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Felix Group Holdings Ltd (ACN: 159 858 509)

**ASX Announcement** **7 August 2023**

# FY23 Unaudited Management Financial Information

BRISBANE Australia, 7 August 2023: Felix Group Holdings Ltd (ASX: FLX) ("**Felix**" or the "**Company**") is pleased to provide unaudited management accounts for the financial year FY23.

The attached unaudited management accounts are being provided on a preliminary basis and in connection with the capital raising announcement today and to satisfy the Company's continuous disclosure obligations.

**Unaudited FY23 financial results summary**

| | **FY23** | **FY22** | **Change** |
|---|---|---|---|
| Sales Revenue | $5,103,882 | $3,915,444 | 30% Improvement |
| EBITDA | $(5,808,017) | $(6,805,475) | 15% Improvement |
| Loss after income tax | $(6,124,693) | $(7,555,156) | 19% Improvement |

In FY23, sales revenue was $5.1m, increasing 30% on FY22, driven by strong sales momentum for Felix's enterprise procurement management platform which increased 58% to $3.2m in FY23. The growth in enterprise sales was supported by a number of large Tier 1 Contractor wins, including NRW Holdings (ASX:NWH), Pilbara Minerals (ASX:PLS) and Laing O'Rourke Australia, as well as 20 expansions of existing customer contracts. Marketplace subscription revenue remained stable in FY23, in line with Felix's expectations and the Company's Contractor led growth strategy.

FY23 EBITDA improved $1m to $(5.8)m relative to FY22 as a result of sales growth and flat operating expenses. During the period, employee costs increased in line with modest increases in head count. Subscription expenses increase $0.4m in FY23 as a result of one-off investment in operating systems software to support growth. Increases in employee and subscription costs were offset by reductions in consultants fees for Felix's Manila-based team. Consultant fees, other expenses, insurance costs in FY23 were all broadly in line with FY22.

The following preliminary unaudited management accounts for the financial year FY23 are attached to this announcement:

- Consolidated statement of profit and loss and other comprehensive income for the year ended 30 June 2023;
- Consolidated statement of financial position as at year ended 30 June 2023;
- Consolidated statement of changes in equity for the year ended 30 June 2023;
- Consolidated statement of cash flows for the year ended 30 June 2023; and
- Disclosure notes for revenue and intangibles.

The management accounts are current as at 7 August 2023. Felix expects to release its ASX Appendix 4E (Preliminary Final Report) for the financial year FY23 in late August 2023 and its audited accounts for the financial year FY23 in late September 2023.

Authorised for release by:

**Mike Davis**
**CEO**
**Felix Group Holdings Ltd**

For further information please contact:


| **Company** | **Investors** |
|---|---|
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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.*

# Unaudited Management Prepared - Consolidated statement of profit or loss and other comprehensive income — For the year ended 30 June 2023

| | Note | Consolidated 2023 $ | Consolidated 2022 $ |
|---|---|---|---|
| REVENUE | | | |
| Sales revenue | 2 | 5,103,882 | 3,915,444 |
| Other income | | 206,670 | 208,466 |
| Total Revenue | | 5,310,552 | 4,123,910 |
| EXPENSES | | | |
| Consultants fees | | (978,293) | (1,335,308) |
| Contract costs | | (177,067) | (80,271) |
| Depreciation and amortisation expense | | (307,831) | (741,998) |
| Employee benefits expense | | (7,530,378) | (7,199,182) |
| Finance costs | | (8,845) | (7,683) |
| Insurance | | (177,431) | (134,674) |
| Subscriptions | | (823,546) | (415,094) |
| Other expenses | | (1,285,125) | (1,140,349) |
| Share based payments | | (146,729) | (624,505) |
| Total Expenses | | (11,435,245) | (11,679,065) |
| LOSS BEFORE INCOME TAX EXPENSE | | (6,124,693) | (7,555,156) |
| Income tax (expense)/ benefit | | - | - |
| Loss after income tax expense for the-year | | (6,124,693) | (7,555,156) |
| Other comprehensive income | | | |
| Items that may be reclassified subsequently to profit or loss<br>Exchange differences on translating foreign controlled entities | | 1,341 | 8,607 |
| Other comprehensive income for the half-year, net of tax | | 1,341 | 8,607 |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO MEMBERS OF FELIX GROUP HOLDINGS LIMITED | | (6,123,352) | (7,546,549) |
| Loss per share for profit attributable to the members of Felix Group Holdings Limited | | Cents | Cents |
| Basic loss per share | | 3.92 | 5.61 |
| Diluted loss per share | | 3.92 | 5.61 |

