

Appendix 4D

Half year report



1. Company details

Name of Entity	Felix Group Holdings Limited
ABN	65 159 858 509
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcements to the market

	31 Dec 2023	31 Dec 2022	Up/Down	% Change
Revenues and other income from ordinary activities	\$3,278,437	\$2,468,916	Up	33%
Loss from ordinary activities after tax attributable to the owners of Felix Group Holdings Limited	\$2,887,800	\$3,319,170	Down	13%
Total comprehensive loss attributable to the owners of Felix Group Holdings Limited	\$2,898,525	\$3,325,440	Down	13%

Dividends

- No final dividend was paid in relation to the year ended 30 June 2023.
- No interim dividend will be paid in relation to the half-year ended 31 December 2023.

Comments

- The loss for the consolidated entity after providing for income tax amounted to \$2,887,800 (31 December 2022: \$3,319,170).

Further information on the results is detailed in 'the Directors' report which is part of this interim report.

3. Net tangible assets

	Reporting period (cents)	Previous period (cents)
Net tangible assets per ordinary security	\$0.02	\$0.01

4. Control gained over entities

No control has been gained over entities during the period.

Appendix 4D

Half year report



5. Loss of control over entities

No loss of control has occurred over entities during the period.

6. Details of associates and joint venture entities

There are no associates or joint ventures.

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report is unqualified.

8. Attachments

Details of attachments (if any):

The Interim Report of Felix Group Holdings Limited for the half-year ended 31 December 2023 is attached.

9. Signed

A handwritten signature in blue ink, appearing to read "MBB CC", positioned above a horizontal line.

Michael Bushby
Director

26 February 2024



Directors' report

Directors

The directors present their report, together with the financial statements, on the consolidated entity consisting of Felix Group Holdings Limited ("Felix" or 'the Company') and the entities it controlled ('the Consolidated Entity' or "the Group") at the end of, or during, the half-year ended 31 December 2023.

The following persons were directors of Felix Group Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Michael Bruce Bushby
- Michael Peter Davis
- Joycelyn Cheryl Morton
- Robert William Phillpot
- George Humphry Davy Rolleston
- Michael Anthony Trusler

Principal activities

During the period, the principal continuing activity of the Group consisted of a cloud-based SaaS solution to its Contractor and Vendor customer base to make it easier for them to find, manage and engage with each other. The Felix platform automates and streamlines a range of critical, procurement-focused business processes.

Contractors are contracted by asset owners to build or maintain capital works projects in the commercial construction and related industries.

Vendors comprise the Contractors suppliers and include subcontractors, equipment providers and service and materials providers.

Review of operations

Felix achieved a number of significant milestones during H1 FY24 while executing against strategic objectives of accelerating Tier 1 Contractor growth, driving expansion revenue, and achieving sustainable cashflow breakeven. During H1 FY24, the Company signed multiple new Contractors, delivered significant expansion deals, and reduced net operating cash outflows in line with the Company's aim of achieving operating cashflow breakeven by Q1 FY25. In addition, Felix also made progress against its product roadmap, including key feature development and international data compliance and security certificates, and continued to grow the Vendor Marketplace.

Directors' report

EBITDA (non-IFRS)

The EBITDA performance of the Group is a non-IFRS measure. EBITDA provides an understanding of the company's operational performance by excluding non-operating expenses and allows for easier comparison with industry peers.

	H1 FY24	H1 FY23	% Change
Revenue			
Contractor Revenue	2,215,821	1,452,819	53%
Vendor Revenue	1,005,726	919,854	9%
Other Income	56,890	96,243	-41%
TOTAL REVENUE & INCOME	3,278,437	2,468,916	33%
Operating Expenses			
Employee benefits	(3,976,474)	(3,776,118)	5%
Share Based Payments	(42,382)	(88,191)	-52%
Other expenses from ordinary activities	(1,791,699)	(1,770,890)	1%
TOTAL OPERATING EXPENSES	(5,810,555)	(5,635,199)	3%
EBITDA	(2,532,118)	(3,166,283)	-20%
Depreciation & Amortisation	(351,014)	(146,495)	140%
Finance Costs	(4,668)	(6,392)	-27%
LOSS BEFORE INCOME TAX	(2,887,800)	(3,319,170)	-13%

