

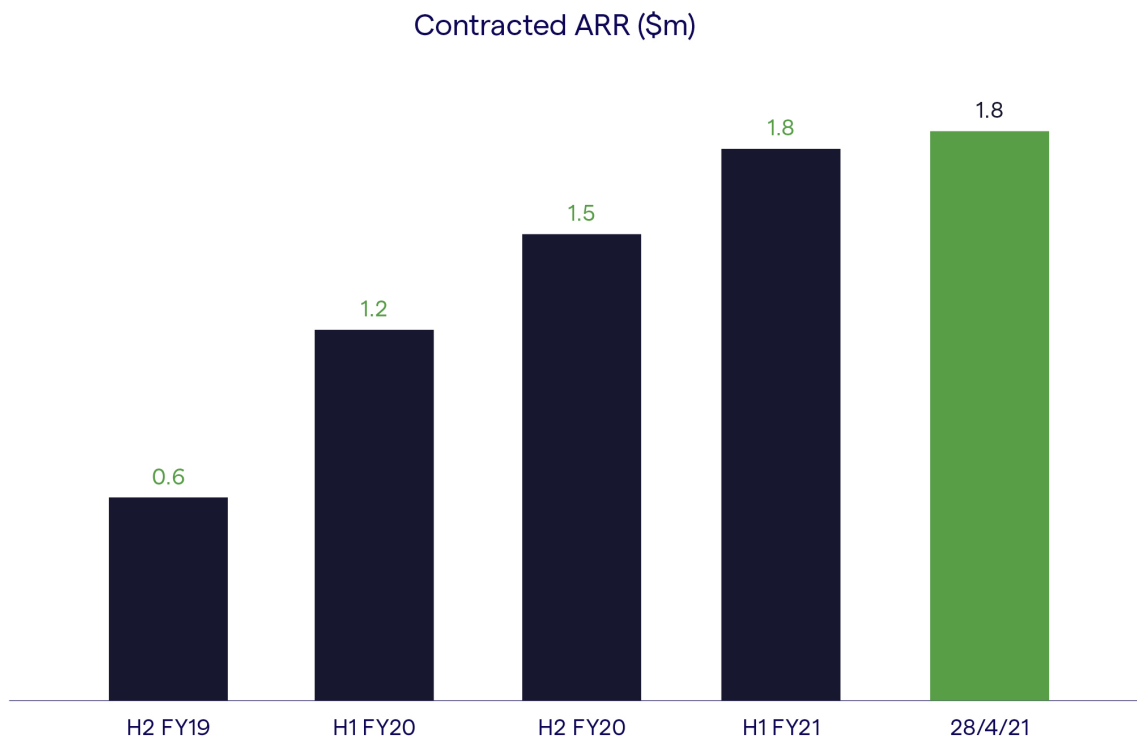
Business Update & Appendix 4C – Q3 FY21

BRISBANE Australia, 29 April 2021: Felix Group Holdings Ltd (ASX: FLX) (Felix or the Company) is pleased to release its business update to 28 April 2021 (and Appendix 4C) for the period ended 31 March 2021 (Q3 FY21).

Key Highlights

- Enterprise SaaS Contracted ARR¹: \$1.8m as at 28 April 2021, up 37% YoY.
- Vendors in Marketplace: 49,400 as at 28 April 2021, up 66% YoY.
- Cash balance as at 31 March 2021 of \$10.1 million.

