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Felix Group Holdings Ltd (ACN: 159 858 509)

ASX Announcement **23 August 2021**

Full year results supported by strong Contractor and Vendor growth; well positioned to accelerate scale

Key Highlights

- **29% increase in Contractor customers on pcp to 31, with momentum in 1Q FY22 providing a strong foundation for accelerated growth and platform scale**
- **52,234 Vendors in Marketplace increasing 53% on pcp, significantly increasing the scale and value of future monetisation opportunities of the Marketplace**
- **30% increase in FY21 Contractor subscription revenues as a result of new contract wins and expansions from existing customers**
- **$2.0m improvement in Adjusted EBITDA following cost base optimisation initiatives**
- **Strong cash position of A$8.9m as at 30 June 2021, providing funding flexibility to execute growth strategy and platform expansion**

BRISBANE Australia, 23 August 2021: Felix Group Holdings Ltd (ASX: FLX) ("**Felix**" or the "**Company**") is pleased to release its full year results (Appendix 4E) for the period ended 30 June 2021 ("**FY21**").

Felix's Co-Founder and CEO, Mike Davis commented:

"Felix has enjoyed a strong FY21, with significant progress made in scaling the platform. We are particularly pleased with the continuing growth in the number of leading Contractors on the platform and the significant strategic value they provide in scaling the Vendor Marketplace.

Early momentum in the first quarter of FY22 provides Felix with a strong foundation for accelerated growth as organisations are moving towards digitising the way the manage and engage with their third-party Vendors. We are excited by the opportunities in the year ahead as we continue to unlock the value of the platform."

Growing platform scale

In FY21 Felix significantly expanded its customer base of leading Contractors to 31, increasing 29% on FY20. Each new Contractor is highly strategic, providing opportunities to further scale revenue through module uptake while also driving Vendor Marketplace scale as new Contractors mandate use of the platform across their network of third-party suppliers. Growing adoption by Contractors is resulting in accelerated scale of the Vendor Marketplace, creating significant long-term revenue growth opportunities.

During the year, new Contractor customers included Macmahon (ASX:MAH), ConnectSydney and Freyssinet. Consistent with its strategy, Felix continued to expand its penetration across new high value sectors, with Contractors won across construction, engineering, government

& infrastructure, resources and energy & utilities. This further highlights the broad applicability of Felix's platform and expanding market opportunity beyond the construction sector.

During the year, the number of Vendors in the Vendor Marketplace continued to grow, highlighting the accelerating scale of the platform. Felix added an additional 18,168 Vendors, increasing 53% on FY20. Felix is pleased with the growing scale of the Vendor Marketplace, with long-term growth enhanced by the significant opportunity to unlock the value of the Vendor Marketplace.

Financial results

Felix's total revenue for FY21 was $4.2m, with Contractor revenue increasing 30% to $1.5m. Contractor revenues benefited from a number of new contract wins and expansions of existing contracts. During FY21 Vendor revenue reduced by 16% to $2.7m following a deliberate strategic shift in FY20 towards scaling Felix's Contractor base.

Efficiencies in the cost base resulted in a $2.0m improvement in Adjusted EBITDA for the year, lifting from ($4.8m) in FY20 to ($2.8m) in FY21. Group operating performance saw significant progress with net operating cash outflows in FY21 of $2.8m, improving $3.6m on the previous financial year.

Felix is well capitalised to progress its strategic growth initiatives with cash and cash equivalents at the end of the financial year of $8.9m.

Outlook and strategic priorities

Felix continues to focus on executing against its strategic plan to scale the platform and accelerate growth. Early momentum in FY22 provides a solid foundation with the Company focused on executing on new Contractor opportunities in the advanced stages of its pipeline. The near-term focus is on doubling the number of Contractors. In addition, Felix sees significant opportunities to drive organic growth with over 50% of the existing Contractor base in active discussions to expand use of the platform across their organisation.

A number of platform initiatives are underway, including the development of the *Vendor Compliance Passport* to significantly streamline the qualification process for Contractors and Vendors. Alongside this, Felix is exploring AI-powered document information extraction and validation which will provide significant financial, operational and strategic benefits for the Company, while also unlocking the value of the Vendors.

Authorised for release by:

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About Felix – see more at felix.net

Felix operates a cloud-based enterprise Software as a Service (SaaS) procurement management platform and vendor marketplace. Felix connects contractors and third-party vendors by digitising, automating, and streamlining a range of critical procurement-related business processes – reducing supply chain risk and improving transparency and governance.