Nexa Capital Group | Office of the Chief Financial Officer

Annual Corporate Budget Proposal

Fiscal Year 2025

Prepared for the review of the Board of Directors and
Senior Leadership Team of Nexa Capital Group

Prepared by	**Alexandra Chen, Chief Financial Officer**
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Classification	**Strictly Confidential**
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Approved by	**Marcus Elliot, Chief Executive Officer**

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Executive Summary

Nexa Capital Group presents this Annual Corporate Budget Proposal for Fiscal Year 2025 (1 January–31 December 2025). Following a year of disciplined capital allocation and revenue expansion in FY 2024, the Group is entering FY 2025 with a focus on accelerating its technology infrastructure, strengthening its advisory services franchise, and prudently managing operating costs across all four business divisions.

Strategic Financial Objectives

- Achieve consolidated Group revenue of **$847.6M**, representing a **9.3%** year-on-year increase over FY 2024 actuals of $775.4M.
- Maintain Adjusted EBITDA margin above **24%**, targeting $203.4M in Adjusted EBITDA.
- Reduce the Group's cost-to-income ratio from **68.1%** to **65.5%** through operating leverage and process automation.
- Invest **$62.0M** in capital expenditure (CapEx), primarily directed at cloud migration (Division: Synapse Technology) and client-facing analytics platforms.
- Maintain a Net Debt / EBITDA ratio below **1.5×**, ensuring investment-grade balance sheet strength.

Key Performance Indicators — FY 2025 Targets

Total Revenue	Adj. EBITDA	CapEx Budget	Net Debt / EBITDA
$847.6M	**$203.4M**	**$62.0M**	**1.3×**

Budget Governance

The budget has been compiled by the Group Finance function under the direction of Alexandra Chen (CFO) and reviewed by each divisional Managing Director. The proposal reflects a bottom-up consolidation of departmental submissions validated against the Group's three-year strategic plan approved by the Board in November 2024. All figures are presented in United States Dollars (USD) unless otherwise noted. Variance analyses compare FY 2025 budgeted amounts against FY 2024 restated actuals.

Revenue Forecast and Divisional Breakdown

Nexa Capital Group operates through four wholly-owned divisions. Revenue projections below are derived from signed client contracts, pipeline conversion assumptions (calibrated against the prior three-year average win rate of **38%**), and macroeconomic scenario modelling conducted by the Group's research function. The base case assumes GDP growth of **2.1%** in primary markets and stable credit spreads throughout the year.

Consolidated Revenue Summary

Division	FY 2024 Act.	FY 2025 Bgt.	Var. $M	Var. %
Synapse Technology	$218.3M	$251.6M	**+$33.3M**	**+15.3%**
Vertex Advisory	$192.7M	$208.0M	**+$15.3M**	**+7.9%**
Nimbus Asset Management	$178.1M	$196.4M	**+$18.3M**	**+10.3%**
Apex Infrastructure	$186.3M	$191.6M	**+$5.3M**	**+2.8%**
Group Total	**$775.4M**	**$847.6M**	**+$72.2M**	**+9.3%**

Divisional Revenue Drivers

Synapse Technology ($251.6M, **+15.3%**) — The largest growth contributor. Revenue growth is underpinned by three multi-year SaaS platform agreements signed in Q4 2024 (combined contract value $94M over three years) and a growing recurring maintenance and managed services book now representing **61%** of divisional revenue, up from **53%** in FY 2024.

Vertex Advisory ($208.0M, **+7.9%**) — Growth driven by expansion in the restructuring and transaction support practice. A pipeline of eight live mandates with an aggregate fee estimate of $38M provides high confidence. Offsetting factors include the departure of two senior Partners in Q3 2024, whose portfolios are being actively transitioned.

Nimbus Asset Management ($208.0M, **+10.3%**) — Assets under management grew to $4.2Bn as at 31 December 2024, and fee revenue is forecast on a blended management fee of **0.42%** supplemented by performance fees of $12.0M assuming funds exceed hurdle rates.

