www.felix.net
Unit 1F, 24 Macquarie St.
Teneriffe, QLD 4005
Felix Group Holdings Ltd (ACN: 159 858 509)

ASX Announcement 9 August 2023

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

Replacement Shareholder Letter

BRISBANE Australia, Wednesday, 9 August 2023: Felix Group Holdings Ltd (ASX: FLX) ("**Felix**" or the "**Company**") refers to the 'Letter to Eligible Shareholders' released to the ASX on 9 August 2023 (**Shareholder Letter**) with respect to the partially underwritten, to A$0.5 million, share purchase plan (**SPP**) to offer new fully paid ordinary shares to existing eligible shareholders to raise up to A$1.0 million (before costs).

The Shareholder Letter inadvertently referenced that the SPP was fully underwritten in the heading instead of partially underwritten. All other references detailed that the SPP is partially underwritten.

The Shareholder Letter was updated prior to dispatch to any shareholders and is attached to this ASX Announcement.

Authorised for release by:

The Board
Felix Group Holdings Ltd

For further information please contact:

Company	**Investors**
James Frayne	Harry Halstead
Company Secretary	Vesparum Capital
Mobile: +61 401 663 177	Phone: +61 3 8582 4800
Email: investors@felix.net	Email: felix@vesparum.com

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.

Not an offer of securities
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Letter to Eligible Shareholders 9 August 2023

Dear Eligible Shareholder,

INVITATION TO PARTICIPATE IN PARTIALLY UNDERWRITTEN SHARE PURCHASE PLAN

On 7 August 2023, Felix Group Holdings Ltd (ASX: FLX) ("**Felix**" or the "**Company**") announced the offer for shareholders to participate in a share purchase plan (**SPP**) to subscribe for fully paid shares (**New Shares**) in the Company (**SPP Offer**).

The SPP Offer will be partially underwritten by Taylor Collison Limited (**Taylor Collison**) up to $0.5 million. Taylor Collison acted as lead manager to the Placement (details of which are set out below).

The board of Directors (**Board**) is now pleased to provide eligible shareholders with the terms and conditions of the SPP Offer as enclosed in this letter (**Terms and Conditions**).

Shareholders Eligible to Participate in the SPP

Participation under the SPP Offer is optional and is available exclusively to shareholders of the Company who are registered as holders of shares at 7.00 pm (AEST) on Friday, 4 August 2023 (**Record Date**) and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The SPP Offer entitles Eligible Shareholders, irrespective of the size of their shareholding, to purchase up to $30,000 worth of New Shares at an issue price of $0.08 (**Price**) per New Share, being the same price as the shares offered under the Placement announced on Monday, 7 August 2023. The Price represents a discount of 19.97% to the volume weighted average market price (**VWAP**) for the shares over the last 5 days on which sales in the shares were recorded before the day on which the SPP Offer was announced.

The amount proposed to be raised under the SPP Offer is $1.0 million. The SPP Offer is partially underwritten to the value of $0.5 million (**Underwritten Amount**). Further details regarding the terms of the underwriting are set out in the Terms and Conditions.

In the event of oversubscription by the Closing Date (as defined below) the Directors may, in their absolute discretion, scale-back applications on an equitable basis. If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest. Scale-back for shares held by custodians (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* (**Instrument 2019/547**)) (**Custodian**) will be applied at the level of the underlying beneficiary.

Current Activities

Details of the Company's current activities are set out in the announcements made by the Company to the ASX and are available on the ASX web-site, or the Company's web-site at https://www.felix.net/investors.

The funds raised under the SPP Offer will be used for strategic investment in sales and marketing to support growing Tier 1 Contractor pipeline and balance sheet flexibility. Further particulars are available in the Company's announcement of Monday, 7 August 2023.

How much can you invest?

Eligible Shareholders may each apply for up to a maximum of $30,000 worth of New Shares and a minimum of $1,000 worth of New Shares under the SPP Offer.

The SPP Offer does not exceed an aggregate amount of $30,000, subject to Instrument 2019/547 and the ASX Listing Rules. Any applications received under the SPP will be scaled back or declined if the aggregate amount subscribed under the SPP Offer exceeds $30,000.

How to accept this Offer

To apply for New Shares under the SPP Offer, please visit www.computersharecas.com.au/FelixSPP using your HIN/SRN, Surname/Company Name and postcode to access your unique BPAY details. Eligible Shareholders may participate by selecting only one of the following offers to purchase New Shares under the SPP Offer:

OPTION	DOLLAR VALUE OF NEW SHARES	NUMBER OF NEW SHARES
1	$1,000	12,500
2	$2,000	25,000
3	$5,000	62,500
4	$10,000	125,000
5	$15,000	187,500
6	$20,000	250,000
7	$25,000	312,500
8	$30,000	375,000

[1] Based on the issue price of $0.08 per New Share.

The number of New Shares to which you are entitled will be calculated by dividing the subscription amount you have elected by the Price, rounded down.

Once an application has been made it cannot be revoked. Applications and cleared payment must be received by no later than the closing date of 5.00 pm AEST on Friday, 25 August 2023 (**Closing Date**). If the exact amount of money is not tendered with your application, the Company reserves the right to either:

(a) return your payment and not allot any New Shares to you; or

(b) allot to you the number of New Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by electronic funds transfer as soon as possible, without interest.

