977,044), with all other variables remaining constant would be as follows:

	Profit/(Loss) before tax	
	2020	2019
	\$	\$
1% decrease in interest rates (2019: 1%)	(38,429)	(89,970)
1% increase in interest rates (2019: 1%)	38,429	89,970

The percentage change is based on expected volatility of interest rates using market data and analysts forecasts.

Notes to the Financial Statements

for the year ended 30 June 2020

18. Financial Instruments (cont.)

Credit Risk

The Company is not exposed to any significant credit risk.

Liquidity Risk

Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

In addition, the Company is bound by Australian Financial Service Licence regulations to maintain minimum levels of surplus liquid funds at all times.

The Company manages liquidity by maintaining adequate cash reserves and continuously monitoring actual and forecast cash flows, as well as undertaking regular financial ratio analysis.

Remaining contractual maturities

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as the remaining contractual maturities and therefore these totals may differ from the carrying amount in the statement of financial position.

	Weighted Average Interest Rate %	< 1 year \$	1-2 years \$	2-5 years \$	>5 years \$	Total \$
2020						
<i>Non-Interest Bearing</i>						
Trade Payables		4,668,415	-	-	-	4,668,415
Client Liability		829,071	-	-	-	829,071
		5,497,486	-	-	-	5,497,486
<i>Interest Bearing (fixed rate)</i>						
Lease Liability	4.71	25,549	25,549	62,756	-	113,855
		25,549	25,549	62,756	-	113,855
2019						
<i>Non-Interest Bearing</i>						
Trade Payables		2,271,508	-	-	-	2,271,508
Client Liability		1,918,288	-	-	-	1,918,288
		4,189,796	-	-	-	4,189,796
<i>Interest Bearing (fixed rate)</i>						
Lease Liability	5.65	25,549	25,549	88,306	-	139,404
		25,549	25,549	88,306	-	139,404

Notes to the Financial Statements

for the year ended 30 June 2020

18. Financial Instruments (cont.)

The cash flows in the maturity analysis are not expected to occur significantly earlier than disclosed.

Unless otherwise stated, the carrying amounts of the financial instruments reflect their fair value. The carrying amounts of trade payables and client liability are assumed to approximate their fair values due to their short term nature.

	2020 \$	2019 \$
19. Related party transactions		
Transactions with related parties		
The following transactions occurred with related parties		
<i>Receipts for goods and services provided</i>		
Administration fees from Forex Capital Trading Limited	420,000	420,000
Liquidity settlements from Naxex Belize Limited	5,252,165	-
Liquidity income from Naxex Belize Limited	1,748,821	-
<i>Payments for goods and services provided</i>		
Liquidity settlements to Naxex Belize Limited	-	(19,738,224)
Marketing Expenses payable to Naxex Limited	(51,463)	(3,884,794)
Service Fees payable to Invesus Group Limited	(607,620)	(1,678,467)
<i>Intracompany Balances</i>		
Forex Capital Trading Limited	2,951,491	2,531,915
Naxex Belize Limited	(512,971)	(5,695,197)
Invesus Group Limited	(1,158,295)	(279,260)
<i>Intracompany Payables</i>		
Naxex Limited	(1,599,346)	(853,999)
Invesus Group Limited	(1,316,433)	(712,555)

20. Events after the reporting date

No matters or circumstances have arisen since the end of the reporting period (other than those disclosed in Note 21) which significantly affected or may significantly affect the operations of the company, the results of those operations, or state of affairs of the company in future years.

Forex Capital Trading Pty. Ltd.

ABN 69 119 086 270

Notes to the Financial Statements

for the year ended 30 June 2020

21. Contingent Liabilities

ForexCT holds an Australian Financial Services License (#306400) allowing the provision of financial product advice, dealing and making a market in respect of derivatives, in each case to retail and wholesale clients.

On 12 March 2019 the Australian Securities and Investments Commission (ASIC) commenced proceedings against ForexCT and, without notice to ForexCT, obtained orders from the Federal Court of Australia freezing ForexCT's accounts. ASIC also executed search warrants.

On 19 March 2019 ForexCT succeeded in lifting the freezing order regime. Following a contested hearing, the Federal Court of Australia declined to continue the freezing regime sought by ASIC and imposed no restrictions on ForexCT, other than that it not move monies offshore or dissipate its assets other than in the ordinary course of business, which was a position offered by ForexCT.