Contracted ARR



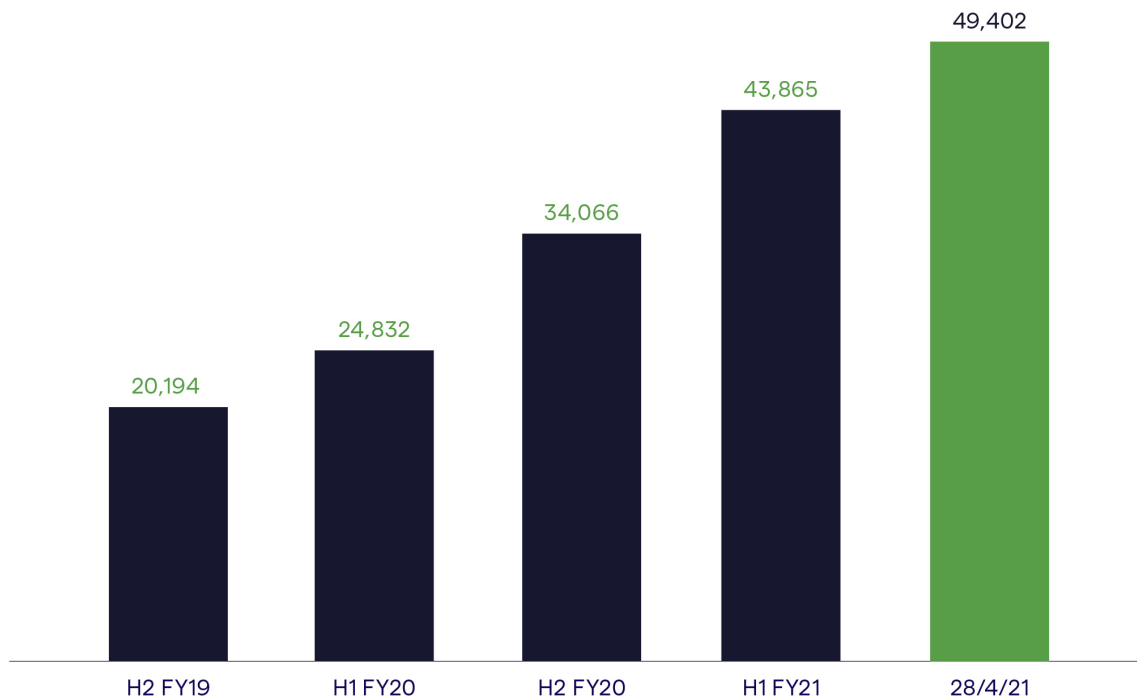
There has been \$187,000 of new Enterprise SaaS Contracted ARR added calendar year to date across three new customers, as at 28 April 2021.

One customer churned following the completion of their agreement. Due to a change in business circumstance that occurred early in the contracted period, the Felix solution was not implemented into their organisation. The customer contract was not financially material.

¹The sum of annualised recurring fees for all Felix enterprise customer contracts

Vendor Marketplace

Vendors in Marketplace



Vendors in Marketplace continued strong momentum in the calendar year to date, adding an additional 5,500 Vendors, representing 66% YoY growth.

Key Engagement Metrics

Strong growth continued across key usage metrics from Felix enterprise customers to the period ending 31 March 2021:

- Growth in total Enterprise User Accounts, up 56% previous corresponding period (PCP).
- Growth in Requests for Quotations (RFQ) sent by Enterprise customers, up 123% PCP.
- Growth in number of Active Projects, up 890% PCP.
- Growth in total Vendor Approvals, up 164% PCP.
- Growth in total active Vendor Compliance Documents, up 345% PCP.
- Growth in Vendor Evaluations, up 70% PCP.

Felix Chief Executive Officer, Mike Davis commented, “*Felix is pleased to have delivered continued growth in our key focus areas over the last few months. We are continuing to see our target sectors shift towards specialised vendor management software and we look forward to building on our momentum for the remainder of the financial year.*”

Cash Flow and Net Cash Position

- Operating cash outflow for the quarter was \$2.2m. This represented a \$1.9m increase to the previous quarter and related to the following:
 - One-off IPO related costs of \$1.2m
 - Timing profile of recurring Enterprise licence fees.
 - Increased product development expenditure
- Cash balance as at 31 March 2021 of \$10.1 million.

Use of funds

The Company prepared a Prospectus on 26 of November 2020 in relation to the Offer of 33.33 million shares at an issue price of \$0.36 per share to raise \$12 million.

