APPENDIX 4E (ASX:FND)
15 May 2023

Findi Ltd

ABN 98 057 335 672

APPENDIX 4E – Preliminary Final Report

	Year ended 31 March 2023 $000	Year ended 31 March 2022 $000	$ Change	% Change
Revenues from ordinary activities	54,503	4,778	49,725	1,041
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	16,795	2,958	13,837	468
Profit (loss) from ordinary activities after tax attributable to members	2,438	(1,522)	3,960	260
Profit/(loss) from discontinued operations	-	-	-	-
Net profit (loss) for the year attributable to members	2,438	(1,522)	3,960	260

For the year ended 31 March 2023, the consolidated group recorded revenues of $54.5m, EBITDA of $16.8m and net profit of $2.4m, which exceeded the Company's original FY23 target forecast revenue of $50m by 9% and forecast EBITDA of $14m by 20% (refer guidance issued in ASX announcement 16 August 2022). This is a substantial improvement over FY22 and comes as a result of the continued successful deployment of over 2000 ATMs under its contract with Central Bank of India (CBI) and the benefit of the contract extension to December 2023 with State Bank of India (SBI). Transaction trends across the portfolio of ATMs in place for more than 90 days delivered 100+ transactions per day per ATM.

Findi acquired the remaining 75% of its interest in Transaction Solutions International (India) Private Limited (TSI India) in February 2022 and as a result the balance sheet, profit and loss and cash flows of TSI India have been consolidated into the group's financial statements from this date. Therefore, the comparative information does not include the full consolidated results of TSI India.

In October 2022, Findi received notice from SBI, India's largest commercial bank, that the contract for the supply of 3912 ATMs into several states in India had been extended to 31 December 2023 or until a new contract tender is awarded with new machines deployed (refer ASX announcement 24 October 2022). The contract was expected to expire at the end of December 2022 with a tender process to be run for the replacement of the ATMs.

The contract, originally established with SBI in 2012, sees Findi responsible for the supply, installation and maintenance of ATMs which are located across the states of Odisha and Chhatisgarh, Rajasthan, Karnataka and Goa, Gujrat & UT of Daman, Diu, Dadra and Nagar Haveli.

During the financial year the Company raised $4.3m capital to support TSI India, taking net assets above 100 Crore Indian rupees and thereby allowing TSI India to submit an application for a White Label ATM License with the Reserve Bank of India.

A White Label license provides Findi with numerous strategic benefits including supporting the integration of its ATM and digital payments business, and assistance with potential acquisitions and future ATM Contracts

During the financial year, the Company completed a 1 for 20 consolidation of its issued share capital.

	31 March 2023	31 March 2022
Number of Securities	36,458,612	505,168,603
Net tangible assets per security (cents)	53.2	2.5

1 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 March 2023 $000	Year ended 31 March 2022 $000
Continuing operations			
Revenue		52,131	4,574
Finance income		1,394	80
Other income		978	124
Revenue		**54,503**	**4,778**
Employee benefits expenses		(7,076)	(1,425)
Professional services		(1,461)	(769)
Operating Expenses		(24,706)	(2,069)
Office Expenses		(476)	(59)
IT Expenses		(528)	(53)
Depreciation and amortisation expenses		(6,575)	(1,046)
Depreciation of right of use assets		(3,664)	(183)
Finance costs		(5,512)	(287)
Share based payments		-	-
Fair value adjustment on contingent consideration		-	-
Options Expense		-	(238)
Other expenses		(2,067)	(175)
Profit/(Loss) before tax from continuing operations		**2,438**	**(1,526)**
Income tax benefit/(expense)		-	4
Loss after tax from continuing operations		**2,438**	**(1,522)**
Profit from discontinued operations		-	-
Profit for the period		**2,438**	**(1,522)**
Other comprehensive income/(loss)			
Items that may be subsequently reclassified to profit or loss:			
Foreign currency movement in translation of foreign operations		384	-
Exchange difference on translation of discontinued operation		-	-
Movement in fair value of financial assets designated at fair value through other comprehensive income		-	-
Other comprehensive income/(loss) for the period		-	-
Total comprehensive income/(loss) for the period attributable to members		**2,822**	**(1,522)**
Earnings/(Loss) per share post-consolidation			
Basic earnings/(loss) per share from continuing operations (cents per share)		1.39	(0.85)
Diluted earnings/(loss) per share from continuing operations (cents per share)		1.39	(0.85)
Basic earnings/(loss) per share from continuing and discontinued operations (cents per share)		1.39	(0.85)
Diluted earnings/(loss) per share from continuing and discontinued operations (cents per share)		1.39	(0.85)

