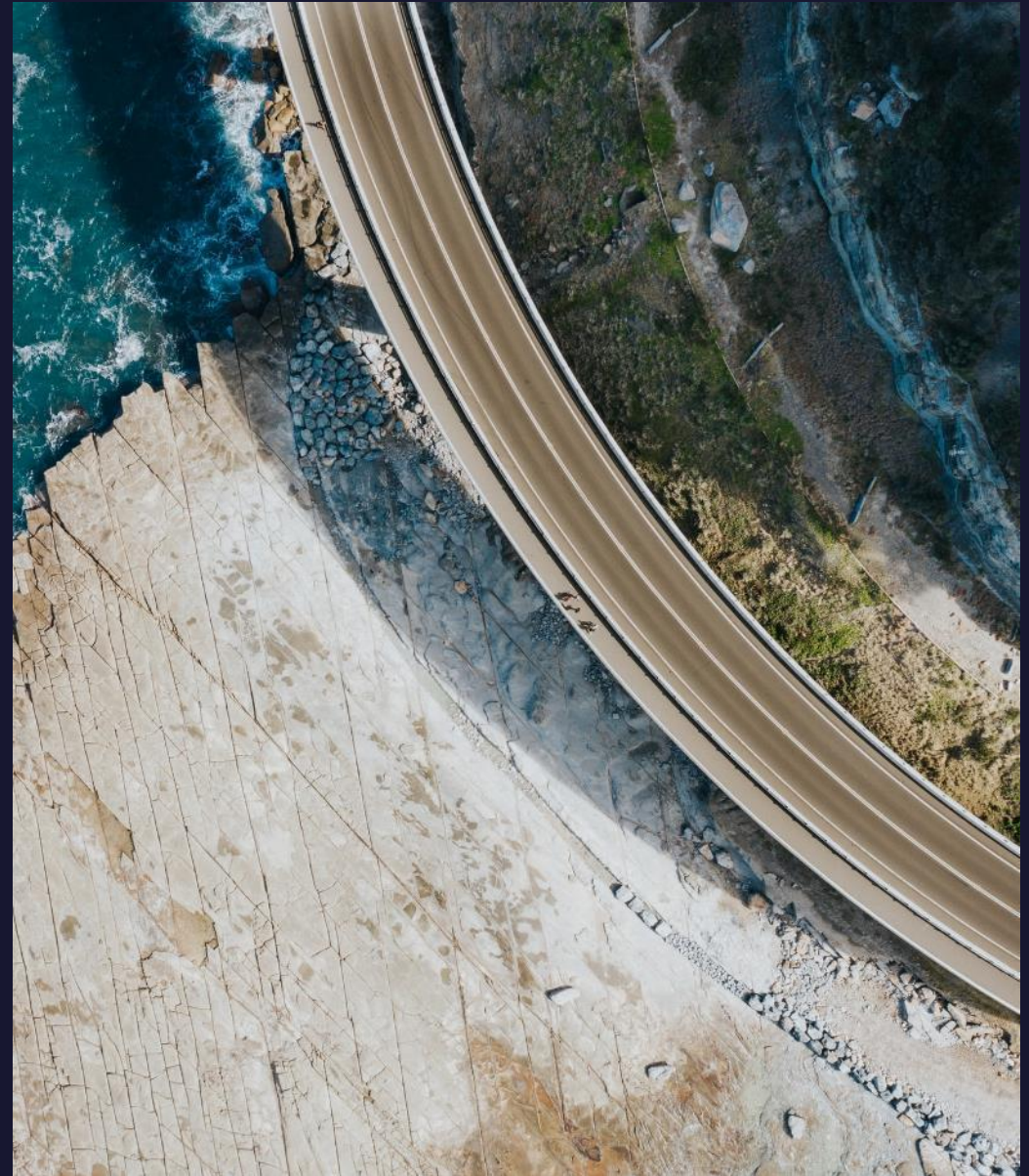


felix

Investor presentation

7 August 2023

Not for release to US wire services or distribution in the United States



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This Presentation contains summary information about the Company and its activities current as at 7 August 2023. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. The historical information in this Presentation is, or is based on, information that has been released to the ASX. This Presentation should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX, which are available at www.asx.com.au. Any market and industry data that may be used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of the Company, its representatives or advisers have independently verified that market or industry data provided by third parties or industry or general publications.

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Acknowledgements:

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- the Lead Manager may have interests in the securities of Felix, including by providing investment banking and debt services to Felix. Further, it may act as market maker or buy or sell securities or associated derivatives of Felix as principal or agent; and
- the Lead Manager will receive fees for acting in its capacity as lead manager to the Placement.

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Executive summary

Pathway to cash flow breakeven accelerating as sales conversion improves and pipeline continue to build

Introduction to Felix

- Felix operates a **cloud-based enterprise Software as a Service (SaaS) platform and marketplace** that connects Contractors and third-party vendors in construction and related sectors to manage **mission-critical procurement processes, compliance and ESG requirements**.
- **Felix digitises, automates and streamlines the vendor management and procurement lifecycle** in a comprehensive, modular platform that is purpose-built for capital asset sectors with high-risk and diverse supply chains.
- Demonstrated traction with **top tier Australian Contractor** customers including CIMIC Group, NRW Holdings (ASX:NWH), Pilbara Minerals (ASX:PLS), Laing O'Rourke, GPT Group (ASX:GPT), Monadelphous (ASX:MND) and Altrad **and is utilised on many of Australia's largest infrastructure projects**.