In section 7.4 of the Prospectus, the Company provided a proposed use of funds statement for 24 months from listing. The table below only shows the use of funds from the date of admission to the ASX, 12 January 2021, while the Appendix 4C covers the period 1 January 2021 to 31 March 2021.

Use of funds	Total per the Prospectus (\$'000)	Actual expenditure (\$'000) 12/1/21 to 31/3/21	Commentary
Marketing & growth initiatives	400	59	In-line with expectations.
Platform development	5,700	348	In-line with expectations.
Research and development	1,200	104	In-line with expectations.
Working capital	3,179	-	Currently funded from working capital reserves prior to IPO.
Professional fees and ASX listing costs	1,521	2,063	Increased insurance and advisor costs once actual fees were invoiced. Note that all IPO costs are presented, including those prior to 12/1/21.
Total	12,000	2,574	

Payments to Related Parties & Associates

During the quarter payments totalling \$484,000 were made to related parties and associates. These payments comprise Directors' fees including the managing director's salary and advisor fees in connection with the IPO. These payments are included in cash flows from operating activities and cash flows from financing activities (item 6.1 & 7.1 in the below Appendix 4C).

More Information

Investors are invited to visit our website at felix.net for more information on Felix.

Authorised for release by:

Mike Davis
CEO
Felix Group Holdings Ltd

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About Felix – see more at felix.net

Felix operates a cloud-based enterprise Software as a Service (SaaS) and marketplace platform for the commercial construction and related industries. Felix connects contractors and their third-party vendors, automating and streamlining a range of critical procurement-related business processes. Felix was listed on the ASX on 12 January 2021.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Felix Group Holdings Ltd

ABN

65 159 858 509

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	742	3,136
1.2 Payments for		
(a) research and development	(104)	(254)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(59)	(147)
(d) leased assets	(47)	(142)
(e) staff costs	(1,293)	(3,340)
(f) administration and corporate costs	(183)	(637)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	3
1.5 Interest and other costs of finance paid	-	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	918
1.8 Other (provide details if material)	(1,236)	(1,510)
Operating apportionment of IPO costs.		
1.9 Net cash from / (used in) operating activities	(2,180)	(1,985)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3)	(27)
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
(c) investments	-	-
(d) intellectual property	(61)	(218)
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(64)	(245)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	12,000	12,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(455)	(553)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(47)	(130)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	11,498	11,317

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	851	1,018
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,180)	(1,985)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(64)	(245)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	11,498	11,317

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	10,105	10,105

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,105	851
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	10,105	851

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	140
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Directors fees and managing director salary for the period.

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	344
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Kidder Williams Ltd managing director, David Williams, was a director of the Group until 28 October 2020. David is the largest shareholder of the Company (15%) via the entity Moggs Creek Pty Ltd. Kidder Williams was engaged to provide corporate advisory services for the IPO.

The agreement requires Felix to pay:

- a) \$10,000 per month retainer;
- b) success fee of \$200,000 cash;
- c) success fee of 500,000 unquoted call options over unissued Shares to be issued upon exercise that shall rank pari passu with existing Shares, which expire 3 years from date of their issue, have an exercise price of \$0.58 per option. The value of these options at 31 December 2020 is \$19,500;
- d) success fee of 500,000 unquoted call options over unissued Shares to be issued upon exercise that shall rank pari passu with existing Shares, which expire 3 years from date of their issue, have an exercise price of \$0.72 per option. The value of these options at 31 December 2020 is \$1,500; and
- e) A mandate for 12 months following the date of the ASX Listing to undertake a watching brief for potential M&A/capital raising opportunities at \$25,000 per month for 12 months. Should any M&A opportunity or capital raising arise, fees will be separately agreed.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(110)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(60)
9.4 Leased assets	(50)
9.5 Staff costs	(1,520)
9.6 Administration and corporate costs	(230)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,970)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	N/A	N/A
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 29 April 2021

Print name: James Frayne

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.