Single Holders

If you are the only registered holder of a holding of shares, but you receive more than one SPP Offer under the SPP (for example, because you hold shares in more than one capacity or in multiple registered holdings), you may only apply in aggregate of $30,000 worth of New Shares.

Multiple Holdings

The maximum investment any Eligible Shareholder may apply for will remain $30,000 even if an Eligible Shareholder receives more than one SPP Offer (whether in respect of a joint holding or because the Eligible Shareholder has more than one holding under a separate account). It is the responsibility of the applicant to ensure that the aggregate of the application price paid for the New Shares the subject of the application and any other shares and interests in the class applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission does not exceed $30,000.

Custodians

If you are an Eligible Shareholder and hold shares as a Custodian or in any more specific ASIC relief granted to the Company in relation to the SPP Offer, you may apply for up to a maximum amount of $30,000 worth of New Shares (inclusive of any participation in the previous plan) in respect of each beneficiary for whom you act as Custodian who is resident in Australia or New Zealand, subject to providing a Custodian certificate to the Company, as described in the Terms and Conditions enclosed with this letter. Please refer to the Terms and Conditions for more details.

Issue Price and Market Price

The Company's rationale for pricing the New Shares under the SPP at $0.08 is to ensure that the Company's existing shareholders are treated on the same basis and provided the same opportunity as the persons who participated in the Placement.

On the last trading day immediately prior to the announcement date of the SPP Offer, the closing price of the shares traded on ASX was $0.098 per share. The VWAP for the last five days of trading prior to the announcement of the SPP Offer on Monday, 7 August 2023 was $0.099. As such, this reflects a discount of 19.97%. The market price of New Shares in the Company may rise and fall between the date of the SPP Offer and the date that any New Shares are issued to you as a result of your application under the SPP Offer.

For a SPP to fall within the exception to the 15% issue capacity under ASX Listing Rule 7.1 as set out in ASX Listing Rule 7.2 (Exception 5), the issue price of shares under the SPP must be more than 80% of the average market price of the company's shares calculated over the 5 days on which sales occurred prior to the announcement of the SPP. In addition, the company may only carry out one SPP in any 12-month period.

Under the terms of the current SPP, these conditions have been met, given that the $0.08 issue price is more than 80% of the average market price of the Company's shares calculated over the 5 days on which sales occurred prior to the announcement of the SPP, being $0.099 and there has been no other SPP in the past 12-month period.

By making an application under this SPP and applying for New Shares under the SPP:

(a) each Eligible Shareholder will be acknowledging that the purchase price is at a discount, New Shares are a speculative investment and the price of shares on ASX may change between the date of the Company announcing its intention to make the SPP Offer and the date of issue of New Shares under that SPP Offer and that the value of the New Shares received under the SPP may rise or fall accordingly; and

(b) each Eligible Shareholder will be representing to the Company that the total of the application price for this SPP Offer (as provided for in Instrument 2019/547) does not exceed $30,000.

The Board recommends that you obtain your own financial and taxation advice in relation to the SPP Offer and consider price movements of shares in the Company prior to making an application under this SPP Offer.

Additional Information and Important Dates

The offer of New Shares under the SPP Offer is made in accordance with Instrument 2019/547 and therefore does not require a prospectus for the purposes of Chapter 6D of the *Corporations Act (2001)* (Cth).

The SPP Offer cannot be transferred and the Directors of the Company reserve the right in their absolute discretion to reject, or scale back, on an equitable basis, any application. New Shares allotted under the SPP will be issued no later than 5 business days after the Closing Date. Application for quotation on ASX of the New Shares will be made immediately following the issue of those New Shares.

Foreign offer restrictions

This document may not be released or distributed in any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

New Zealand Shareholders

The New Shares offered under the SPP are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the SPP Offer is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021* (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* (New Zealand). This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Placement

The Company also announced on 7 August 2023 that it had successfully received commitments under a placement to subscribe for a total of 37,500,000 ordinary shares fully paid at an issue price of $0.08 per share to raise $3 million (before costs) (**Placement**) in two Tranches, with Tranche 2 also to be subject to shareholder approval. The Price per New Share offered to Eligible Shareholders under the SPP is at the same price as the Placement.

Indicative Placement Timetable*

Record Date for the SPP Offer	7:00 p.m. (AEST) on Friday, 4 August 2023
Announcement of the SPP Offer	Monday, 7 August 2023
Dispatch of the SPP Offer booklet to Eligible Shareholders	Wednesday, 9 August 2023
Opening Date for the SPP Offer	9:00 a.m. (AEST) on Wednesday, 9 August 2023

Closing Date for the SPP Offer	5:00 p.m. (AEST) on Friday, 25 August 2023
Announcement of the results	Thursday, 31 August 2023
Allotment and issue of New Shares under the SPP Offer (including shortfall shares) Lodgement of Appendix 2A	Friday, 1 September 2023
Dispatch of holdings statements in respect of New Shares issued under the SPP Offer	Friday, 1 September 2023
Quotation of New Shares issued under the SPP Offer	Monday, 4 September 2023
General Meeting	Thursday, 21 September 2023

*All dates and times are indicative and subject to change without notice. All dates and times are Sydney time.

Further Information

If you have any queries regarding the SPP and the SPP Offer, please contact the Company's share registry, Computershare, on telephone 1300 918 654 (callers within Australia) and +61 3 9415 4833 (callers outside Australia).

Yours sincerely

Michael Bushby
Chairman
Felix Group Holdings Ltd