

SYDNEY: ASX RELEASE

Finexia Financial Group Ltd (FNX:ASX) provides the following strategic update and earnings guidance for financial year 2023*.

Notwithstanding the challenging backdrop of accelerated inflation coupled with rising interest rates facing consumers and businesses, Finexia sees 2023 as an opportunity to consolidate on the solid financial performance in FY22. Finexia expects to grow topline revenue by approximately 5.0% (A\$11.M). This marginal revenue increase is expected to result in equivalent growth in operating profit before tax, depreciation and amortisation (A\$4.3M in 2023 –v- A\$4.1M in 2022).

Approximately 59% of the forecast revenue is deemed recurring due to the contractually mandated nature of the income. Building resilience into the Group's earnings profile through a deliberate and concerted focus on growing recurring, sustainable revenue remains a priority for the Executive.

The forecast revenue and profit are a direct result of expansion of the Group's Private Credit loan book and growth in assets under management within the Funds Management division. These operations have higher elements of recurring revenue and by extension earnings visibility, reinforcing the Board's commitment to resourcing these core divisions.

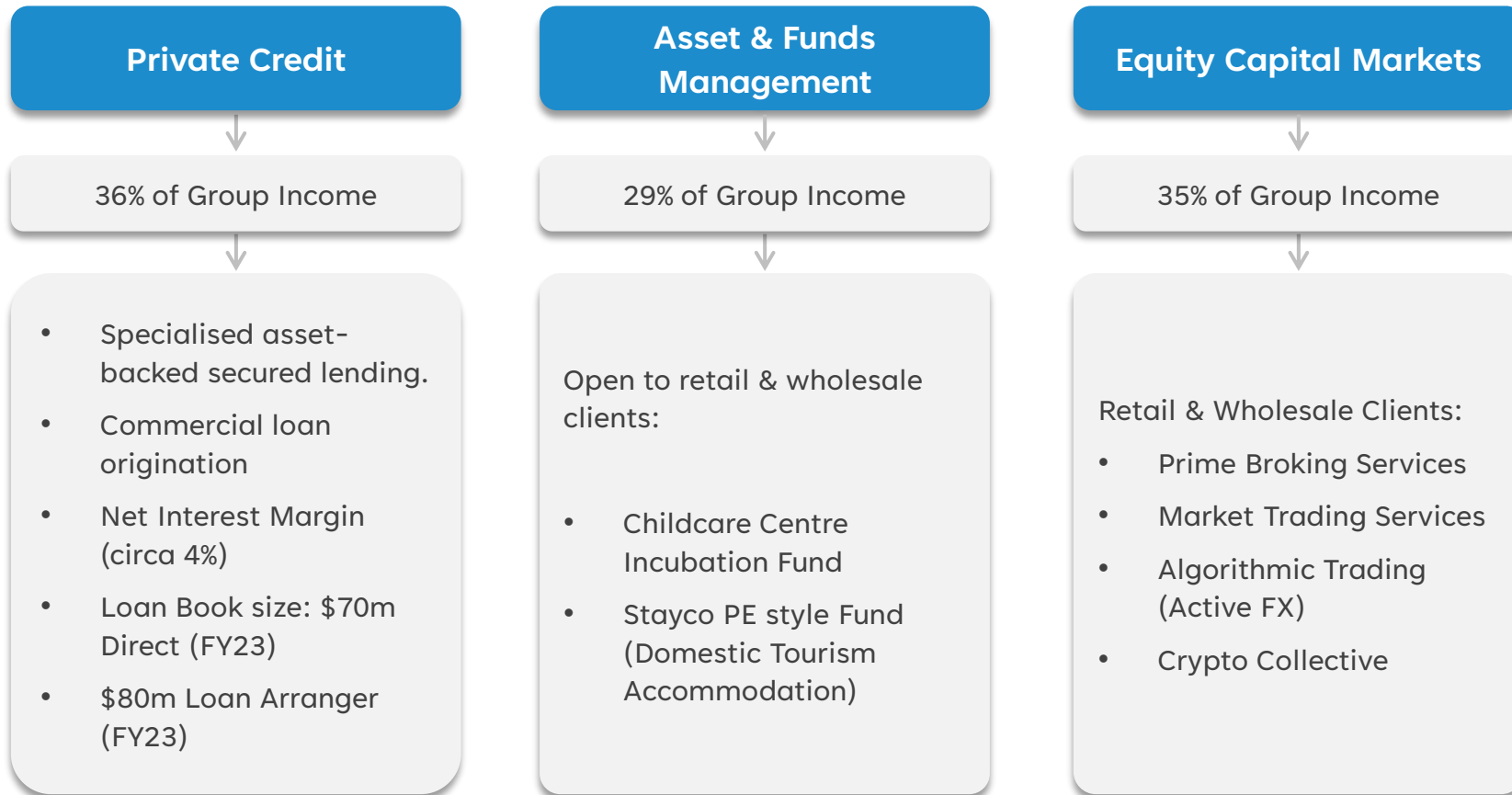
Increased opportunities in areas of lending that have largely been ignored or abandoned by traditional lenders presents further opportunity for income growth in the current year and beyond. In addition, a program of continuous cost improvement by identifying and extracting operational efficiencies across the Group's operations has been implemented to enhance the net operating profit.