Growth & operating leverage

- **Sales momentum accelerating. Large domestic pipeline of Contractors** underpinned by Tier 1 customers.
- **Growing international customer pipeline** with 19 opportunities across key global markets of JAPAC, EMEA and North America of which Felix has been named as preferred bidder on two opportunities with InEight, Felix's global strategic partner.
- **Revenue momentum and cost base expected to drive lower cash burn over the next 12 months with sustainable cash flow breakeven expected from Q1 FY25.**

Quarterly highlights

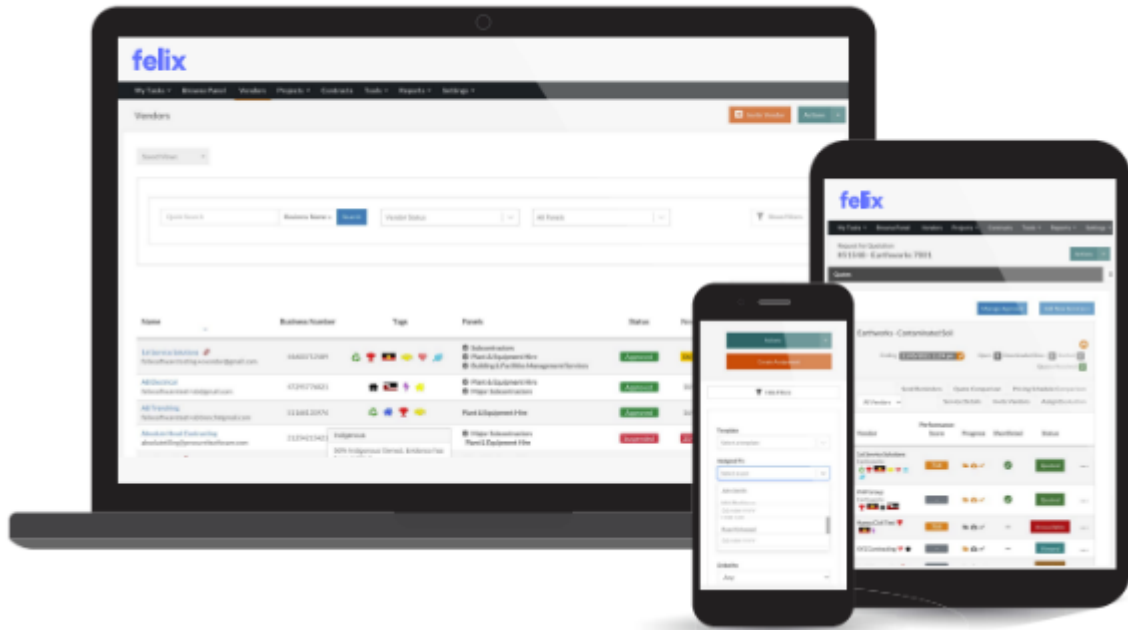
- **Total \$836k of new ARR won in Q4 FY23 and early July CY23 driven by:**
 - **Three new Contractors added in Q4 FY23** contributing \$334k ARR in aggregate, including a leading ASX-listed lithium mining company.
 - **Additional two new Contractors signed in early July CY23**, contributing \$359k ARR in aggregate.
 - **Record eight expansion deals signed in Q4 FY23**, representing double the number signed in Q3 FY23, and contributing \$143k ARR in aggregate.

Capital raising and timing

- Capital raising to consist of a **Two Tranche Placement** raising approximately \$3.0m at a price of \$0.08 per share.
- Placement price of \$0.08 represents a 18.4% discount to the last close price of \$0.098 and a 39.0% discount to the 15-day VWAP of \$0.133.
- **Board members and related parties have committed to apply for \$1.45 million in Tranche Two**, subject to obtaining shareholder approval at the General Meeting.
- In conjunction with the Placement, the Offeror conduct a **Share Purchase Plan ("SPP") seeking to raise up to \$1.0 million** (together the Placement and SPP being the "Capital Raising"). The **Lead Manager** has entered into an agreement with the Company **to underwrite \$500,000 worth of SPP Securities**.

Felix snapshot

Leading enterprise platform for capital asset sectors to manage their high-risk and diverse supply chains



Established procurement management platform connecting Contractors and Vendors, digitising and automating complex supply chains



Trusted by Tier 1 Contractors to manage risk, meet ESG targets, increase productivity and minimise spend leakage across the procurement cycle



Rapidly growing Vendor Marketplace for Contractors and Vendors to find, manage and engage, accelerated by network effects as Felix scales



Strategic partnership with InEight, a global leader in construction management technology, providing capital-light entry into targeted international markets



Structural tailwinds including government infrastructure spending, tightening legislative & compliance environments and ESG requirements supporting long-term growth

Felix update

Accelerating sales momentum and international pipeline provides shorter path to cashflow break even