Apex Infrastructure ($191.6M, **+2.8%**) — Conservative growth reflecting the completion of the Meridian Highway Corridor project in H2 2024 and a slower pipeline in the first half of FY 2025. Two new concession awards are expected to close in Q2 2025, contributing $8.4M to H2 revenue.

Revenue Trend: FY 2021–2025

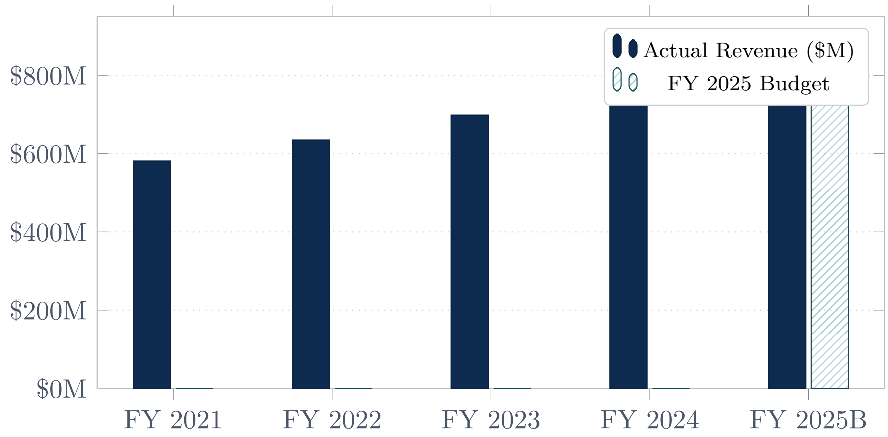

Figure 1: Group consolidated revenue, FY 2021–FY 2025 (budget). Five-year CAGR of ***9.9%****.*

Expenditure Budget and Cost Analysis

Total Group expenditure (excluding depreciation and amortisation) is budgeted at **$644.2M** in FY 2025, compared with $617.8M in FY 2024 — an increase of $26.4M (**4.3%**). The cost-to-income ratio improves from **68.1%** to **65.5%** on a like-for-like basis, demonstrating operating leverage as revenue scales faster than the Group's cost base.

Operating Expenditure by Category

Cost Category	FY 2024 Act.	FY 2025 Bgt.	Var. $M	Var. %
Compensation & Benefits	$312.4M	$328.6M	**+$16.2M**	**+5.2%**
Technology & Infrastructure	$88.6M	$101.4M	**+$12.8M**	**+14.4%**
Occupancy & Facilities	$54.2M	$52.8M	**-$1.4M**	**-2.6%**
Professional Services	$48.1M	$51.3M	**+$3.2M**	**+6.7%**
Travel & Client Entertainment	$36.7M	$38.9M	**+$2.2M**	**+6.0%**
Marketing & Communications	$29.4M	$31.0M	**+$1.6M**	**+5.4%**
Other Operating Costs	$48.4M	$40.2M	**-$8.2M**	**-16.9%**
Total OpEx	**$617.8M**	**$644.2M**	**+$26.4M**	**+4.3%**

Compensation and Benefits

Compensation and benefits remain the largest cost line at **51.0%** of total expenditure. FY 2025 budget includes a Group-wide salary review effective 1 April 2025, with an average increase of **3.8%** in line with market benchmarks provided by Meridian Remuneration Consultants. Headcount is planned at **2,847 FTE**, an increase of 84 net FTEs driven primarily by 120 new hires in Synapse Technology (engineering and data science) offset by 36 redundancies in back-office support functions as a result of automation initiatives.

Variable compensation (bonuses) is budgeted at **18%** of fixed salary cost, contingent on Group and divisional performance against approved KPI scorecards.

Technology Investment Programme

The Technology and Infrastructure cost increase of $12.8M reflects the Group's commitment to its **Horizon 2025** modernisation programme:

- **$24.3M** cloud migration (AWS workloads, Synapse division) — Year 2 of a three-year programme; completion expected Q3 2026.
- **$18.7M** cybersecurity uplift including endpoint detection, SIEM upgrade, and third-party penetration testing.
- **$14.0M** client analytics and reporting platform (Nimbus and Vertex), replacing legacy on-premises infrastructure.
- **$44.4M** remaining allocated to run-the-bank infrastructure, SaaS licence renewals, and

helpdesk operations.