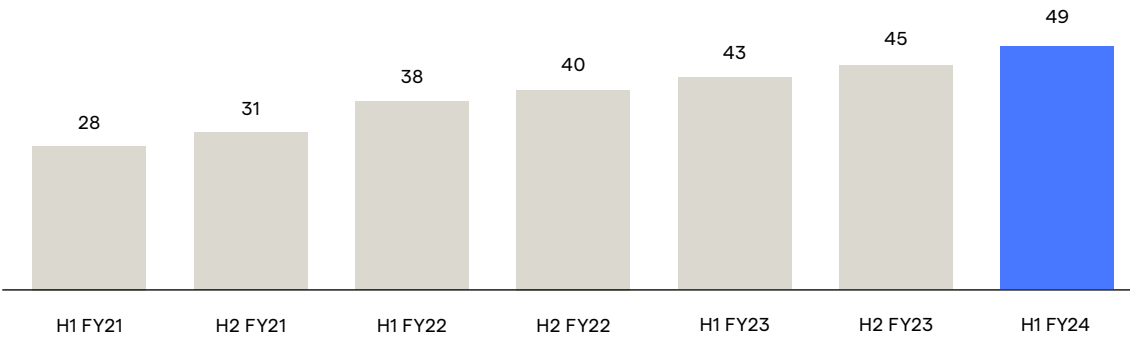
New contract wins

In H1 FY24, Felix signed five leading Contractors, bringing the total number of Contractors on the enterprise platform to 49 (see Figure 1). Notably, Felix signed the Company's first international contract outside of APAC with a global multi-disciplinary engineering, project delivery and operations management Contractor. Predominantly focused on the mining, minerals, and metals industry, the Contractor operates across Africa and the Middle East, North and South America, and APAC. The contract builds on Felix's already considerable international momentum, with its platform utilised on over 90 international projects by existing customers. The contract also validates Felix's capital-light international expansion strategy, which has the potential to reshape Felix's financial profile due to the size and scale of international opportunities in the pipeline.

Felix also saw strong momentum in new adjacent sectors such as mining & resources, as highlighted by the contracts signed with an ASX-listed gold miner, an ASX-listed provider of network services, as well as MMA offshore, a marine services provider. These contracts represent strong validation of the broad applicability of the platform, with the momentum built providing Felix leverage in driving further adoption across adjacent sectors.