2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 Mar 2023 $000	31 Mar 2022 $000
ASSETS			
Current Assets			
Cash and cash equivalents		18,260	1,185
Trade and other receivables		18,210	6,118
Term Deposits		7,626	22,031
Contract assets		-	-
Income tax receivable		-	-
Prepayments		20	48
Total Current Assets		**44,116**	**29,382**
Non-current Assets			
Plant & equipment		40,502	14,386
Right-of-use assets		8,617	13,828
Intangible assets		1,893	1,361
Other Financial Assets		7,791	-
Other non-current assets		4,759	761
Total Non-current Assets		**63,562**	**30,336**
TOTAL ASSETS		**107,678**	**59,718**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	16,346	17,660
Borrowings		22,565	14,281
Short-term provisions		6,328	5,407
Total Current Liabilities		**45,239**	**37,348**
Non-Current Liabilities			
Trade and other payables		378	333
Borrowings		40,760	7,979
Total Non-Current Liabilities		**41,138**	**8,312**
TOTAL LIABILITIES		**86,377**	**45,660**
NET ASSETS		**21,301**	**14,058**
EQUITY			
Contributed equity		42,191	38,161
Reserves		815	59
Outside equity interest		(339)	(771)
Accumulated losses	6	(21,366)	(23,391)
TOTAL EQUITY		**21,301**	**14,058**

3 CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 Mar 2023 $000	Year ended 31 Mar 2022 $000
Cash flows from operating activities			
Receipt from customers		42,410	6,552
Payments to suppliers & employees		(37,741)	(8,458)
Payments for research & development		-	-
Income taxes (paid)/received		-	-
Interest received/(paid)		-	(284)
Net cash inflow/(outflow) from operating activities		**4,669**	**(2,190)**
Cash flows from investing activities			
Net cash inflow/(outflow) on sale/acquisition of business		-	(4,063)
Net cash inflow/(outflow) on term deposits		7,183	(4,283)
Net cash inflow/(outflow) on capital advance		(3,722)	-
Payment for plant & equipment		(32,186)	(52)
Net cash inflow/(outflow) from investing activities		**(28,725)**	**(8,398)**
Cash flows from financing activities			
Proceeds from issue of shares		4,300	10,939
Share issue costs		(270)	(715)
Dividend paid by parent entity		-	(7,799)
Return of capital paid		-	(14,052)
Net proceeds/(repayment) of borrowings		37,101	237
Repayment of convertible notes		-	-
Principal elements of lease payments		-	-
Net cash inflow/(outflow) from financing activities		**41,131**	**(11,390)**
Net increase/(decrease) during the period		**17,075**	**(21,978)**
Cash and cash equivalents at the beginning of the period		1,185	22,709
Cash acquired as part of business combination		-	454
Effect of exchange rate movements on foreign currencies		-	-
Cash and cash equivalents at the end of the period		**18,260**	**1,185**

4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed equity $000	Convertible note reserve $000	Foreign currency translation reserve $000	FVOCI reserve $000	Share- based payment reserve $000	Options reserve $000	Outside equity interest $000	Accumulated losses $000	Total equity $000
Balance at 1 April 2021	**41,989**	**-**	**(13)**	**796**	**19**	**-**	**-**	**(21,869)**	**20,922**
Net profit/(loss) for the period	-	-	-	-	-	-	-	(1,522)	(1,522)
Total other comprehensive income/(expense)	-	-	(185)	(796)	-	-	-	-	(981)
Total comprehensive income/(expense) for the period	-	-	(185)	(796)	-	-	-	(1,522)	(2,503)
Return of capital	(14,052)	-	-	-	-	-	-	-	(14,052)
Capital raise	10,939	-	-	-	-	-	-	-	10,939
Capital raising costs	(715)	-	-	-	-	-	-	-	(715)
Options reserve	-	-	-	-	-	238	-	-	238
Recognition of outside equity interest	-	-	-	-	-	-	(771)	-	(771)
Balance at 31 March 2022	**38,161**	**-**	**(198)**	**-**	**19**	**238**	**(771)**	**(23,391)**	**14,058**
Net profit/(loss) for the period	-	-	-	-	-	-	413	2,025	2,438
Total other comprehensive income/(expense)	-	-	384	-	-	-	-	-	384
Total comprehensive income/(expense) for the period	-	-	384	-	-	-	413	2,025	2,822
Return of capital	-	-	-	-	-	-	-	-	-
Capital raise	4,300	-	-	-	-	-	-	-	4,300
Capital raising costs	(270)	-	-	-	-	-	-	-	(270)
Options reserve	-	-	-	-	-	-	-	-	-
Fair value adjustment on business combination	-	-	-	372	-	-	19	-	391
Balance at 31 March 2023	**42,191**	**-**	**186**	**372**	**19**	**238**	**(339)**	**(21,366)**	**21,301**

5 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation

The consolidated financial statements comprise the financial statements of Findi Limited (Findi or the Company) and its controlled entities. The Group has control when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intra-group balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Subsidiaries are consolidated from the date on which control is transferred to the group and ceases when the Company loses control of the subsidiary. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent has control.