Aspects of the aforementioned forecasts remain contingent on market and macro-economic conditions, access to adequate capital (funding) and the performance of the Group's significant investments.

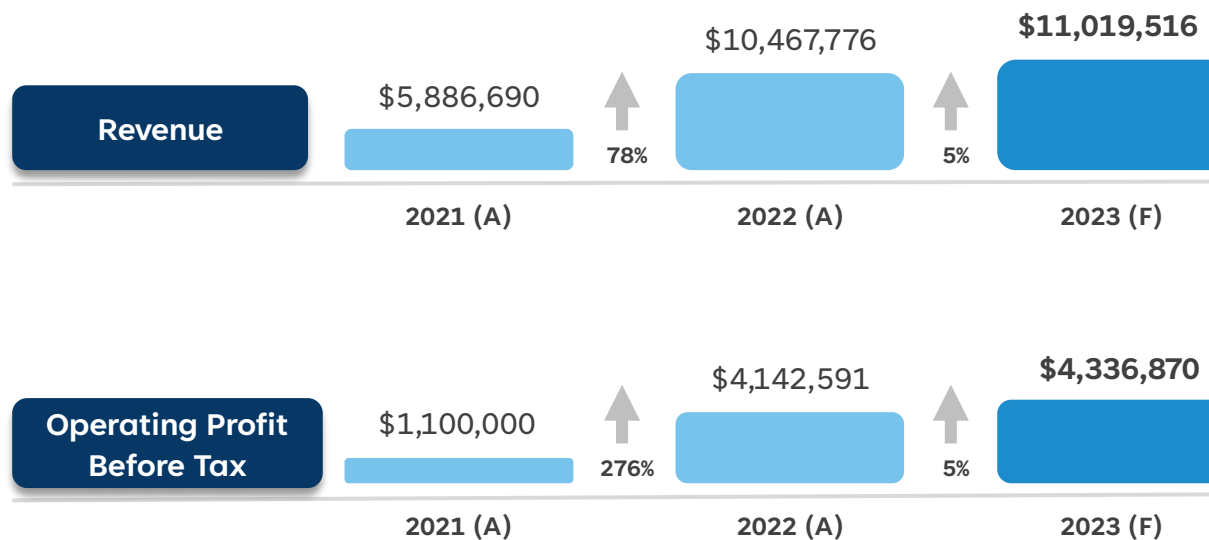
Neil Sheather
Managing Director

**The guidance relies on internal forecast modelling based on origination mandates and investor commitments at hand as at this date.*

Our Business



Financial Performance



Key Strategic Priorities



Reduce the Group's overall cost of capital with the aim of expanding operating margins and adequately resourcing the Private Credit and Asset Management businesses.



Accelerate the growth in Assets Under Management (AUM) within the Group's Asset and Funds Management operations to A\$100M. To be achieved through disciplined accretive acquisitions and organic AUM growth.



Implement a dividend policy targeting a minimum payout ratio of 30% of the Group's after tax earnings.

Capital Management