Directors' report

Figure 1. Contract Customers

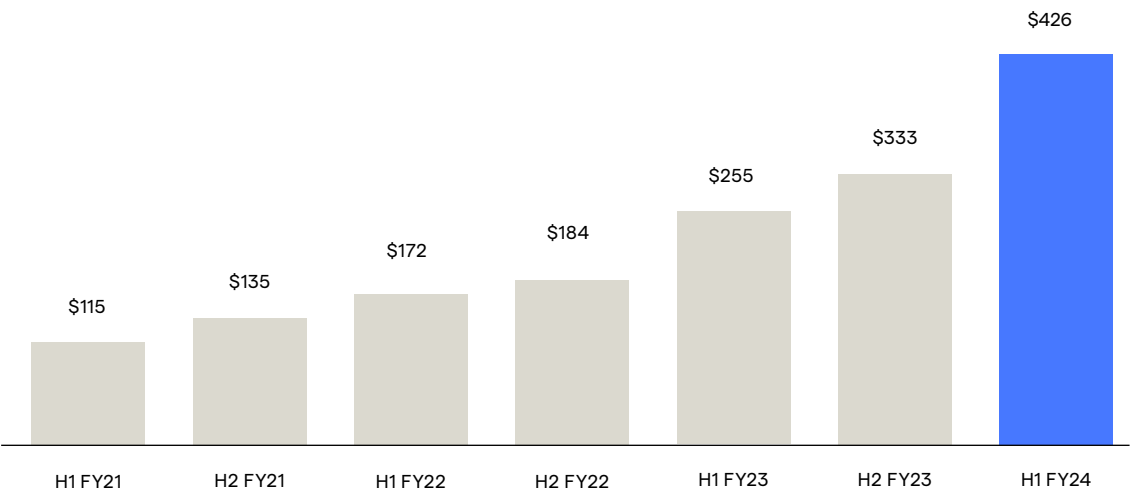


Expansions across existing customers

Five expansion deals were signed in H1 FY24, including a record expansion deal with Downer Group (ASX:DOW) (NZD:DOW), a leading ASX and NZX-listed integrated services provider. A significant expansion deal was also signed with NRW Holdings (ASX:NWH), a leading ASX-listed construction and mining company headquartered in Perth. The 3-year enterprise contract with NRW followed an initial successful contract with Primero, a subsidiary of NRW, demonstrating Felix's ability to upsell into larger parent organisations of its existing customer base. The ongoing signing of expansion deals highlights the mission critical nature of Felix's solution for existing customers, while also generating high margin revenue from Felix's existing customer base.

Driven by the signing of new customers and implementation of significant expansion deals during H1 FY24, Felix delivered rapid Contractor MRR growth of 67% on pcp (refer to Figure 2), with Contractor MRR for the closing month of H1 FY24 reaching \$426k. Felix also delivered record Contractor Net Revenue Retention (NRR) in H1 FY24, achieving a Contractor NRR of 116% at the end of the period. The strong Contractor NRR result was delivered despite one customer churning in H1 FY24.

Figure 2. Contractor MRR (A\$'000)

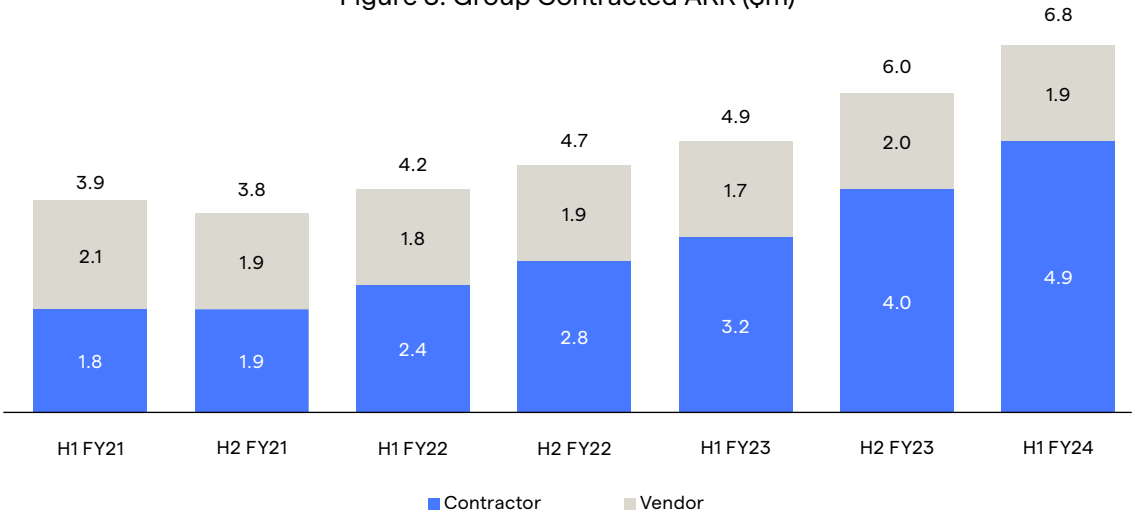


Directors' report

Group ARR

Total Group ARR was at \$6.8m in H1 FY24 (refer to Figure 3), increasing 39% on pcp, with Contractor ARR contributing \$4.9m. Contractor ARR grew strongly by 55% on pcp, driving the increase in Contractor ARR contribution from 65% to 73% between H1 FY23 and H1 FY24. The growth in Contractor ARR aligns with Felix's strategic focus on scaling Contractor ARR, which represents a higher margin opportunity relative to Vendor ARR.

Figure 3. Group Contracted ARR (\$m)



Cashflow improvements

Felix has also made significant progress in improving the Company's cashflow profile, with H1 FY24 cash receipts increasing 71% on pcp, while H1 FY24 operating outflows only increased 7% on pcp. Furthermore, cost base efficiencies made in H1 FY24 will reduce annualised operating cash outflows by 9% from January 2024 onwards. Felix has delivered a significant improvement in cashflow performance with total H1 FY24 net operating cash outflows of \$1.3m, representing a 57% reduction relative to pcp. These improvements are in line with Felix's aim of achieving sustainable cashflow breakeven in Q1 FY25.