Accelerating sales momentum

- **11 new Contractors signed in FY23**, including Tier 1 customers NRW Holdings (ASX: NWH), Pilbara Minerals (ASX: PLS) and Laing O'Rourke Australia all with further ARR upside on initial use case
- **Three new Tier 1 Contractors signed in July CY23** highlighting sales momentum
- **20 expansion deals signed in FY23**, including a record eight signed in Q4 FY23, demonstrating Felix's ability to unlock additional revenue across its existing customer base and successfully execute on its "land and expand" strategy
- **Strong traction in adjacent natural resources sector**, an industry with acute supply chain, ESG and legislative requirements, with a number of new contractor wins including a large ASX-listed gold miner



ARR expansion

- **Group Contracted ARR of \$6.0m to end FY23**, driven by strong conversion of Contractor pipeline and expansion deals
- **Contractor MRR of \$304k for the closing month of Q4 FY23**, increasing 65% on the prior corresponding period
- **Contractor ARR retention greater than 100%**, supported by increased penetration of existing customer base
- **July CY23 Contractor ARR of \$4.4m, increasing ~56% on pcp**



International opportunity

- **Strong and growing international customer pipeline** with 19 opportunities across key global markets of JAPAC, EMEA and North America of which Felix has been named as preferred bidder on 2 opportunities
- **Opportunistic international expansion opportunity** with InEight partnership providing access to large global Contractors at limited sales & marketing cost to Felix
- Long lead times on international opportunities are now being realised with pipeline conversion expected in the short term



FY24 strategic focus

- **Conversion of strong and growing advanced pipeline** while leveraging existing cost base to **accelerate towards breakeven**
- **Execute on FY24 budget with strong focus on fiscal discipline** with cost base expected to be in line with FY23
- **Calibrated expenditure in areas that maximise growth**

Value catalysts

Accelerate Tier 1 Contractor growth

Strong momentum with large Tier 1 contracts wins in Q4 FY23 and early July CY23. Significant pipeline growth of domestic and international prospects with Felix named as preferred bidder for 2 large global Contractors, in addition to numerous other Tier 1 domestic Contractors providing near-term ARR growth opportunities

Unlock expansion revenue

Significant near-term ARR expansion upside across existing cohort of 45 Contractors through contracted usage ratchets as customers ramp their usage of Felix. Further module uptake and upselling into global parent companies provide additional growth opportunities.

Disciplined FY24 budget

Cost base provides platform to scale and convert pipeline leading to inflexion point in Felix's financial profile

Progress towards positive operating financial performance

Operating leverage driving lower cash burn over the next 12 months which is expected to deliver sustainable cash flow breakeven from Q1 FY25



Highly strategic leading Contractors

11 new customers signed and 20 expansion deals in FY23 with further revenue upside from expanded usage, module uptake and penetration of divisions



Penetration of adjacent sectors

Strong track-record in existing high value sectors, supported by industry tailwinds, fueling growth opportunity

Continued focus on and traction across initial target sectors



Government & Infrastructure

LAING O ROURKE

Feb 2022



Engineering & Construction



Jan 2023

Cornerstone customer wins and early traction in adjacent sectors highlight broad applicability of Felix



