

ASX ANNOUNCEMENT

**FOR IMMEDIATE RELEASE TO THE MARKET**

**Finexia Financial Group Limited – ASX Code: FNX**

**Friday 24 November 2023**

**Chairman’s address**

Finexia Financial Group Limited (ASX Code: FNX) is pleased to provide the following Chairman’s address which will be presented at the Company’s Annual General Meeting today:

This announcement has been made and authorised by the Finexia Financial Group Limited Board

For further information contact:

**Neil Sheather**

Executive Chairman

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**Finexia Financial Group Limited**

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ABN 52 106 760 418

**FINEXIA**

# AGM 2023

## FINEXIA FINANCIAL GROUP LIMITED

Private Credit Specialists

Thank you for your presence at the Finexia Annual General Meeting (AGM).

Your patience is greatly valued as we complete the registration process.

The meeting is set to begin soon.

# FINEXIA

[www.finexia.com.au](http://www.finexia.com.au)

FINEXIA FINANCIAL GROUP LIMITED  
ACN 106 760 418 | ASX:FNX



Level 18, Australia Square  
264 George Street  
Sydney NSW 2000



# Chairman's Address

Dear Shareholders,

The 2023 financial year has been a period of significant achievement for the Finexia Group, building on the foundations of previous years. Whilst the external environment has presented a number of challenges, the Group has delivered a third consecutive year of profit for shareholders.

The earnings before tax attributable to shareholders increased by 121% to A\$4.30M (vs \$3.83M in 2022). The net profit after tax for FY23 was A\$3.21M, resulting in a cash profit of \$A2.76M (the cash profit accounting for 86% of statutory profit), and further strengthening the cash position of the Group.

The Company's topline revenue from core activities grew 35.0% year on year to A\$14.22M. Driving this income growth was a significant expansion of the private credit loan book with it doubling in size (total amount drawn down) over the year. Approximately 62% of the Company's revenue is deemed recurring in nature and will continue to grow as a percentage of overall revenue in the coming years.

This is an intentional strategy by the Company as it continues to direct its efforts and resources towards expansion of its private credit operations.

Adding to this strong financial performance, 2023 was a year of noteworthy milestones for your Company including:

- The declaration of a maiden fully franked dividend of \$0.02.
- Raising \$4.66M in equity through the Company's first rights issue to shareholders.

In keeping with the Private Credit strategy, FY24 has commenced seamlessly with the Company recently securing a \$50M funding line in the form of a securitised note facility, allowing the Company to enhance its funding optimisation activities and to scale up the Finexia Childcare Income Fund in a more 'stepped' approach.

Earlier this month as a part of the Company's succession planning, Mr Patrick Bell was appointed Chief Executive Officer. Pat is an experienced corporate banker and credit

specialist and has been instrumental in the repositioning of the Company and its strategy towards private credit.

I am extremely confident Pat is the right person to take this organisation to the next level and realise the lofty goals we have set for Finexia in the coming years.

Finally, I would like to acknowledge and thank two of our key stakeholders and their contribution to this result. Firstly, I would like to recognise the efforts and commitment of our people, for without them the results and achievements throughout the year would not be possible, so the Board and I thank you for your enormous contribution. Secondly, to our owners, the shareholders, who have supported the Company throughout the year, we thank you for your continued commitment. Thank you.

Kind Regards

Neil Sheather  
Executive Chairman

# FINEXIA



REVENUE OF  
**\$8.4M**

Private Credit and Other Lending Activities make up \$11.8m of the total \$14.2m (83%)

Share Trading and Equity Capital Markets generated \$2m (14%)