Those orders presently continue until 30 September 2019, although ForexCT has indicated to ASIC that it will consent to an extension of the orders to 31 January 2020. ForexCT are still receiving S33 and S912C information requests from ASIC.

There is no present claim against ForexCT by ASIC, however, from the material relied upon by ASIC in the freezing order application it is apparent that on 5 October 2018 ASIC commenced an investigation of ForexCT, apparently based on a number of complaints that ASIC had received from ForexCT customers who had lost money with ForexCT's products.

On 29 June ForexCT ceased trading with its clients and surrendered its License to ASIC on the 27 July 2020.

22. Company Details

The registered office of the company is:

FOREX CAPITAL TRADING PTY. LTD.

Level 18

636 St. Kilda Road

Melbourne Vic 3004

The principal place of business is:

FOREX CAPITAL TRADING PTY. LTD.

Level 18

636 St. Kilda Road

Melbourne Vic 3004

Directors' Declaration

The Directors have determined that the Company is a reporting entity and that this General purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

1. The financial statements and notes, are in accordance with the Corporations Act 2001 and
 - a. comply with all Accounting Standards and the Corporations Regulations 2001; and
 - b. comply with International Financial Reporting Standards as disclosed in Note 1; and
 - c. give a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the twelve months ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.
2. In the Directors' opinion, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable

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



Shlomo Yoshai
Director

Dated this 24th day of December 2020

Forex Capital Trading Pty Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Forex Capital Trading Pty Ltd. (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that we have complied with the independence declaration required by the *Corporations Act 2001*,

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

Other Matter

We draw attention to Note 21 to the financial report which describes the uncertainty related to the outcome of the proceedings filed against the Company by the Australian Securities and Investments Commission. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists.

Auditor's Responsibilities for the Audit of the Financial Report *(Continued)*

Misstatements can arise from fraud or error and 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 this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our independent auditor's report.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



J.C. Luckins

Director

Melbourne, 24th December 2020

14 April 2022

To the members of the Committee of Inspection (“COI”) as addressed

Dear Sir/Madam

Re: Forex Capital Trading Pty Ltd (In Liquidation) ACN 119 086 270 (“the Company”)

I refer to my report to COI dated 12 April 2022 and the meeting of the Committee of Inspection convened for 13 April 2022.

The meeting held on 13 April 2022 was inquorate and vacated as a majority of members were not present.

I have now convened a new COI meeting to:

1. To discuss the progress of the Liquidation.
2. To consider and approve the Liquidators entering into a Litigation Funding Agreement with Balance Legal Capital II UK Ltd (“Balance”).
3. To consider and approve the Liquidators’ remuneration for the period 27 June 2021 to 31 March 2022.
4. Any other business properly brought before the meeting.

The COI meeting has been convened for:

Date: Tuesday, 19 April 2022

Time: 10:00AM (AWST)

For the purpose of this meeting, I enclose the following:

- Formal notice of the COI meeting;
- Proxy form; and
- COI report provided on 12 April 2022.

If a COI member is unable to attend a meeting, they can appoint a proxy to act on their behalf by completing the proxy form. If you appoint a proxy, they will also need to sign a Confidentiality Deed Poll.

FTI Consulting (Australia) Pty Limited

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325

Level 47, Central Park | 152-158 St George's Terrace | Perth WA 6000 | Australia


Postal Address | PO Box Z5486 | Perth WA 6831 | Australia

+61 8 9321 8533 telephone | +61 8 9321 8544 fax | fticonsulting.com

Liability limited by a scheme approved under Professional Standards Legislation.

Pursuant to Section 75-75 of the *Insolvency Practice Rules (Corporations) 2016*, the meeting will be held virtually using Microsoft Teams.

Should you have any queries, please contact Jiin Herng Choong of this office on (08) 9321 8533 or by email at JiinHerng.Choong@fticonsulting.com.

A handwritten signature in black ink, appearing to read 'Daniel Woodhouse', with a stylized, cursive script.

Daniel Woodhouse

Liquidator

NOTICE OF MEETING OF COMMITTEE OF INSPECTION

FOREX CAPITAL TRADING PTY LTD (IN LIQUIDATION) ACN 119 086 270
("THE COMPANY")

NOTICE IS HEREBY GIVEN that a meeting of the Committee of Inspection of the above Company will be held on Tuesday, 19 April 2022 by electronic means commencing at 10:00am (AWST).