Energy & Utilities



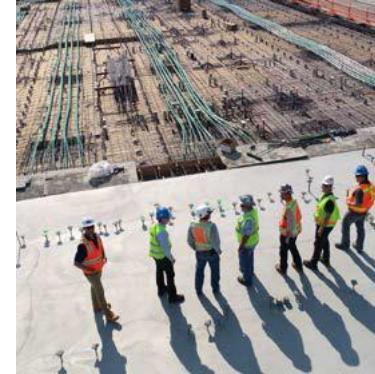
Nov 2021



Diversified Real Estate



Jan 2022



Commercial Construction



Sep 2022



Natural resources

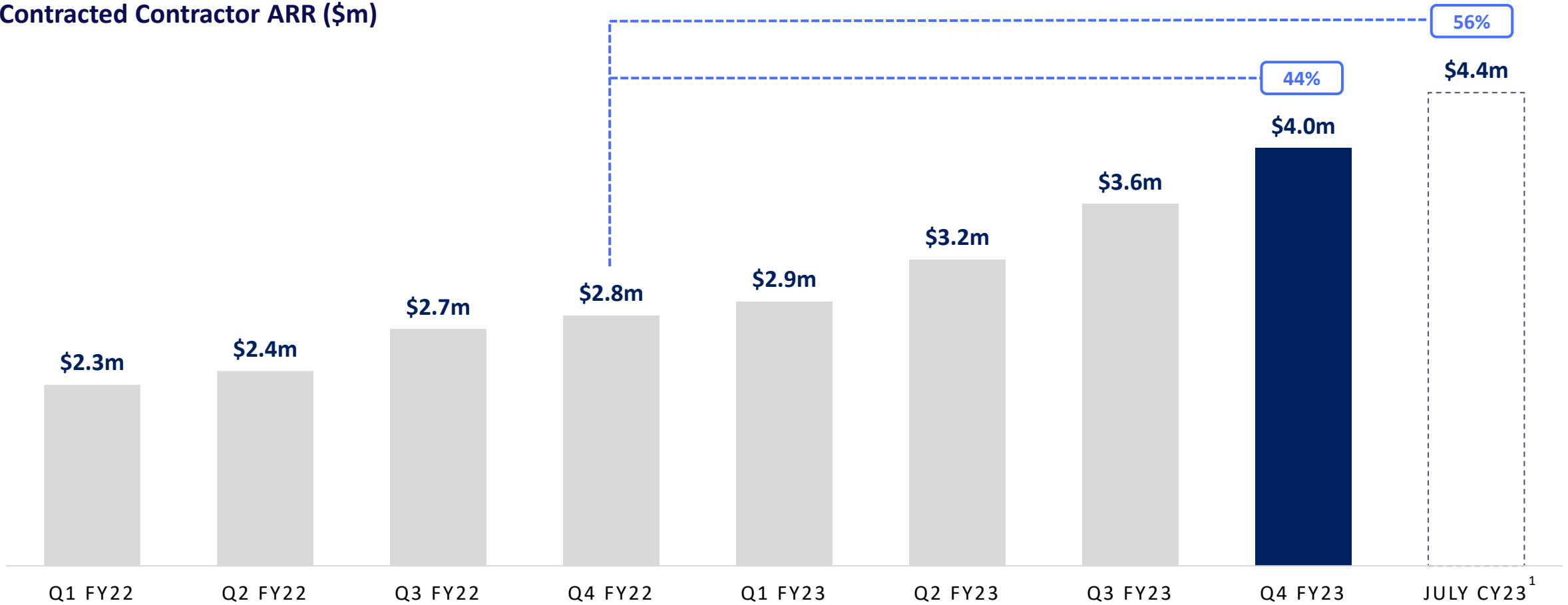


Jul 2023

Growing sales momentum

Strong Contractor ARR growth in FY23 and accelerating momentum in FY24 provides strong foundation for growth

Contracted Contractor ARR (\$m)



Pipeline opportunity

- 19 large global Contractor opportunities across deep addressable markets – JAPAC, EMEA and North America
- Average ARR of international opportunities of \$192k, significantly higher than current average Contractor ARR of \$94k
- Named preferred bidder on two opportunities which, if signed, are expected to be amongst Felix’s largest contracts
- Opportunistic international expansion opportunity with InEight partnership providing access to large global Contractors at limited sales & marketing cost to Felix
- Size and scale of international Contractors requires longer sales cycles however provides opportunity to reshape Felix’s financial profile
- Further international expansion opportunities via upselling into international divisions of existing customer base
- Investment to date into infrastructure and security posture provides platform to scale and expand international Tier 1 customer base

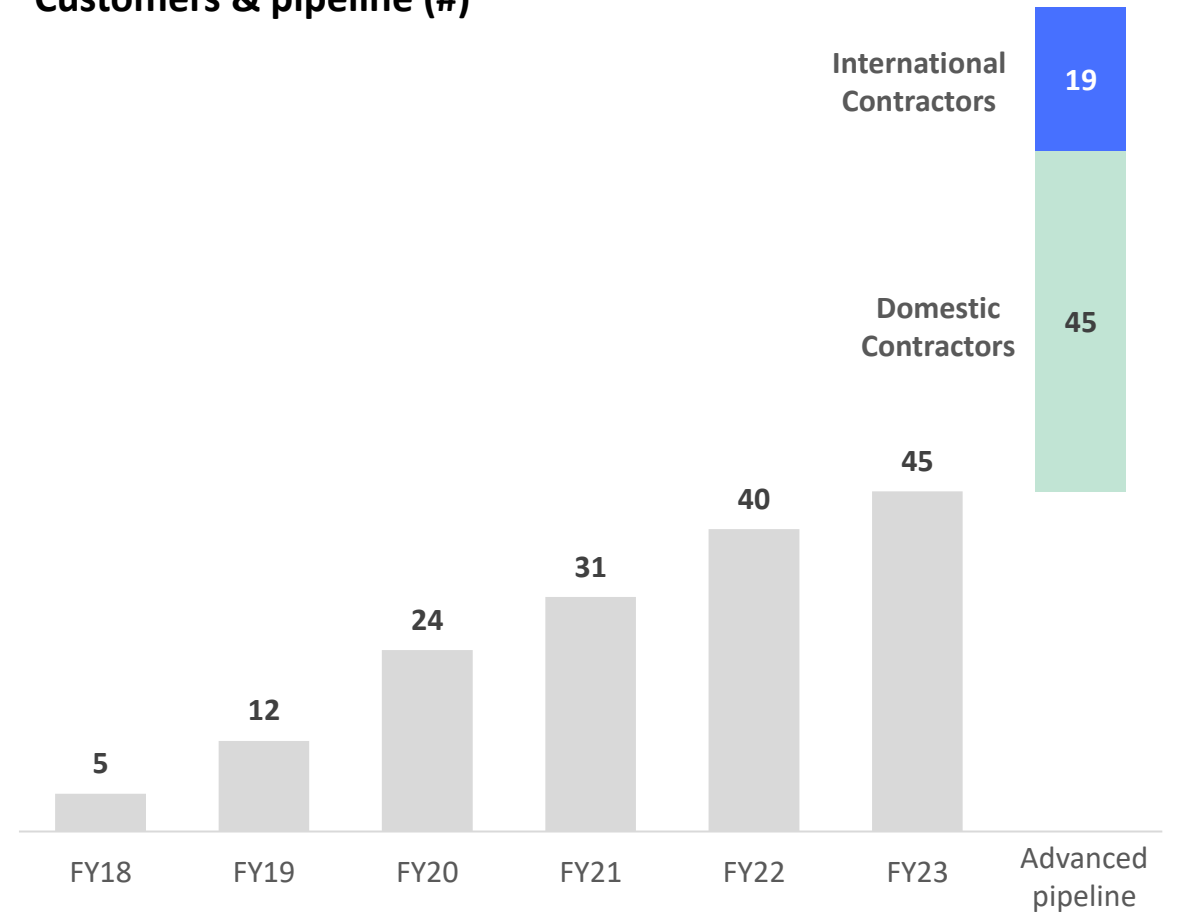
Contractor average ARR:

IPO – Jan-21	Jun-23	International pipeline
\$60k	\$94k	\$192k



Strong and growing pipeline of domestic and international customers with material increase in potential contract value

Customers & pipeline (#)

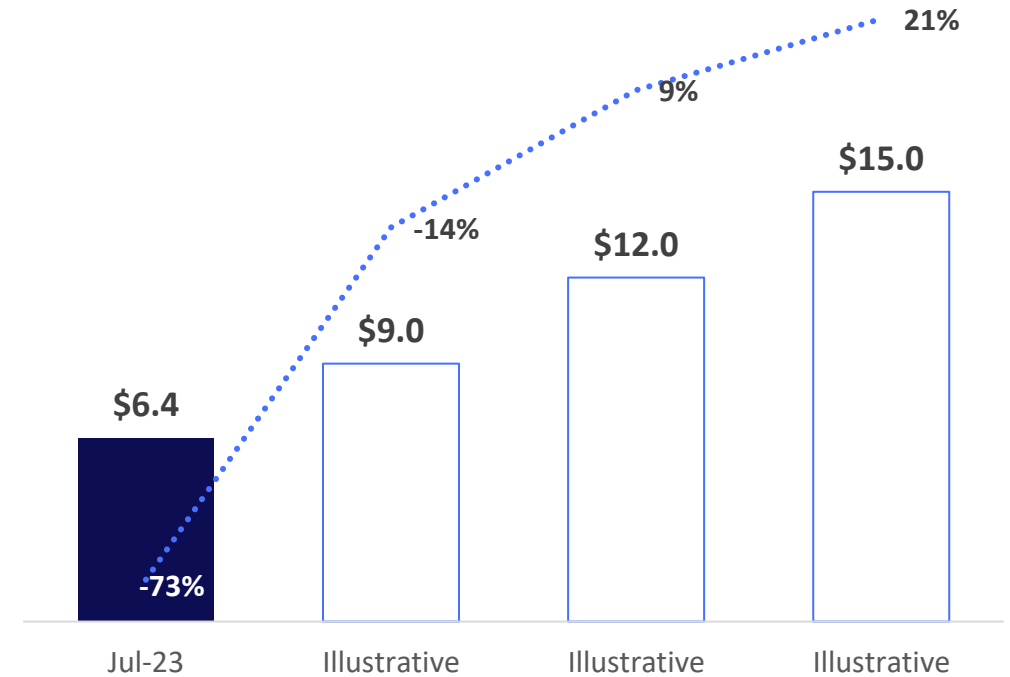


Operating leverage

- Strong and growing international pipeline and proven traction with Tier 1 Contractors expected to drive significant operating leverage in FY24 and beyond
- Existing cost base right-sized to support Contractor growth and pipeline conversion
- Investment in security posture and platform infrastructure to date positions Felix for international scale
- FY24 budget expected to be in line with FY23 to maximise operating leverage and support global Tier 1 Contractors
- Flexibility to adjust budget in-line with various growth scenarios
- Vendor Marketplace already operating at cashflow breakeven
- Operating leverage driving lower cash burn over the next 12 months which is expected to deliver sustainable monthly cash flow breakeven in H2 CY24

Cost base provides platform to scale and convert pipeline leading to inflexion point in Felix's financial profile

Illustrative EBITDA margin and Group ARR scenarios¹



Capital raising details

Offer size and structure

- **Two Tranche Placement** to sophisticated and professional investors to raise gross proceeds of approximately **\$3.0 million** of new ordinary shares (“**Securities**”) utilising the Company’s existing placement capacity pursuant to ASX Listing Rule 7.1 (“**Placement**”).
 - **Tranche One** to raise **\$1.4 million** and issue 17.4 million New Shares in accordance with FLX’s ASX Listing Rule 7.1 capacity.
 - **Tranche Two** to raise **\$1.6 million** and issue 20.1 million New Shares subject to shareholder approval to be obtained at a general meeting to be held in late September (“**General Meeting**”).
- Taylor Collison Limited is the sole Lead Manager to the Placement.
- In conjunction with the Placement, the Offeror is conducting a **Share Purchase Plan (“SPP”)** seeking to raise up to **\$1.0 million** (together the Placement and SPP being the “Capital Raising”). The SPP will be offered at the same Offer Price as the Placement and will enable existing eligible shareholders to apply for up to \$30,000 worth of Securities.
- The **Lead Manager** has entered into an agreement with the Company to **underwrite \$500,000 worth of SPP Securities**.

Board participation

- **Board members and related parties have committed to apply for \$1.45m in Tranche Two**, subject to obtaining shareholder approval at the General Meeting.
- Directors not participating in Tranche Two have committed to taking up their full SPP entitlements.