# Unaudited Management Prepared - Consolidated statement of Financial Position— As at year ended 30 June 2023

| | Note | 2023<br>$ | 2022<br>$ |
|---|---|---|---|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 2,755,854 | 4,877,545 |
| Trade and other receivables | | 561,626 | 423,742 |
| Income Tax Receivable | | 514,539 | 353,935 |
| Deposits held | | 14,150 | 4,000,263 |
| Contract assets | | 157,302 | 29,498 |
| Prepayments | | 597,456 | 491,287 |
| Other | | - | 51,167 |
| Total current assets | | 4,600,927 | 10,227,437 |
| Non-current assets | | | |
| Property, plant and equipment | | 48,228 | 109,692 |
| Right of use assets | | 101,266 | - |
| Intangible assets | 3 | 974,807 | 533,127 |
| Contract assets | | 190,386 | 269,654 |
| Total non-current assets | | 1,314,687 | 912,473 |
| Total assets | | 5,915,614 | 11,139,910 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 1,262,712 | 1,442,874 |
| Contract liabilities | | 2,655,044 | 1,907,062 |
| Lease liabilities | | 43,217 | - |
| Short term provisions | | 514,465 | 478,208 |
| Total current liabilities | | 4,475,438 | 3,828,144 |
| Non-current liabilities | | | |
| Lease liabilities | | 63,149 | - |
| Long term provisions | | 324,506 | 280,331 |
| Total non-current liabilities | | 387,655 | 280,331 |
| Total liabilities | | 4,863,093 | 4,108,475 |
| Net assets | | 1,052,521 | 7,031,435 |
| EQUITY | | | |
| Issued capital | | 49,414,406 | 48,644,304 |
| Reserves | | 549,780 | 1,174,102 |
| Retained profits/ (accumulated losses) | | (48,911,665) | (42,786,971) |
| Total equity | | 1,052,521 | 7,031,435 |

# Unaudited Management Prepared - Consolidated statement of changes in equity — For the year ended 30 June 2023

| Consolidated | Issued capital $ | Reserves Share Based Payments $ | Reserves Foreign Exchange $ | Retained profits/ accumulated losses $ | Total equity $ |
|---|---|---|---|---|---|
| Balance at 1 July 2021 | 41,548,266 | 1,028,866 | 46 | (35,231,815) | 7,345,363 |
| Loss after income tax expense for the year | – | – | – | (7,555,156) | (7,555,156) |
| Other comprehensive income for the year, net of tax | – | – | 8,607 | – | 8,607 |
| Total comprehensive income for the year | - | - | 8,607 | (7,555,156) | (7,546,549) |
| Contributions of equity, net of transaction costs | 7,096,038 | - | – | – | 7,096,038 |
| Share-based payments capitalised | - | 624,505 | - | - | 624,505 |
| Share-based payments exercised | - | (487,922) | – | – | (487,922) |
| Balance at 30 June 2022 | 48,644,304 | 1,165,449 | 8,653 | (42,786,971) | 7,031,435 |

| Consolidated | Issued capital $ | Reserves Share Based Payments $ | Reserves Foreign Exchange $ | Retained profits/ accumulated losses $ | Total equity $ |
|---|---|---|---|---|---|
| Balance at 1 July 2022 | 48,644,304 | 1,165,449 | 8,653 | (42,786,971) | 7,031,435 |
| Loss after income tax expense for the year | - | - | - | (6,124,693) | (6,124,693) |
| Other comprehensive income for the year, net of tax | - | - | 1,341 | - | 1,341 |
| Total comprehensive income for the year | - | - | 1,341 | (6,124,693) | (6,123,352) |
| Share-based payments capitalised | - | 144,439 | - | - | 144,439 |
| Share-based payments exercised | 770,102 | (770,102) | - | - | - |
| Balance at 30 June 2023 | 49,414,406 | 539,786 | 9,994 | (48,911,664) | 1,052,521 |

