

The Manager  
Company Announcements Office  
ASX Limited  
Level 27  
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Sydney NSW 2000

**2025 Annual General Meeting – Chairman’s Address**

Finexia Financial Group Limited (ASX: FNX) (“**Finexia**” or “the **Company**”) advises that the 2025 Annual General Meeting will be held today, Wednesday 26 November 2025 at 11:00am (AEDT) at Level 39, Aurora Place 88 Phillip Street Sydney NSW 2000.

Attached is the Chairman’s address to be given at the Annual General Meeting.

END

Authorised for release by the Board of Finexia Financial Group Limited.

Further information please contact:

Neil Sheather  
Chief Executive Officer and Managing Director  
Ph. 1300 886 103

## **Chairman's Address**

The 2025 financial year was one of the most challenging periods in Finexia's history. Despite delivering record revenue of \$23.8 million, up 59% on the prior year, the Group's financial performance was overshadowed by several significant events that affected both earnings and operational stability.

During the year, Finexia faced the substantive default of a major borrower, which represented a material portion of the Finexia Childcare Income Fund. The Board acted swiftly to appoint external administrators, commence a formal recovery process, and protect the interests of investors. A dedicated recovery platform—Shared Beginnings, a wholly owned SPV was established to own and operate the childcare centres during administration, under the leadership of an experienced sector professional, Mrs Kim Clifton. We expect this recovery process to take approximately 18 months.

An external legal and compliance review of the Fund, commissioned by the Board identified administrative breaches which were promptly self-reported to ASIC, with remediation actions implemented immediately. As part of strengthening the Fund's governance and investor protections, the Fund has now been converted to wholesale-only status, and on 11 August 2025, the Company compulsorily redeemed all retail unitholders.

In addition, a Board conducted a review of all investments historically overseen by the former CEO, resulting in a \$6.2 million impairment to the Company's investment in the Stay Income Fund (Stayco). While non-cash and unrealised, this adjustment had a significant impact on FY25 earnings and reinforced the need for more rigorous valuation and oversight processes, which have now been implemented.

The Board also oversaw a comprehensive remediation of the Group's internal financial control environment. The appointment of Lumina as Finexia's outsourced accounting partner in March 2025 materially enhanced financial oversight and resulted in the identification and correction of prior-period understatements of expenses and liabilities. These improvements have laid the foundation for enhanced transparency, accuracy, and governance discipline.

These combined events contributed to the Group reporting a net loss after tax of \$6.20 million for FY25.

Amid these challenges, the underlying trajectory of our core private credit strategy remained positive. Loan assets increased to \$117.5 million, up from \$58.5 million in the prior year, demonstrating continued demand for Finexia's credit solution, particularly in the early learning and childcare sectors.

The year also saw important leadership changes. Following the departure of the previous CEO, Neil Sheather returned to the role of CEO effective 1 July 2025, bringing much-needed stability and continuity. I have stepped into the Chairmanship in an executive capacity, and the Board has been focused on restoring confidence across our lending partners, funding stakeholders, investors and staff.

In light of the financial performance and the need to preserve capital to support the loan book and ongoing recovery programs, no final dividend has been declared for FY25.

### **Finexia Financial Group Limited**

1300 886 103 | [www.finexia.com.au](http://www.finexia.com.au)

Level 18, Australia Square Tower Building

264 George Street, Sydney, NSW, 2000

ABN 52 106 760 418

The logo for Finexia, featuring the word "FINEXIA" in a bold, white, sans-serif font. The letters are spaced out, with the "X" being particularly wide. The logo is set against a dark blue background that is part of a larger graphic design consisting of several parallel diagonal lines in shades of blue and white.

Looking forward, the Board remains firmly committed to:

- executing our lending strategy within the childcare and early learning sector;
- finalising the recovery and exit of the Shared Beginnings assets;
- strengthening credit governance and portfolio resilience;
- consolidating the improvements made to the Fund and the Group's financial control environment;  
and
- positioning Finexia for a return to sustainable profitability in FY26 and beyond.

On behalf of the Board, I wish to acknowledge the efforts of our staff during an exceptionally demanding year. Their resilience and commitment have been critical in navigating the challenges we faced. I also extend my sincere thanks to our shareholders for your ongoing support and patience. FY25 was a year of significant restructuring and renewal, and the foundations laid, give the Board confidence in the Company's long-term value creation pathway.

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