Accounting for subsidiaries in parent financial statements

The investments in subsidiaries are measured at costs less any accumulated impairment.

b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, with limited exceptions. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If that amount is less than the fair value of the net identifiable assets, the difference is recognised directly in the profit and loss

c) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see note b above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

d) Revenue

Revenue is assessed using the five-step method for recognising revenue from contracts with customers. The five-step method involves consideration of the following:

1. Identifying the contract with the customer
2. Identifying performance obligations
3. Determining the transaction price
4. Allocating the transaction price to distinct performance obligations
5. Recognising revenue

Revenue from contracts with customers

Revenue from contracts with customers consists of IT services providing management, architecture, design, implementation, deployment and managed services support under fixed-price and variable price contracts and sale of software licenses Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue from the sale of software licenses is recognised at a point in time when the sale occurs or over the license period, usually 12 months.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

e) Employee benefits

Employee benefits such as salary and wages are measured at the rate at which the Group expects to settle the liability; and recognised during the period over which the employee services are being rendered.

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance 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.

f) Leases

At the commencement date of a lease, the Group will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group will separately recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

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

g) Income tax

Deferred tax

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for the financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

h) Other taxes

Revenues, expenses and assets are recognised net of the amount of indirect taxes except:

- where the taxes incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case those taxes are recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of taxes included.

The net amount of taxes recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the indirect tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of indirect taxes recoverable from, or payable to, the taxation authority.

i) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

The weighted average number of shares outstanding during the reporting period represents the equity structure of the legal parent, i.e. Findi Limited.

j) Financial instruments

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument. The de-recognition of a financial instrument takes place when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

The financial instruments of the group comprise of (i) cash and cash equivalents; (ii) trade and other receivables; (iii) loans and receivables; and (iv) trade and other payables.

k) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of valuation techniques. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest.

l) Issued capital

Issued and paid up capital are recognised at the consideration received by the Group.

Expenses (including the tax effect) incurred directly in relation to the issue of the equity instruments are deducted from equity.

m) Financial assets at fair value through other comprehensive income (FVOCI)

The investments in equity instruments that are neither held for trading nor contingent consideration recognised by the Group in a business combination to which AASB 3 "Business combination" applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of par of the cost of the investment.

6 ACCUMULATED LOSSES

	31 March 2023 $000	31 March 2022 $000
Accumulated losses		
Balance at beginning of year	23,391	21,869
(Profit)/Loss for the year	(2,025)	1,522
Convertible notes repaid	-	-
Dividend payable	-	-
Expired options transferred to accumulated losses	-	-
Balance at end of the year	21,366	23,391

7 BUSINESS COMBINATIONS

During the prior year the company purchased the remaining 75% interest in TSI India. This business combination was accounted for provisionally in accordance with AASB 3 Business Combinations and therefore the amounts recognised have been retrospectively adjusted now that the acquisition accounting has been finalised.

In order to assist the company with its purchase price allocation for the acquisition, the directors engaged specialists to perform an independent valuation of the material identifiable intangible assets of TSI India in accordance with the provisions of AASB 3 'Business Combinations'.

Fair value of net assets and goodwill acquired on acquisition:

	22 February 2022 $000
Fair value of purchase consideration	5,365
Less fair value of net assets acquired	(2,413)
Residual balance attributable to intangible assets	2,952
Less: other movements in fair value	(542)
Less: 10% minority interest	(752)
Identifiable intangible assets acquired	1,658

Material identifiable intangible assets recognised related to key customer contracts. Full disclosure of business combination will be provided in the full statutory financial statements.

8 TRADE AND OTHER PAYABLES

	31 March 2023 $000	31 March 2022 $000
Trade payables	6,355	5,530
Employee entitlements	-	-
Other payables	9,991	12,130
	16,346	17,660

9 FOREIGN ENTITIES

The consolidated group includes TSI Investments (Mauritius) Pty Limited, a company incorporated in Mauritius and Transaction Solutions International (India) Private Limited, a company incorporated in India.

The financial reports of the foreign entities in the Group have been prepared under International Financial Reporting Standards (IFRS).

10 DIVIDEND PAYABLE

No Dividends were declared during the financial year ended 31 March 2023.

11 EVENTS SUBSEQUENT TO THE BALANCE DATE

No matters or circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations or the state of affairs of the Group in the future financial years.

12 PROGRESS OF AUDIT

This Appendix 4E is based on a Financial Report that is in the process of being audited.

Authorised for release by the Board of Findi Limited.

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