# Unaudited Management Prepared - Consolidated statement of cash flows — For the year ended 30 June 2023

| | Note | 2023 $ | 2022 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from operations (inclusive of GST): | | 6,267,798 | 5,035,639 |
| Payments to suppliers and employees (inclusive of GST) | | (11,701,071) | (11,172,517) |
| | | (5,433,273) | (6,136,878) |
| Interest received | | 63,912 | 12,666 |
| Interest and other finance costs paid | | (8,845) | (7,683) |
| Net cash from/(used in) operating activities | | (5,378,206) | (6,131,895) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | | (19,117) | (48,453) |
| Payments for intangibles | | (710,481) | (480,056) |
| Payment for deposits | | (14,150) | (4,000,263) |
| Proceeds from deposits held | | 4,000,263 | - |
| Net cash from/(used in) investing activities | | 3,256,515 | (4,528,772) |
| **Cash flows from financing activities** | | | |
| Proceeds of share issue | | - | 6,878,689 |
| Payment of share issue costs | | - | (270,573) |
| Net proceeds/ (repayment) of borrowings | | - | - |
| Net cash from/(used in) financing activities | | - | 6,608,116 |
| Net increase/ (decrease) in cash and cash equivalents | | (2,121,691) | (4,052,551) |
| Cash and cash equivalents at the beginning of the financial year | | 4,877,545 | 8,930,095 |
| Cash and cash equivalents at the end of the financial year | | 2,755,854 | 4,877,544 |

# Unaudited Management Prepared - Notes to the financial statements

## Note 1. Basis of Preparation

The principal accounting policies adopted are consistent with those of previous financial years.

The financial information is unaudited, and has been prepared by management. The audited financial statements will be released in late September 2023.

The financial information has been prepared to satisfy ASX listing rules and the Company's continuous disclosure obligations regarding the announcement of the Placement and SPP on 7 August 2023.

The financial information has been prepared on a going concern basis. The independent auditor's review report to the members of the Group at the previous reporting period (H1 FY23) drew attention to the material uncertainty related to going concern.

## Note 2. Sales Revenue

| | Consolidated | |
|---|---|---|
| | 2023 $ | 2022 $ |
| Enterprise SaaS (Contractor) Revenue | 3,218,017 | 2,039,723 |
| Marketplace Subscription (Vendor) Revenue | 1,885,865 | 1,875,721 |
| Total | 5,103,882 | 3,915,444 |

For the financial year, and the prior period, all revenue is recognised over time.

For the financial year, revenue includes $1,899,900 (2022: $1,284,578) included in the contract liability balance at the beginning of the period broken down as follows.

| | Consolidated | |
|---|---|---|
| | 2023 $ | 2022 $ |
| Enterprise SaaS (Contractor) Revenue | 1,625,238 | 730,953 |
| Marketplace Subscription (Vendor) Revenue | 274,662 | 553,625 |
| Total | 1,899,900 | 1,284,578 |

Revenue from contracts with customers is derived from the Group's combined platform.
The Group splits its revenue between the two sides of the marketplace being monetised, Contractors and Vendors.

## Note 3. Non-current assets - intangibles

| | Consolidated | |
|---|---|---|
| | 2023 $ | 2022 $ |
| Technology platform development at cost | 4,058,987 | 3,384,796 |
| Less: accumulated amortisation and impairment | (3,084,180) | (2,851,669) |
| | 974,807 | 533,127 |
| Movement in carrying amounts | | |
| Balance at 1 July | 533,127 | 595,981 |
| Additions | 674,191 | 480,056 |
| Impairment | - | - |
| Amortisation expense | (232,511) | (542,910) |
| Balance at 30 June | 974,807 | 533,127 |