Due to government restrictions in place with COVID-19, this meeting will only be held by electronic means and there will be no physical meeting place available.

AGENDA

1. To discuss the progress of the Liquidation;
2. To consider and approve the Liquidators to enter into an agreement pursuant to Section 477(2B) of the *Corporations Act 2001*;
3. To consider and approve the Liquidators' remuneration for the period 27 June 2021 to 31 March 2022; and
4. Any other business properly brought before the meeting.

The meeting link for the Microsoft Teams meeting will subsequently be provided by e-mail.

In accordance with the Insolvency Practice Rules (Corporations) Amendment (Virtual Meetings and Electronic Communication) Rules 2022, the persons entitled to attend the virtual meeting have been given sufficient information to attend the meeting.

Committee members who will not be attending in person and intend to appoint a proxy to attend the meeting on their behalf must provide the following information concerning their proxy to JiinHerng.Choong@fticonsulting.com on or before 5:00pm (AWST) on Monday, 18 April 2022:

- (i) The name of the person/entity being represented;
- (ii) The name of the proxy or attorney;
- (iii) The address of the proxy or attorney to which notices may be sent; and
- (iv) A method by which the person, proxy or attorney may be contacted (e.g. email, phone) for the purposes of the meeting.

Dated this 14th day of April 2022



Daniel Woodhouse

Liquidator

APPOINTMENT OF PROXY

FOREX CAPITAL TRADING PTY LTD (IN LIQUIDATION)
ACN 119 086 270 ("THE COMPANY")

I/We _____ (name of signatory)
 of _____ (creditor name)
 a creditor of the Company, appoint _____ (name of proxy)
 of _____ (address of proxy)
 or in his/her absence _____ (details of alternate proxy)

as my/our ☐ general proxy or ☐ special proxy to vote at the Committee of Inspection meeting to be held on Tuesday, 19 April 2022 at 10:00am (AWST) or at any adjournment of that meeting.

Voting instructions – for special proxy only	For	Against	Abstain
Resolutions			
1. "That the Liquidators are authorised to enter into a Litigation Funding Agreement with Balance Legal Capital II UK Ltd on the Company's behalf involving a term or obligations extending for more than three months pursuant to section 477(2B) of the Corporations Act 2001."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. "That the remuneration of the Joint and Several Liquidators of the Forex Capital Trading Pty Ltd (In Liquidation), their partners and staff, for the period from 17 July 2021 to 31 March 2022 (inclusive), calculated at the rates set out in the FTI Consulting Schedule of Rates annexed at Schedule F (Corporate Finance & Restructuring effective 1 July 2021, Strategic Communications effective 1 April 2021, Technology effective 1 May 2021 and Forensic Accounting and Fraud Investigations effective 1 May 2021) is approved for payment in the amount of \$926,893.50 exclusive of GST, to be drawn from available funds immediately or as funds become available."	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*I/*We authorise *my/*our proxy to vote as a general proxy on resolutions other than those specified above
 (delete if not required)

Dated:

.....

Name and signature of authorised person

GUIDANCE AND INSTRUCTIONS

FORM OF PROXY

A person can appoint another person to attend the meeting on their behalf by completing the Form of proxy.

If the member is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of proxy in accordance with section 127 of the Corporations Act. Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Corporations Act.

The Form of proxy is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish, appoint any person, including the Chairperson of the Meeting, as either your general or special proxy.

Form 5011

Corporations Act 2001

s436E, 439A

Insolvency Practice Rules (Corporations) 2016

s75-145(1)(c)

Copy of minutes of meeting

Liquidator details

Registered liquidator number

500854

Registered liquidator name

DANIEL HILLSTON WOODHOUSE

Company details

Company name

FOREX CAPITAL TRADING PTY LTD

119 086 270

Section under which minutes are lodged

Date of meeting

19-04-2022

Are the minutes being lodged for a meeting convened under s436E, or
s439A of the Corporations Act 2001?

No

Certification

I certify that the attached minutes of meeting are a true copy of the original
minutes of meeting signed by the chair of the meeting as identified in the
minutes.

