



1 December 2021

Corporate Update

Dear Shareholders,

On behalf of the Board of Directors, I provide the following review of your Company's operational performance for the year ended 30 June 2021 and an update on the first four months of trading this financial year.

2021 was a pivotal year in the Company's transformation into a genuine diversified financial services business. Central to this theme was the Company's strategic acquisition of boutique private and commercial lending business, Creative Capital Group. Creative Capital has diversified the Group's revenue, reducing the reliance on equities market activities, whilst delivering a significant revenue contribution of A\$1.95M to the group. Furthermore, the addition of the highly skilled and experienced Creative Capital advisers has been a welcome addition to the Finexia executive.

I am pleased to advise Finexia's after tax profit for the year was A\$1,268,746, an impressive 337% increase on the previous corresponding period. This result was achieved on the back of an increase in top line revenue to A\$5.9M. The key driver of this result was increased activity and client engagement across each of the Company's divisions, namely, traditional broking operations, corporate financing, and corporate advisory. The profit result exceeded forecast expectations in what could be best described as a challenging external environment.

Trading Update:

In the first four months of the current financial year, Finexia Financial has achieved several significant milestones in keeping with the Group's stated 12-month strategic objectives. Those achievements include:

- The launch of the Company's flagship wholesale managed fund. In late August 2021, the **Finexia Direct Accommodation Income Fund** was launched. The fund is aimed at qualified wholesale and sophisticated investors seeking regular income distributions. The fund is targeting an average return of 12.00%pa with monthly distributions. The fund has invested in a portfolio of holiday and long-term accommodation businesses located in South-East Queensland. The fund is well positioned to take advantage of the expected increase in both domestic and overseas tourists as border restrictions continue to ease. More information is available via the following link <https://www.finexia.com.au/fdaif/>

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- The Company has been appointed as the lead manager for the upcoming IPO of Dragonfly CBD, a world class, award winning 'seed to shelf' producer of cannabidiol (CBD) health and wellness products. It is anticipated that the prospectus will be lodged with ASIC on 1 December 2021 with Dragonfly expected to make its ASX debut in late December 2021. The Dragonfly mandate has strengthened the Group's corporate advisory proposition as it seeks to grow its presence in the equity capital markets space in 2022. More information is available via the following link www.finexia.com.au/dragonfly

In addition to the aforementioned strategic developments, the Company continues to expand its lending operations with the total size of the lending booking approaching A\$50M. The transactional securities business of Finexia Securities continues to perform well, maintaining a meaningful contribution to the Group, while the recurring revenue of the loan book further harmonises the Group's overall revenue. In the four months to 31 October 2021, the total revenue for the Group is A\$3,047,947 and the unaudited pre-tax profit for the same period is A\$630,000. The Company remains confident that it can maintain a similar revenue trajectory for the next eight months, with revenue from several corporate advisory mandates to be realised in the second half of the financial year.

The key areas of focus for the Executive team for the remainder of this financial year include growing the funds under management (FUM) in the Finexia Direct Accommodation Income Fund, securing a competitive financing line of credit to service the lending operations and expanding the corporate advisory operations of the Company.

Authorised for release by:

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