FINEXIA  
PRIME

REVENUE OF  
**\$5.4M**



OTHER REVENUE OF  
**\$0.35M**

GROUP  
REVENUE

**\$14.2M**

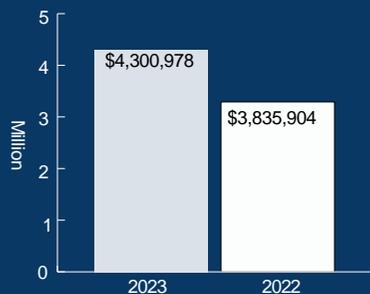
NET PROFIT  
AFTER TAX

**\$3.2M**

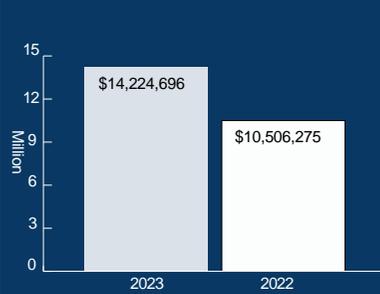
STATUTORY TAX  
**\$(1.08M)**

NET CASH PROFIT  
**\$2.6M**

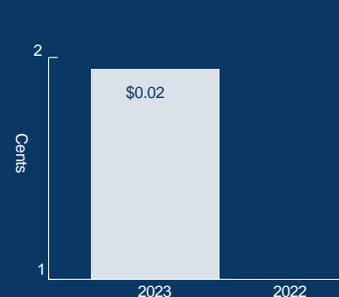
Net Profit Before Tax



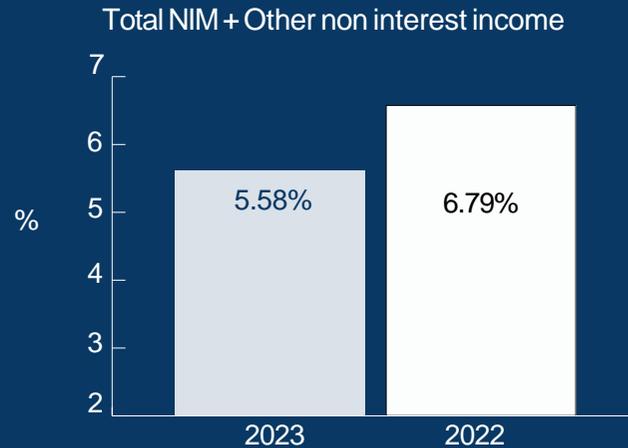
Revenues From Core Operations



Dividend Paid



The group's **total NIM + other non interest income** was **5.58%** (2022: 6.79%).



The Net Interest Margin (NIM) of the Interest Earning Assets of the Group was impacted by:

1. Unforeseen time delays in drawdowns. Management estimates this cost circa 0.44% of total annual NIM.
2. Macro economic conditions namely rising funding costs challenged the Groups loan margins.

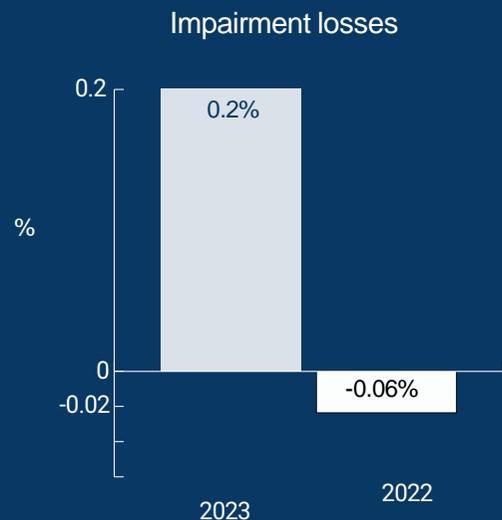
The Group has transitioned its loan book and investor distributions to the RBA Cash Rate as its reference to manage this risk more effectively.

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The group's **total interest and other fee income** was **\$10.0M**, compared to the previous year (2022: \$4.1M)

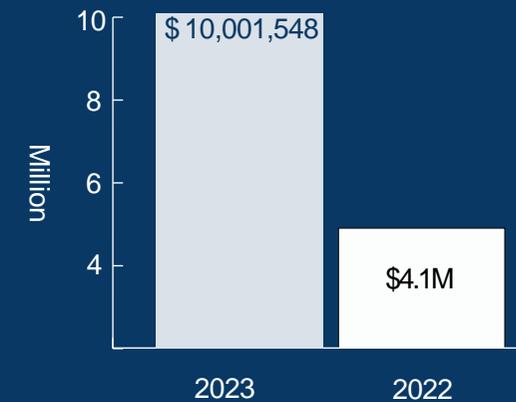
**87.2%** ↑  
FROM: 2022

The **impaired loans** to average interest earning assets is **0.20%**.



Impairment expense of \$248,990 during the year.

## Average Interest & Other Fee Income



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Thank you for joining us today.

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