Platform development

During H1 FY24, Felix achieved SOC 2 Type 1 certification and GDPR compliance, which are international data security certifications for North America and Europe, respectively. This compliments Felix's ISO27001 certification, which was obtained in May 2021, another internationally recognised data security standard. These certifications recognise the security of Felix's governance, infrastructure, systems, and ability to protect customer information from unauthorised access. Furthermore, these certifications are often security requirements for large organisations, and is expected to help reduce the sales cycles for international customers as well as significantly expand Felix's addressable market.

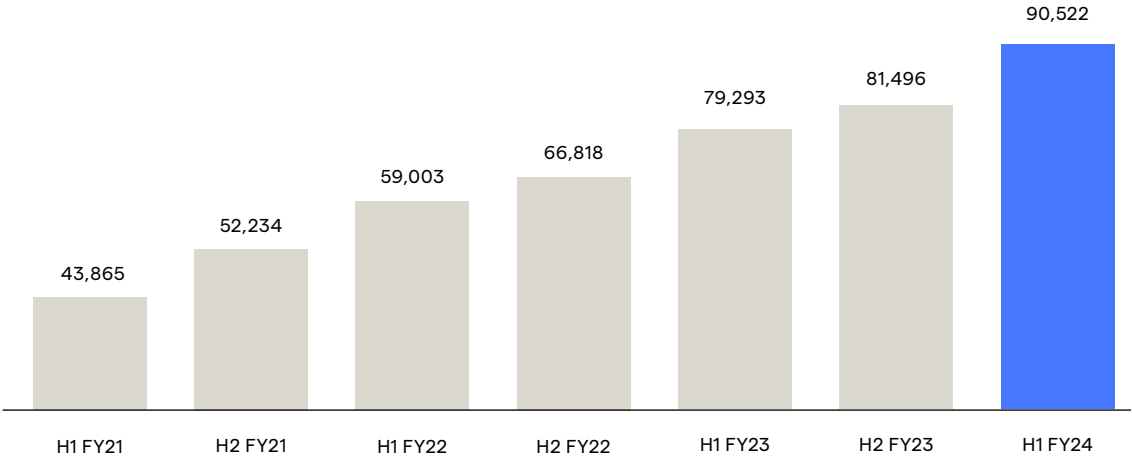
Felix also released an AI-powered information extraction and validation solution for compliance documents during H1 FY24. The AI-powered solution will improve inefficiencies that currently exist for Vendors during onboarding stages and is expected to enhance Contractor sales by demonstrating the efficiency and accuracy in Felix's onboarding processes.

Vendor marketplace

The onboarding of five new Contractors in H1 FY24 has continued to grow and scale the Vendor Marketplace, as these Contractors mandate the usage of Felix across their entire third-party supply chain of Vendors onto the platform. The number of Vendors in the Marketplace grew 14% on pcp, from 79,293 in H1 FY23 to 90,522 in H1 FY24 (refer to Figure 5). The increase in scale of the Vendor Marketplace supports Felix's strategic aim of monetising the Marketplace in the medium-term, following the development of key modules and features.

Directors' report

Figure 4. Number of Vendors in the Vendor Marketplace



Engagement metrics

Felix has observed strong growth across of its key platform engagement metrics throughout H1 FY24, reflecting expanding usage of its platform and indicating the platform’s deepened engagement within customer systems and processes. Key highlights were (for the half-year period ending 31 December 2023):

- Number of Active Projects: +52% pcp
- Requests for Quotations (RFQ) sent by Contractors: +67% pcp
- Total Contractor User Accounts: +25% pcp
- Total active Vendor Compliance Documents: +6% pcp

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to ‘rounding-off’. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors’ report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Michael Bushby
Director

26 February 2024

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY NIGEL BATTERS TO THE DIRECTORS OF FELIX GROUP HOLDINGS LIMITED

As lead auditor of Felix Group Holdings Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Felix Group Holdings Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'N I Batters', with a small flourish at the end.

N I Batters
Director

BDO Audit Pty Ltd

Brisbane, 26 February 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

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Introduction

General Information

The financial statements cover Felix Group Holdings Limited as a consolidated entity consisting of Felix Group Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Felix Group Holdings Limited's functional and presentation currency.