Offer price

- New share under the Placement will be issued at a price of \$0.08 per New Share representing a:
 - 18.4% discount to the last traded price on Wednesday 2 August 2023 A\$0.098 per share.
 - 19.97% discount to Volume Weighted Average Price (“**VWAP**”), calculated over the last five days on which sales in Felix shares were recorded immediately prior to the date of the announcement of the Placement, of A\$0.099 per share.
 - 39.9% discount to the 15-day VWAP of A\$0.133 per share.

Ranking

- The New Shares subject to the Placement are fully paid shares in Felix and will rank pari passu with existing fully paid ordinary shares from allotment.

Use of funds

- Felix expects to use the proceeds of the Placement and SPP for:
 - Strategic investment in sales & marketing to support growing Tier 1 Contractor pipeline.
 - Balance sheet flexibility.

Indicative Offer Timetable

SUMMARY OF KEY DATES	DATE
Trading halt announcement and Placement bookbuild	9am Thursday, 3 August 2023
SPP Record Date	Friday, 4 August 2023
FLX announces results of Placement, SPP offer and re-commences trading on ASX	Monday, 7 August 2023
Despatch SPP offer booklet & SPP off opens	9am Wednesday, 9 August 2023
Settlement of Placement Securities issued under Tranche One	Friday, 11 August 2023
Allotment of and commencement of trading of Placement Securities issued under Tranche One	Monday, 14 August 2023
SPP offer closes	5pm Friday, 25 August 2023
Issue of SPP Securities	Friday, 1 September 2023
Quotation of SPP Securities	Monday, 4 September 2023
Settlement of New Shares issued under Tranche Two ¹	Late September 2023
Allotment of and commencement of trading of New Shares issued under Tranche Two ¹	Late September 2023

Corporate Overview

Share price performance (last 6 months)



Substantial shareholders

David Williams	14.4%
Thorney Investment Group	9.1%
Salter Brothers Emerging Companies	9.0%
George Rolleston (NED)	6.9%
Mike Davis (Co-Founder and CEO) and Michael Trusler (Co-Founder and NED)	6.4%
InEight (Strategic partner)	4.9%

Financial information

Share price (2-Aug-2023)	\$0.098
52-week trading range (low / high)	\$0.098 / \$0.22
Shares on issue	156.8m
Market capitalisation* (2-August 2023)	\$15.4m
Cash* (30-Jun-23)	\$2.8m
Debt (30-Jun-23)	N/A
Enterprise value*	\$12.6m

Board and Management



Michael Bushby
Chairman

- 30 years' experience in Government including former Chief Executive of Roads & Traffic Authority in NSW
- Senior experience in the transport infrastructure sector
- Previous Chairman of transport technology company EROAD Ltd (NZX:ERD) and previous Board member and President of Roads Australia



Mike Davis
CEO, Managing Director &
Co-Founder

- Co-Founder of Felix
- Over 15 years' experience in running technology companies, including founding and leading global e-commerce business Canvas & Canvas



Rob Phillpot
Non-Executive Director

- Global Construction Tech leader with over 20 years' experience
- Co-founded global leading collaboration platform Aconex (ASX:ACX), which was acquired by Oracle in the largest tech acquisition in Australian history at the time



Joycelyn Morton
Non-Executive
Director

- Extensive corporate experience in Australia and internationally across a variety of industries
- Currently serves as a non-executive director of Argo Global Listed Infrastructure (ASX:ALI), and Gelion Plc (AIM:GELN)



George Rolleston
Non-Executive Director

- Over 15 years' transactional and advisory experience across a range of industries
- Sits on a number of boards in industries ranging from tourism, finance, software and medical technology, including MHM Automation Ltd (NZX:MHM)



Michael Trusler
Non-Executive
Director & Co-Founder

- Co-Founder of Felix
- Over 5 years' of experience as a civil engineer with MCG Group, Leighton and Inten Constructions
- Holds a Bachelors' degree in Engineering



James Frayne
Chief Financial Officer &
Company Secretary

- Over 10 years' experience managing and leading finance functions
- Holds a Bachelor's Degree in Business and an MBA from QUT
- Member of the Institute of Chartered Accountants Australia and New Zealand



Dan Wilson
Chief Revenue Officer &
Co-Founder

- Co-Founder of Felix
- Over 15 years' leading and managing sales teams
- Previous experience in commercial real estate



Steve O'Keeffe
Chief Technology Officer

- 15 years' experience with enterprise software systems in mining, construction and services sectors
- Extensive experience in the configuration and implementation of third-party ERP software platforms, before moving to roles overseeing development and commercialisation of software

Key risks

Short operating history and history of operating losses

Given Felix was formed in August 2012 and launched its initial Marketplace platform in May 2013, there are uncertainties surrounding future revenue growth, demand for products and business prospects.

Further, the Group is not yet cash flow positive and its limited financial and operating history is insufficient to provide certainty or assurance that the Group has capability to achieve growth and its objectives.

Therefore, investing in the Group is speculative and the Directors perceive that investment in the Shares should be regarded as high risk. Additionally, although the Group has experienced positive revenue growth since inception, it has incurred net losses every year since and has yet to generate an operating profit. There is a risk the Group may not achieve profitability in the future.

Personnel

Organisational culture and people are a key strength of the Group.

Accordingly, the performance and retention of the Group's senior executives is central to its ongoing financial performance. The loss of any of the Group's key personnel may have an adverse financial impact on the Group.