Yes

Authentication

This form has been authenticated by	
Name	DANIEL HILLSTON WOODHOUSE
This form has been submitted by	
Name	Starli SMITH
Date	03-05-2022

For more help or information

Web	www.asic.gov.au
Ask a question?	www.asic.gov.au/question
Telephone	1300 300 630

Minutes of Meeting of Committee of Inspection (COI)
Forex Capital Trading Pty Ltd (In Liquidation)
ACN 119 086 270

Held by teleconference on 19 April 2022 at 10am (AWST)

Opening of meeting	<p>The Chairperson declared the meeting open at 10:05am (AWST).</p> <p>The Chairperson advised that the first COI meeting on 13 April 2022 was inquorate and vacated with no business conducted.</p> <p>The Chairperson advised the proceedings would be recorded to facilitate an accurate account of the meeting and to assist in the preparation of the minutes.</p> <p>The Chairperson asked if there were any objections to the recording of the proceedings.</p> <p>No objections were forthcoming.</p>
Appointment of Chairperson	<p>Daniel Woodhouse introduced himself and informed the meeting that pursuant to Insolvency Practice Rule (IPR) 75-50 he would preside over the meeting as Chairperson.</p>
Attendance (via virtual meeting facilities)	<p>Daniel Woodhouse – the Chairperson</p> <p>Jiin Herng Choong – FTI Consulting</p> <p>Sam Dundas – King & Wood Mallesons (KWM)</p> <p>Patrick Mackenzie - KWM</p> <p>The Attendance Register with details of COI members present in person, by proxy or by attorney is contained in Appendix A.</p>
Virtual meetings/Electronic facilities	<p>The Chairperson advised that:</p> <ul style="list-style-type: none"> ■ the meeting was being held virtually in accordance with IPR 75-50. ■ all persons participating virtually in the meeting were taken for all purposes to be present in person at the meeting while so participating. ■ notice of arrangements for the use of electronic facilities had been given in the Notice of Meeting pursuant to IPR 75-35 and the electronic facilities were available and operating at the meeting.

	<ul style="list-style-type: none"> the Liquidators had received the required written statements from those wishing to participate at the meeting and that the participants using the electronic facilities were taken to be present in person at the meeting pursuant to IPR 75-75 and were included in the record of persons present which will form part of the minutes of the meeting to be lodged with ASIC. 												
Notice of meeting	<p>The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated 14 April 2022.</p> <p>The Chairperson tabled a copy of the Notice of Meeting and advised it had been sent to all members of the Committee of Inspection on 14 April 2022 in accordance with IPRs 75-10 – 75-25.</p> <p>The Chairperson also noted that the Notice of Meeting had been published in the ASIC Insolvency Notices Website in accordance with IPR 75-40.</p> <p>The Chairperson declared the meeting was convened at a time and place convenient to the majority of the COI entitled to receive notice of the meeting in accordance with IPR 75-30.</p> <p>The Chairperson noted that less than 10 business days' notice of the meeting was given to committee members as it was deemed appropriate in the circumstances and unless there were any objections, the meeting would proceed. No objections were forthcoming.</p>												
Quorum	<p>The Chairperson advised that, at the meeting of creditors held on 16 March 2022, a COI was formed and the appointed COI members were:</p> <table border="1"> <thead> <tr> <th>COI Member</th><th>Representing</th></tr> </thead> <tbody> <tr> <td>David Williams</td><td>Self</td></tr> <tr> <td>John Tabone</td><td>Self</td></tr> <tr> <td>Wayne Korn</td><td>Neville Scott</td></tr> <tr> <td>Govinda Kesar</td><td>Himself</td></tr> <tr> <td>Xu Bian</td><td>Self</td></tr> </tbody> </table> <p>The Chairperson advised that a signed Confidentiality Deed Poll (CDP) had been received for David Williams, John Tabone and Wayne Korn. However, CDPs had not been received from Govinda Kesar and Xu Bian. To date, his staff had been unable to contact them. The Chairperson advised that Govinda Kesar and Xu Bian could not attend any COI meetings or receive any confidential information until they returned a signed CDP.</p> <p>The Chairperson advised that, given that all 3 COI members who have returned a signed CDP were present, a majority of the COI members were present and a</p>	COI Member	Representing	David Williams	Self	John Tabone	Self	Wayne Korn	Neville Scott	Govinda Kesar	Himself	Xu Bian	Self
COI Member	Representing												
David Williams	Self												
John Tabone	Self												
Wayne Korn	Neville Scott												
Govinda Kesar	Himself												
Xu Bian	Self												