Felix Group Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office & Principal place of business

Unit 1F
24 Macquarie Street
Teneriffe QLD 4005

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2024.

Statement of profit or loss and other comprehensive income

— For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023 \$	31 Dec 2022 \$
REVENUE			
Sales revenue	3	3,221,547	2,372,673
Other income:	4	56,890	96,243
EXPENSES			
Contractor expenses		(452,666)	(525,992)
Depreciation & amortisation		(351,014)	(146,495)
Employee benefits		(3,976,474)	(3,776,118)
Finance costs		(4,668)	(6,392)
Insurance		(127,825)	(80,849)
Marketing & advertising		(83,165)	(100,263)
Professional fees		(230,329)	(234,459)
Project costs		(110,999)	(87,995)
Share based payments		(42,382)	(88,191)
Subscriptions		(520,758)	(361,219)
Other expenses		(265,957)	(380,113)
LOSS BEFORE INCOME TAX EXPENSE		(2,887,800)	(3,319,170)
Income tax expense		—	—
LOSS AFTER INCOME TAX EXPENSE FOR THE HALF-YEAR		(2,887,800)	(3,319,170)
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating foreign controlled entities		(10,725)	(6,270)
Other comprehensive income for the half-year, net of tax		(10,725)	(6,270)
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		(2,898,525)	(3,325,440)
		Cents	Cents
Basic loss per share	14	(\$0.02)	(\$0.02)
Diluted loss per share	14	(\$0.02)	(\$0.02)

Statement of Financial Position

— As at 31 December 2023

	Note	Consolidated 31 Dec 2023 \$	30 Jun 2023 \$
Assets			
Current assets			
Cash and cash equivalents		813,879	2,755,854
Trade and other receivables		358,227	561,626
Income tax receivable		166,159	514,539
Deposits held	5	3,640,040	14,150
Accrued contract costs		232,734	157,302
Prepayments		599,145	597,456
Other		3,072	-
Total current assets		5,813,256	4,600,927
Non-current assets			
Property, plant and equipment	6	40,378	48,228
Intangibles	7	1,247,221	974,807
Right-of-use assets	8	78,762	101,266
Accrued contract costs		176,703	190,386
Total non-current assets		1,543,064	1,314,687
Total assets		7,356,320	5,915,614
Liabilities			
Current liabilities			
Trade and other payables		1,311,633	1,262,712
Contract liabilities		3,386,368	2,655,044
Lease liabilities	9	46,417	43,217
Short term employee benefits		574,469	514,465
Total current liabilities		5,318,887	4,475,438
Non-current liabilities			
Lease liabilities	9	39,117	63,149
Long term employee benefits		275,407	324,506
Total non-current liabilities		314,523	387,655
Total liabilities		5,633,410	4,863,093
Net assets		1,722,910	1,052,521
Equity			
Issued capital	10	52,940,938	49,414,406
Reserves	11	581,437	549,780
Accumulated losses		(51,799,465)	(48,911,665)
Total equity		1,722,910	1,052,521

Statement of changes in equity

— For the half-year ended 31 December 2023

Consolidated	Reserves				Total equity \$
	Issued capital \$	Share Based Payments \$	Foreign Exchange \$	Accumulated losses \$	
Balance at 1 July 2022	48,644,305	1,165,449	8,653	(42,786,971)	7,031,436
Loss after income tax expense for the half-year	–	–	–	(3,319,170)	(3,319,170)
Other comprehensive income for the half-year, net of tax	–	–	(6,270)	–	(6,270)
Total comprehensive income for the half-year	–	–	(6,270)	(3,319,170)	(3,325,440)
Transactions with owners in their capacity as owners: Contribution of equity – shares to be issued.	770,101	(681,910)	–	–	88,191
Balance at 31 December 2022	49,414,406	483,539	2,383	(46,106,141)	3,794,187

