

ASX Announcement: PXA

11 August 2025

PEXA Group announces strategic review of Digital Solutions business and update to guidance

Melbourne, Australia - PEXA Group Limited (ASX: PXA) (“PEXA” or “Group”) announces that it has commenced a strategic review of the Digital Solutions businesses. In addition, PEXA today provides an update on specified Items, depreciation & amortisation, income tax expense and changes to its Profit and Loss disclosure ahead of its full year (FY25) results announcement on 29th August 2025. The FY25 results, including the items noted below, remain subject to finalisation of accounts and audit procedures by the Group’s external auditor.

Strategic review of Digital Solutions

Russell Cohen, CEO and Group Managing Director of PEXA, undertook an initial assessment of the Group and its businesses when he joined PEXA at the end of March 2025. One outcome of this assessment has been a realignment to PEXA’s capital allocation strategy, taking a more targeted approach and no longer investing in non-core digital products or investments.

Following this assessment and in collaboration with the broader team at PEXA, it was deemed necessary to undertake a strategic review of the Digital Solutions business to assess its fit within the broader PEXA Group. A number of outcomes of the strategic review are being considered, including the review of divestment opportunities of selected majority and minority investments, as well as the need to contribute further investment in an underlying business to maximise profitable growth.

The strategic review has made some progress to date, with the decision taken to exit some select non-core, minority investments within the Digital Solutions business. Further updates on the progress of the strategic review will be provided to the market with the release of the FY25 results.

Specified item guidance revised to \$66m to \$70m for FY25 (from \$35m to \$40m)

As a result of Mr Cohen’s initial assessment of PEXA and as the Group adapts to changing market conditions, the difficult decision was made to recognise a non-cash impairment charge of between \$31 million to \$35 million in PEXA’s second half FY25 results. This impact, along with other minor movements, results in revised guidance for specified items of \$66m to \$70m. The non-cash impairment charge largely relates to the following groups of assets:

- **Interoperability intangible software (approx. \$14m):** since the Interoperability Program (“Program”) was paused by ARNECC in June 2024, the interoperability asset sat idle for 12 months, leading to parts of the Interoperability software to become outdated technology. Further, the remaining uncertainty around the next steps in the Program means this asset no longer meets the accounting criteria required to continue to hold this asset on the balance sheet. PEXA will seek to recover interoperability costs and continue to engage constructively with regulators on the Program, noting that any recommencement of the Program will require additional investment and product development.
- **Digital Solutions investments and related products (\$14m-\$18m):** As mentioned above and as part of PEXA’s ongoing portfolio review processes and changing market conditions, a decision has been made to exit some non-core minority investments which operated within the Digital Solutions segment of the Group, prompting a non-cash impairment charge of \$2m-\$4m to the underlying assets. In addition, PEXA generated minor revenues from products adjacent to the

Exchange which were previously recognised within the Digital Solutions business. These products now require additional investment to re-platform and modernise the technology. Given evolving market dynamics, this investment profile does not meet our more targeted capital allocation approach, and a decision has been made to withdraw from these products.

- **Other assets (approx. \$3m):** consistent with the Group's routine impairment review processes, several other less material intangible assets have been impaired due to changing market conditions in which the assets operate or changes in business strategy.

Depreciation & Amortisation guidance revised to \$103m-\$105m (from \$98m-\$102m)

During a routine review of tangible assets, a decision was made to accelerate the amortisation of certain assets due to the expectation of these assets being re-platformed or retired earlier than previously expected. This decision has led to our depreciation expenses falling above the range previously provided.

Income tax expense guidance revised to \$36m-\$37m (from \$40m-\$45m)

The Group's income tax expense forecast has been revised downwards as the Group finalises its FY25 results.

Changes to Profit and Loss disclosure

To provide additional transparency to investors, minor changes to the presentation of the Profit and Loss account will be made in the Investor Presentation and the operating & financial review within the Annual Report. These modest changes include the reallocation of interest revenue earned by Optima Legal from Business Revenue to Interest Income, as well as a change in disclosure of PEXA's reported share of loss from associates out of Specified items due to its recurring nature.

Russell Cohen, CEO and Group Managing Director of PEXA, commented: "During my initial review of the businesses within our Group, we took a critical look at all our operating businesses and assets, assessing their fit as well as the capital required for each to thrive. It became apparent that we would benefit from a deeper dive into the Digital Solutions business to ensure we are focusing on our core strengths. Importantly, the existing teams, quality of technology and customer relationships is strong in our Digital Solutions assets, and we will continue to invest in these businesses as needed to ensure we maximise their potential while the review is underway.

In relation to the change in our specified item guidance, the decision to recognise a non-cash impairment charge was not taken lightly and we have undergone a thorough review of the underlying items, mindful of their impact on shareholders and the broader business. We are confident that we are taking the necessary steps to strengthen the business for future profitable growth, allocating capital where we see the best opportunity for outstanding shareholder returns."

Further details will be shared with the release of the FY25 results on 29th August 2025. To pre-register for the webcast, please click on the following link: <https://webcast.openbriefing.com/pxa-fyr-2025/>

This release was authorised by the Board of Directors of PEXA Group Limited.

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About PEXA

PEXA (Property Exchange Australia) is a world-leading, digital property exchange and data insights business, listed on the Australian Stock Exchange. Since 2013, PEXA has facilitated more than 20 million property settlements, and today, 90% of all property transfer settlements in Australia are processed on the PEXA platform. In 2022 PEXA launched its refinancing capability in the UK.

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