The Group is also dependent on its ability to recruit and retain suitably skilled and qualified personnel for the ongoing implementation of business growth initiatives and strategies. If the Group were unable to recruit such personnel or were unable to retain them and the Group was not able to recruit suitable replacements in a timely manner, this could have a material adverse effect on the Group's business and its ability to execute its growth strategy.

Additionally, if key personnel left the business to work for a competitor, this could adversely impact the Group.

Reputation and relationships

The Group's success is dependent on maintaining the quality of its services and a positive reputation and relationship with customers and end users, Shareholders, and to a lesser extent, third parties to grow and retain its customer and user base.

Unforeseen issues, accidents or events involving the Group which, for example, cause concern over the reliability of the Group's software, adverse customer or user experience or inappropriate employee, management or Director behaviour, could jeopardise Felix's reputation and its relationship with third parties, damage its brand or otherwise cause harm to the Group and its business dealings and impact future earnings and growth prospects.

Reliance on third party IT service provider - AWS

AWS, a division of Amazon.com, Inc. (NASDAQ:AMZN), provides the Group's cloud hosting infrastructure. The Group's business is heavily dependent on the continuity of this service. While AWS is a well-established and credible cloud hosting service provider, if AWS suffered an extended outage, the Group's operations would be significantly and adversely impacted. This may impact the Group's reputation for reliability and result in customers cancelling their subscriptions, adversely impacting the Group's financial performance and growth prospects.

Software, technology and system related risk

The Group relies on the internet, its information and communication networks and systems to process, transmit and store electronic and financial information, to manage a variety of business processes and activities which include client documents, customer and regulator communication, financial management and reporting, database management and compliance with regulatory, legal and tax requirements. If access to the internet, its networks and systems is disrupted or restricted for Felix users, it would adversely impact the Group's ability to provide continuity of service impacting its operations, brand and reputation which may cause customers to cancel agreements or impact the Group's ability to secure new customers.

Increased cyber security threats and computer crime pose a potential risk to the security of the Group's information technology systems and databases, as well as the confidentiality, integrity and availability of the data stored on those systems. The loss, theft, or corruption of, or any unauthorised third party access to, the Group's data could render the Group's services unavailable for a period while the data is restored and otherwise adversely impact the Group's operations, the value of the Group's assets, its competitive position, reputation and financial performance. There is also a risk of unauthorised disclosure of users' data with associated reputational damage, claims by users, regulatory action and fines. Although the Group employs strategies and protections in an attempt to minimise security breaches and to protect data, these strategies and protections might not be entirely successful.

In that event, disruption to the Group's services could adversely impact on the Group's revenue, reputation and profitability. Additionally, the loss of client data could have a severe impact on the Group's products and services and, reputation.

The Group may be affected by malicious third-party applications that interfere with, or exploit, security flaws in its or its third-party provider's software, infrastructure or services. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a customer's, the Group's or a third-party provider's computer systems or disrupt or shut down the Group's operating system. If the Group's efforts to combat these applications are unsuccessful, or if its software or infrastructure has actual or perceived vulnerabilities, the Group's business reputation and brand may be harmed, which may result in a material adverse effect on the Group's operations and financial position.

Additionally, any failure, unscheduled down-time or cyber-attack of the software, services or technology that underpins the Group's platform may cause the Group's failure to meet contractual and service level obligations, unauthorised system use, data loss or integrity issues, integration issues with other systems and third parties, increased costs and damage to its brand and reputation.

Under the Notifiable Data Breach (NDB) Scheme under the Privacy Act 1988 (Cth) (Privacy Act), Felix is obliged to report data breaches to, among others, its customers. Under the Privacy Act, Felix may be subject to financial penalties and other enforcement action if such a breach is not reported.

Intellectual property infringement claims

A key component of the Group's business model is dependent on its ability to offer new and existing customers and users proprietary digital software solutions and technology that provide the requisite functionality, advantages over alternative solutions and value for money. If the Group fails to update its solutions to meet evolving customer and user needs, there is a risk it may lead to performance issues, a decrease in client satisfaction and potentially a loss of customers and users.

If a third-party accuses the Group of infringing its intellectual property rights or if they commence litigation against the Group for the infringement of patent or other intellectual property rights, the Group may incur significant costs in defending such action. Costs incurred in defending such action may include diversion of management's and technical personnel's time. Further, parties making claims against the Group may be able to obtain injunctive or other equitable relief that could prevent the Group from promoting its products. In the event of a successful claim of infringement, the Group may be required to pay damages and obtain one or more licences from the prevailing third-party.

If the Group is unable to obtain these licences on reasonable terms at a reasonable cost, it could encounter delays in product introductions and loss of substantial resources while it attempts to develop alternative products.

The Group does not believe that its activities infringe any third-party's intellectual property rights. To date, no third-party has asserted this. However, in the future the Group may be subjected to infringement claims or litigation arising out of patents and pending applications of its competitors, or additional proceedings initiated by third-parties or intellectual property authorities re-examining the patentability of licensed or owned patents. The defence and prosecution of intellectual property claims and litigation, and related legal and administrative proceedings are costly and time-consuming to pursue and their outcome is uncertain. If the Group infringes the rights of third-parties, the Group could be prevented from operating its software platform and be forced to defend against litigation and pay damages.