Consolidated	Reserves				Total equity \$
	Issued capital \$	Share Based Payments \$	Foreign Exchange \$	Accumulated losses \$	
Balance at 1 July 2023	49,414,406	539,786	9,994	(48,911,665)	1,052,521
Loss after income tax expense for the half-year	–	–	–	(2,887,800)	(2,887,800)
Other comprehensive income for the half-year, net of tax	–	–	(10,725)	–	(10,725)
Total comprehensive income for the half-year	–	–	(10,725)	(2,887,800)	(2,898,525)
Transactions with owners in their capacity as owners: Contributions of equity, net of transaction costs	3,526,532	–	–	–	3,526,532
Share-based payments capitalised	–	42,382	–	–	42,382
Balance at 31 December 2023	52,940,938	582,168	(731)	(51,799,465)	1,722,910

Statement of cash flows

— For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 \$	31 Dec 2022 \$
Cash flows from operating activities			
Receipts from operations (inclusive of GST)		5,080,220	2,972,140
Payments to suppliers and employees (inclusive of GST)		(6,362,352)	(5,945,678)
		(1,282,132)	(2,973,538)
Interest received		37,257	40,175
Interest and other finance costs paid		(4,668)	(3,196)
Net cash from/(used in) operating activities		(1,249,543)	(2,936,559)
Cash flows from investing activities			
(Payments for)/ Proceeds from deposits held		(3,625,889)	4,000,263
Payments for property, plant and equipment		(8,697)	(4,389)
Payments for intangibles		(584,378)	(330,751)
Net cash from/(used in) investing activities		(4,218,964)	3,665,123
Cash flows from financing activities			
Proceeds of share issue	10	3,822,400	-
Payment of share issue costs	10	(295,868)	-
Net cash from/(used in) financing activities		3,526,532	-
Net increase/(decrease) in cash and cash equivalents		(1,941,975)	728,564
Cash and cash equivalents at the beginning of the financial half-year		2,755,854	4,877,545
Cash and cash equivalents at the end of the financial half-year		813,879	5,606,109

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Going Concern

The half year report has been prepared on a going concern basis which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

For the period ending 31, December 2023, the Group incurred a loss before income tax of \$2,887,800 (1H FY23: \$3,319,170) and experienced net cash outflows from operations of \$1,249,543 (1H FY23: outflows of \$2,936,559).

The Group completed a two tranche Placement and SPP during the period. The transaction resulted in the Group raising an additional \$3.82 million, before fees. The Group is currently free of any debt liabilities. The capital raise funds received, nil debt and improvement in net loss from operations indicate that no material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and therefore, the Group will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

The report has been prepared on a going concern basis.

New or amended Accounting Standards & Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material impact on the adoption of the new standards.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 2. Operating segments

The Group provides a cloud-based SaaS solution to its Contractor and Vendor customer base in Australia and New Zealand. The Chief Executive Officer is Chief Operating Decision Maker (CODM). The CODM monitors the results of the Group on a consolidated basis and is therefore one reportable segment.

Note 3. Revenue

	Consolidated	
	31 Dec 2023 \$	31 Dec 2022 \$
Vendor Subscription Revenue	1,005,726	919,854
Contractor Subscription Revenue	2,215,821	1,452,819
	3,221,547	2,372,673
<i>Timing of revenue recognition</i>		
Revenue transferred over time	3,221,547	2,372,673
Revenue transferred at a point in time	–	–
	3,221,547	2,372,673

For the six months of the 2024 period, revenue includes \$1,831,590 (2023: \$1,108,994) included in the contract liability balance at the beginning of the period broken down as follows.

	Consolidated	
	31 Dec 2023 \$	31 Dec 2022 \$
Vendor Revenue	211,657	208,709
Contractor Revenue	1,619,933	900,285
	1,831,590	1,108,994

Note 4. Other income

	Consolidated	
	31 Dec 2023 \$	31 Dec 2022 \$
Interest income	37,257	40,175
Other income	15,454	–
Tax incentive	4,179	56,068
Total other income	56,890	96,243

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 5. Deposits held

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Term deposit	3,625,890	-
Rental deposit	14,150	14,150
Total deposits held	3,640,040	14,150

At period end the Group held three term deposits totalling \$3,625,890. There is a deposit totalling \$500,000 maturing on 27 January 2024, a deposit totalling \$1,065,092 maturing on 22 February 2024 and a deposit totalling \$2,060,798 maturing on 24 April 2024.