Savings and Efficiency Initiatives

FY 2025 Cost Efficiency Programme — Target: $18.5M in Savings

Initiative	Target	Owner
Back-office process automation (RPA)	$6.2M	Ops. & Technology
Real estate portfolio optimisation	$4.1M	Facilities
Vendor contract renegotiations	$3.8M	Procurement
Travel policy tightening	$2.4M	All Divisions
Print and subscriptions review	$2.0M	Corporate Services
Total Targeted Savings	**$18.5M**	

Capital Expenditure and Cash Flow Projections

Capital Expenditure Budget

The Group's FY 2025 CapEx budget of **$62.0M** (FY 2024: $47.3M) is subject to Board approval on a project-by-project basis for items exceeding $5.0M. Spend is weighted towards H1 2025 ($38.0M) as major infrastructure projects enter their peak deployment phase.

Project	Division	Total $M	H1 $M	H2 $M
Cloud Migration (Phase 2)	Synapse	$24.3M	$16.0M	$8.3M
Client Analytics Platform	Nimbus	$14.0M	$9.5M	$4.5M
Cybersecurity Infrastructure	Group IT	$8.7M	$5.2M	$3.5M
Office Fit-out — Apex HQ	Apex	$6.4M	$4.8M	$1.6M
Data Centre Hardware Refresh	Synapse	$4.6M	$2.5M	$2.1M
CRM System Upgrade	Vertex	$2.0M	$0.0M	$2.0M
Other Minor CapEx	All	$2.0M	$0.0M	$2.0M
Total CapEx		**$62.0M**	**$38.0M**	**$24.0M**

Consolidated Cash Flow Projection

Cash Flow Item	H1 2025	H2 2025	FY 2025
Operating Cash Inflows	$392.4M	$455.2M	$847.6M
Operating Cash Outflows	$(301.8)M	$(342.4)M	$(644.2)M
Net Operating Cash Flow	**$90.6M**	**$112.8M**	**$203.4M**
Capital Expenditure	$(38.0)M	$(24.0)M	$(62.0)M
Debt Repayment (scheduled)	$(12.5)M	$(12.5)M	$(25.0)M
Interest Payments	$(6.2)M	$(6.2)M	$(12.4)M
Free Cash Flow	**$33.9M**	**$70.1M**	**$104.0M**
Opening Cash Balance	$88.4M	$122.3M	$88.4M
Closing Cash Balance	$122.3M	$192.4M	$192.4M
Net Debt Position	$(144.6)M	$(106.5)M	$(106.5)M

Note: Parenthetical figures denote cash outflows or negative positions. All amounts in USD millions. Net Debt excludes lease liabilities per IFRS 16.

The Group is projected to achieve a closing cash balance of **$192.4M** at 31 December 2025, representing approximately **3.6 months** of operating expenditure coverage — above the Board's minimum threshold of 3.0 months. Net Debt is expected to reduce to $106.5M (Net Debt/EBITDA: **0.52**×), well within the Group's covenant limit of 2.5×.

Budget Risk Register and Key Assumptions

Macroeconomic and Market Assumptions

The FY 2025 budget is constructed on the following base-case assumptions. Sensitivity analysis has been conducted under downside and upside scenarios (see below).

Assumption	Downside	Base Case	Upside
GDP Growth (primary markets)	**0.8%**	**2.1%**	**3.4%**
USD/EUR Exchange Rate	1.04	1.09	1.14
10-Year Risk-Free Rate	**4.8%**	**4.3%**	**3.8%**
Credit Spread (IG)	145 bps	110 bps	80 bps
CPI Inflation (operating costs)	**3.8%**	**2.9%**	**2.1%**
M&A Activity (market volume)	**-20%**	Base	**+15%**

Budget Sensitivity Analysis

- **Revenue sensitivity:** A 1% shortfall in Group revenue against budget reduces Adjusted EBITDA by approximately $8.5M, assuming a fixed-cost base. In a full downside scenario (GDP **0.8%**), Group revenue is estimated at $798.0M and Adjusted EBITDA at $172.0M — an EBITDA margin of **21.6%**.
- **FX sensitivity:** A 5-cent depreciation of the USD against the EUR reduces Group revenue by $6.1M on an unhedged basis. The Group maintains a rolling 12-month FX hedge programme covering **75%** of net EUR exposure.
- **Compensation sensitivity:** A 1% increase in average salary above budget increases total compensation cost by $3.3M. An additional unbudgeted tranche of variable pay at the discretionary ceiling would add a further $4.8M.

