
ASX Market Announcements
ASX Limited
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Finexia Financial Group Secures Factory Capital as a Strategic Cornerstone Investor

27 August 2024

Finexia Financial Group Limited (ASX: FNX) ("Finexia" or "the Company") is pleased to announce that it has secured a cornerstone investor, Factory Capital GP Ltd as general partner of Factory Capital LP ('Factory Capital'), through a private placement subscription. Investment firm Factory Capital has agreed to invest approximately A\$3.73 million in Finexia via the placement of 12,460,813 fully paid ordinary shares at a price of A\$0.30 per share, which represents a 20% premium to Finexia's closing share price on 26 August 2024. This investment reflects Factory Capital's confidence in Finexia's strategic vision and growth potential.

The placement will be staged over two tranches with the first tranche of 10,773,312 fully paid ordinary shares to be issued for a total consideration of A\$3,231,993.60. The first tranche of shares will be issued under ASX Listing Rules 7.1 and 7.1A. The issue of the first tranche will be completed on Monday 2 September 2024 and will result in Factory Capital holding approximately 17.77% of Finexia.

The second tranche involves the issuance of 1,687,501 fully paid ordinary shares for a total consideration of A\$506,250.30 and is subject to shareholder approval at the Company's AGM in early October.

Following the issue of the second tranche of shares, Factory Capital is expected to own 20% of the issued share capital of Finexia.

The funds raised from this placement will be used to further scale Finexia's private credit operations, with a distinct focus on strengthening Finexia's distribution and financial management capability. The relationship with Factory Capital is expected to bolster Finexia's financial position and accelerate the Company's growth ambitions. In conjunction with a ramp up in the private credit strategy, the Company has made the decision to divest its equities business and exclusively focus its business strategy on private credit. The details of this divestment will be released to the market in the coming weeks upon finalisation of terms.

Finexia intends to appoint Factory Capital's CEO, Mr Dan Ritchie to the Finexia Board with effect from the conclusion of the Company's AGM in early October. Mr Ritchie brings a wealth of experience in financial services, most recently as an Executive Director and Divisional Head at Macquarie Bank, where he led Australian Equities and co-headed Global Equities for over a decade.

Finexia's CEO, Patrick Bell, commented, "We are thrilled to welcome Factory Capital as a cornerstone investor. The Factory Capital team has a demonstrated track record of transforming businesses, accelerating their growth through partnerships, and bringing a wealth of operational and investment experience to the table. Their commitment and confidence in our business strategy is a great endorsement, and we look forward to leveraging our relationship to achieve our long-term goals together."

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Factory Capital's CEO, Dan Ritchie, stated, "We see significant potential in Finexia's private credit strategy and business model and are excited to support their growth initiatives. I look forward to joining the board in due course and working to deliver further growth for the business."

END

Approved for the release by the Board of Finexia Financial Group Limited

For further information, please contact:

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About Finexia Financial Group Limited

Finexia Financial Group Limited (ASX: FNX) is a specialist private credit and funds management firm providing a range of credit and investment solutions for retail, corporate, and institutional clients. Finexia focuses on niche thematic areas where the Company has a distinct competitive advantage. This is typified by its investment in the Childcare sector through its flagship credit fund, the Finexia Childcare Income Fund.

About the Factory Capital Group

The Factory Capital Group is a globally focused investment firm building on over 15 years' track record of creating, scaling and accelerating investment opportunities across a range of sectors, underpinned by dedicated funds. For more information please visit <https://factorycapital.net>

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