Note 6. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Office equipment - at cost	17,700	15,005
Less: Accumulated depreciation	(13,181)	(12,696)
Total office equipment	4,519	2,309
Computer equipment - at cost	249,218	243,215
Less: Accumulated depreciation	(213,359)	(197,296)
Total computer equipment	35,859	45,919
Total property plant and equipment	40,378	48,228
	Office Equipment	Computer Equipment
Movement in carrying amounts		
Balance at 1 July 2023	2,309	45,919
Additions	2,695	6,003
Disposals	-	-
Depreciation expense	(485)	(16,063)
Balance at 31 December 2023	4,519	35,859

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 7. Intangible assets

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Technology platform development at cost	4,643,365	4,058,987
Less: Accumulated amortisation	(3,396,144)	(3,084,180)
Total intangible asset	1,247,221	974,807
Movement in carrying amounts		
Balance at 1 July 2023	974,807	
Additions	584,378	
Impairment	-	
Amortisation expense	(311,964)	
Balance at 31 December 2023	1,247,221	

Note 8. Right of use asset

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Right of use asset	135,021	135,021
Less: Accumulated depreciation	(56,259)	(33,755)
Total right of use asset	78,762	101,266
Movement in carrying amounts		
Balance at 1 July 2023	101,266	
Additions	-	
Impairment	-	
Amortisation expense	(22,504)	
Balance at 31 December 2023	78,762	

Lease liabilities are presented in the statement of financial position as follows:

Note 9. Lease Liabilities

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Current	46,417	43,217
Non-current	39,117	63,149
Total lease liability	85,534	106,366

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 9. Lease Liabilities (cont.)

Future minimum lease payments as at 31 December 2023 were as follows:

	Consolidated		
	< 12 Months \$	1 to 5 Years \$	Total \$
Lease payments	52,520	40,560	93,080
Finance charges	(6,103)	(1,443)	(7,546)
Net present value	46,417	39,117	85,534

Future minimum lease payments as at 31 December 2022 were as follows:

	Consolidated		
	< 12 Months \$	1 to 5 Years \$	Total \$
Lease payments	50,500	93,080	143,580
Finance charges	(10,317)	(7,546)	(17,863)
Net present value	40,183	85,534	125,717

Note 10. Equity

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	52,940,938	49,414,406

	Consolidated	
	31 Dec 2023 Shares	30 Jun 2023 Shares
Ordinary shares - fully paid	204,499,713	156,719,713

Movements in ordinary share capital

	Date	No. of Shares	Issue price	\$
Balance	1 July 2023	156,719,713	-	49,414,406
Issue of shares for Placement (Tranche 1)	14 August 2023	17,325,000	\$0.08	1,386,000
Issue of shares for SPP	1 September 2023	10,280,000	\$0.08	822,400
Issue of shares for Placement (Tranche 2)	28 September 2023	20,175,000	\$0.08	1,614,000
Fees associated with Placements and SPP	-	-	-	(295,868)
Balance	31 December 2023	204,499,713	-	52,940,938

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 11. Equity - reserves

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
<i>Reserves:</i>		
Foreign exchange	(731)	9,994
Foreign exchange reserve total	(731)	9,994
<i>Share based payment:</i>		
Senior management options	263,794	233,990
Director options	297,375	284,796
Consultant options	21,000	21,000
Share based payment reserve total	582,168	549,780
Closing Balance Reserves	581,437	549,780

Note 12. Events after the reporting period

There were no events after the reporting period.

Note 13. Contingent liabilities

During the financial half-year there were no legal claims or other contingent liabilities brought against the group.

Notes to the financial statements

— For the half-year ended 31 December 2023

Note 14. Earnings per share

a) Reconciliation of earnings used in calculating earnings per share

	Consolidated	
	31 Dec 2023 \$	31 Dec 2022 \$
<i>Basic and diluted earnings per share</i>		
Loss from operations used to calculate basic and diluted EPS from operations	(2,887,800)	(3,319,170)

b) Weighted average number of shares used as the denominator

	Consolidated	
	31 Dec 2023	31 Dec 2022
<i>Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share.</i>	190,131,973	156,719,000

Directors' declaration

— For the half-year ended 31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Michael Bushby
Director

26 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Felix Group Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Felix Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO
N I Batters

N I Batters
Director

Brisbane, 26 February 2024