Key risks (cont'd)

Group's protection of its intellectual property rights

The Group's current methods to protect its intellectual rights may not prevent the misappropriation or development of similar products by others. Competitors may gain access to the Group's technology which could harm its business, operations and financial performance.

No assurance can be given that the value of the Group's intellectual property rights will be completely protected or that the Group will be able to maintain its competitive position by the legal protection afforded by a combination of copyright, trade secrecy laws, patent laws, confidentiality and other intellectual property rights. There can be no assurance that third parties or employees will not breach confidentiality agreements, infringe or misappropriate the Group's intellectual property or will not be able to produce a non-infringing competitive product or service. Furthermore, no assurance can be given that third-parties will not challenge the ownership by, or the rights of, the Group to its intellectual property rights, or that if the Group is required to obtain a licence from a third-party as a result of any infringement dispute, the Group will be able to obtain such licences.

R&D tax incentives audit risk

The Group has claimed research and development (R&D) tax incentives totalling \$1,021,000 over the last 3 years for expenditure incurred.

Under the R&D incentive framework, both the ATO and AusIndustry are entitled to audit the expenditure incurred to ensure it has been incurred per the requirements of Division 355 of the Income Tax Assessment Act 1997 (Cth). To this extent, there is a risk that some or all of the R&D tax incentives received by the Group may need to be repaid (including penalties) if audits of the claims were conducted and the relevant regulatory authority formed the view that the requirements of Division 355 had not been met in full or in part.

Changes to law or regulations may impact business operations

Changes to law or regulations may impact business operations Felix and its customers will be subject to local laws and regulations in each jurisdiction for provision of its services. Changes to existing laws and regulations (including their introduction) may adversely impact the Group's business in that jurisdiction.

Expansion and foreign operations

The Group currently operates in Australia but plans to expand its operations to overseas markets after it has established sufficient critical scale in the Australian market. There is no guarantee that the Group's product offering will be successful or will be able to generate material revenues outside of Australia.

The Group's success will depend on a number of factors such as the operations and product offerings of existing and new competitors in these markets, new customers' willingness to pay for the Group's services and the state of the local economy and appetite for new technology adoption.

Businesses that operate across multiple jurisdictions face additional complexities due to specific business requirements in each jurisdiction.

The Group will be exposed to a range of multijurisdictional risks in any new country within which it chooses to establish operations. These risks relate to use of data, labour practices, consumer preferences, difficulty in enforcing contracts, changes to or uncertainty in relevant legal and regulatory regimes (including in relation to taxation, foreign investment and practices of government and regulatory authorities) as well as other issues.

The Group's financial statements are prepared and presented in Australian dollars (AUD) and the majority of its costs are currently in AUD. If the Group were to offer a paid subscription-based service priced in a foreign currency, it would be exposed to movements in foreign exchange rates which may adversely impact the Group's profitability.

General risks and macroeconomic risks

Changes in general economic conditions, introduction of tax reform, new legislation, employment rates, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Group's activities, as well as on its ability to fund those activities.

Deterioration in the general economic conditions, including factors that impact negatively on disposable income of consumers, could affect customer expenditure, including on 'productivity software' which may adversely affect the Group's profitability.

Market conditions

Share market conditions may affect the value of the Group's quoted securities regardless of the Group's operating performance. Share market conditions are affected by factors such as:

- general economic outlook;
- introduction of tax reform or other new legislation;
- interest rates, inflation rates, exchange rates and commodity prices;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and listed SaaS companies in particular. Neither the Company nor the Directors warrant the future performance of the Group nor any return on an investment in the Company and give no assurance that the price of the Shares will increase following quotation on the ASX, even if the Group's earnings meet or exceed forecasts.

Access to equity and debt funding

Volatility in financial markets could have a material adverse effect on the Group's ability to raise further capital. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally.

In addition, any deterioration in global financial markets could impact risk appetite among lending institutions which may impact the Company's ability to enter into loan facilities. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, or at all.

If the Company is unable to obtain additional funding as needed, or is unable to do so on acceptable terms, it may be required to reduce the scope of its operations and scale back its growth plans as the case may be which could adversely affect its business, financial position, operating performance and future growth prospects.

Shareholder dilution

In the future, the Group may elect or be required to engage in various types of capital raisings, including the issue of Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital that it is able to issue within a 12-month period without Shareholder approval (other than where exceptions apply), Shareholders at the time may be diluted as a result of such capital raisings if they do not participate pro rata.

Litigation risk

Felix offers products and services to its user base which in certain circumstances may give rise to potential legal action by users.

The Group has agreements with employees, contractors, customers, suppliers and other entities. There is a risk the Group may be subject to litigation and other claims and disputes in the course of doing business, including contractual disputes and indemnity claims, misleading and deceptive conduct claims, intellectual property disputes and employment related claims.

There is also a risk the Group may be subject to regulatory investigations and sanctions or fines by governmental agencies in the event of non-compliance with relevant statutory or regulatory requirements. Such litigation, claims, disputes or investigations, including the costs of settling claims or paying sanctions or fines, and any associated operational impacts, may be costly and damaging to the Group's reputation and business relationships, any of which could have a material adverse effect on the Group's financial performance, position or industry standing.

International offer restrictions

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This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below:

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities. The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the FMC Act).

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.