	<p>quorum was constituted in accordance with IPR 80-5(6) and the meeting may proceed.</p>
Purpose of meeting	<p>The Chairperson advised that the purpose of the meeting was to:</p> <ul style="list-style-type: none"> ■ discuss the progress of the liquidation; ■ consider and approve the Liquidators entering into a Litigation Funding Agreement with Balance Legal Capital II UK Ltd (“Balance”); ■ consider and approve the Liquidators’ remuneration for the period 27 June 2021 to 31 March 2022; and ■ any other business properly brought before the meeting.
Liquidators’ update	<p>The Chairperson reminded the COI members of the confidentiality and sensitivity of information to be discussed in the meeting and that the information provided, if disclosed, may be prejudicial to claims identified in the liquidation.</p> <p>The Chairperson discussed the key content of the Liquidators’ report and provided the following update to members on the progress of the Liquidation:</p> <p><u>Invesus Group Limited (a company incorporated in Gibraltar) (Invesus) – Letter of Comfort (LOC)</u></p> <p>The Chairperson advised that:</p> <ul style="list-style-type: none"> ■ under the LOC, Invesus had irrevocably undertaken in favour of the Company that it would provide financial support to the Company to meet any debts, including judgment debts, incurred by the Company in respect of its customers. ■ the LOC expires on 30 June 2022, and so any demand under the LOC must be made prior to that date. ■ the Liquidators had received a funding offer from Balance to pursue Invesus under the LOC. <p>There was a confidential discussion in relation to the funding agreement, including that it required approval from either the COI, or creditors, or the Court.</p> <p><u>Potential Unfair Preference Payments</u></p> <p>The Chairperson provided an update to the COI in relation to the Liquidators’ investigations into the potential unfair preference payments identified, including the funds paid to the Australian Securities & Investments Commission.</p> <p>There was a confidential discussions held with respect to the ongoing investigations and potential claims identified.</p>
Questions	<p>The Chairperson asked for any further questions before he put forward the resolutions. No further questions were raised by COI members.</p>

Resolutions	<p>The Chairperson noted there were two resolutions that would be put to the meeting. The Chairperson noted that persons participating and able to vote at the meeting would also be able to amend proposed resolutions in accordance with IPR 75-70.</p> <p>The Chairperson advised that reasonable time would be allowed to debate any proposed resolution or amendments to the resolutions before the resolution or amended resolution would be put to a vote.</p> <p>The following resolutions were put to the meeting:</p> <p>Resolution 1:</p> <p><i>“That the Liquidators are authorised to enter into a Litigation Funding Agreement with Balance Legal Capital II UK Ltd on the Company’s behalf involving a term or obligations extending for more than three months pursuant to section 477(2B) of the Corporations Act 2001.”</i></p> <p>Moved by: John Tabone</p> <p>Seconded by: David Williams</p> <p>The Chairperson declared the resolution carried unanimously.</p> <p>Resolution 2:</p> <p><i>“That the remuneration of the Joint and Several Liquidators of Forex Capital Trading Pty Ltd (In Liquidation), their partners and staff, for the period from 17 July 2021 to 31 March 2022 (inclusive), calculated at the rates set out in the FTI Consulting Schedule of Rates annexed at Schedule F (Corporate Finance & Restructuring effective 1 July 2021, Strategic Communications effective 1 April 2021, Technology effective 1 May 2021 and Forensic Accounting and Fraud Investigations effective 1 May 2021) is approved for payment in the amount of \$926,893.50 exclusive of GST, to be drawn from available funds immediately or as funds become available.”</i></p> <p>Moved by: David Williams</p> <p>Seconded by: John Tabone</p> <p>The Chairperson declared the resolution carried unanimously.</p>
General business	<p>The Chairperson asked whether there were any further questions.</p> <p>There were no questions.</p>

Closure

The Chairperson thanked the COI for their attendance and declared the meeting closed at 10:58am (AWST).

Dated this 1st day of May 2022

Signed as a correct record.



Daniel Woodhouse

Chairperson

Forex Capital Trading Pty Ltd (In Liquidation)
Meeting of Committee of Inspection held on 19 April 2022
Appendix A - Attendance Register

Creditor Name	Proxy	Proxy Type	Claim (\$)
Wayne Korn	-	-	1
John Tabone	-	-	1
David Williams	-	-	1