Principal Budget Risks

#	Risk Description	Likelihood	Impact	Financial Exposure	Mitigation
1	Vertex deal pipeline slippage into H1 2026	Medium	High	$(18–25)M rev.	Accelerate secondary mandates; partner hires
2	Cloud migration cost overrun (Synapse)	Low	Medium	$(5–10)M CapEx	Fixed-price contract clauses; PM governance
3	Regulatory change in asset management	Low	High	$(8–14)M rev.	Legal monitoring; product diversification
4	Talent attrition in technology (Synapse)	Medium	Medium	$(4–8)M cost	Retention bonus pool; equity programme
5	Interest rate increase above base assumption	Low	Low	$(2–4)M cost	Interest rate swap agreements in place

⚠ **Contingency Reserve:** A Group-level contingency reserve of **$15.0M** has been set aside within the FY 2025 budget. This reserve is not allocated to any division and may only be drawn upon with CFO and CEO joint approval. It is intended to absorb the financial impact of materialised risks rated *Medium–High* or above.

Governance, Approvals, and Next Steps

Budget Governance Framework

The FY 2025 Annual Corporate Budget has been prepared in accordance with Nexa Capital Group's Financial Planning and Analysis Policy (version 4.2, updated November 2024). The following governance milestones were observed during the preparation process:

- **September 2024:** Strategic planning review completed by Board. Three-year financial targets established.
- **October 2024:** Divisional budget guidelines and assumptions circulated to all Managing Directors by the Group Finance team.
- **November 2024:** Bottom-up budget submissions received from all four divisions. Synapse Technology, Vertex Advisory, Nimbus Asset Management, and Apex Infrastructure submissions reviewed and challenged by Finance.
- **December 2024:** Consolidated Group budget compiled. Two rounds of revision completed following CFO challenge sessions.
- **January 2025:** Executive Committee review and provisional approval. Submission to Board for final ratification.

Approval Signatories

Name	Title	Signature	Date
Alexandra Chen	Chief Financial Officer	________________	15 Jan 2025
Marcus Elliot	Chief Executive Officer	________________	15 Jan 2025
Priya Nair	Chair, Audit Committee	________________	
Daniel Hargrove	Non-Exec Director, Finance	________________	

Budget Monitoring and Reporting Cadence

Upon Board approval, the FY 2025 budget will be locked as the control version. The following monitoring process will govern the year:

- **Monthly:** Divisional Management Accounts distributed within 8 working days of month end. Each division head submits a brief variance commentary (P&L and CapEx).
- **Quarterly:** Group Finance prepares a detailed Quarterly Business Review (QBR) pack for the CFO and CEO, including full YTD actuals vs. budget, rolling 12-month forecast rebase, and updated risk register.
- **Half-yearly:** A Revised Forecast is submitted to the Board at H1 close (August) if revenue or EBITDA variance exceeds **5%** in either direction. The Board retains the right to reopen

the CapEx budget in such circumstances.

- **Annually:** Full post-budget outturn analysis presented to Board within 45 days of year end, forming the foundation for FY 2026 planning.

Next Steps

Required Actions Following Board Approval

#	Action Item	Owner	Due Date
1	Distribute approved budget to divisional MDs	Group Finance	22 Jan 2025
2	Load FY 2025 budget into ERP (Oracle Financials)	Finance Systems	24 Jan 2025
3	Initiate CapEx project authorisation requests	CFO Office	31 Jan 2025
4	Communicate headcount plans to HR Business Partners	HR & Finance	31 Jan 2025
5	Publish FY 2025 KPI dashboard (Board SharePoint)	FP&A Team	07 Feb 2025

End of Proposal