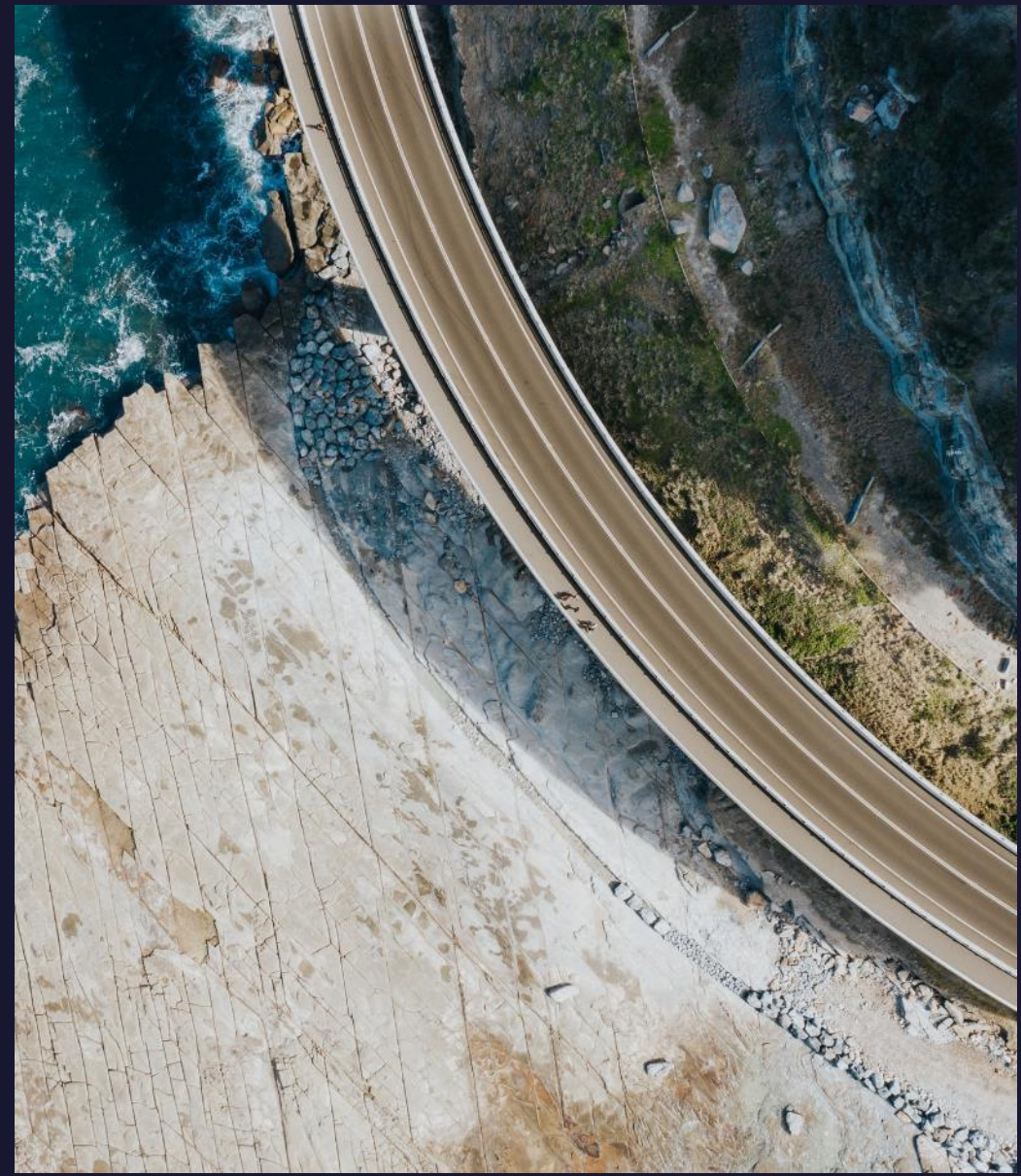


felix

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H1 FY24 Results Presentation

February 2024



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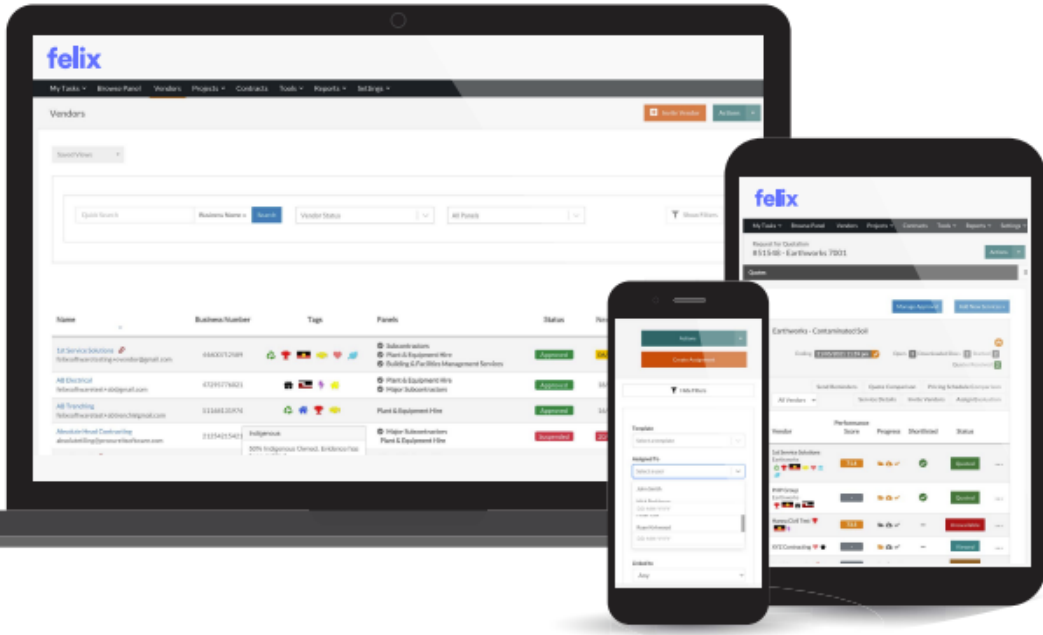
Felix overview

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Felix snapshot

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

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



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



Rapidly growing Vendor Marketplace for Contractors and Vendors to find, manage and engage each other, 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

Established platform connecting industry players

Felix links Contractors and Vendors, digitising and automating complex procurement supply chains

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Contractors

(e.g. CIMIC) engage a supply chain of third-party Vendors to deliver capital projects



Vendors

(e.g. Boral) are contracted to deliver specific works or supply materials



Consultants



Suppliers



Subcontractors

Integration

Felix seamlessly integrates with other business applications



ERP Platform



Document Management



Compliance Tools

End-to-end solution

Felix enables Contractors and Vendors to efficiently find, manage and engage each other

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Contractor modules



Vendor Management

Seamlessly manages all tiers of Contractors' supply chain of third-party Vendors



Sourcing

Enables project teams to manage sourcing activities with centralised documentation



Procurement Schedule

Streamlines planning, execution and auditing of sourcing activities, providing Contractors accurate visibility and control over procurement activities



Contracts

Stores all contracts and contract summaries in a centralised, secure and easily searchable repository

Vendor modules



Vendor Marketplace

Enables Contractors to discover new Vendors outside of their existing supply chain



Vendor Wallet and Passport

Streamlines and validates the prequalification process for Vendors

Planned development

Core focus

License-fee model based on number of modules, user accounts and Vendors

Freemium model for Vendors

Highly strategic leading Contractors

49 Tier 1 and leading Contractors trust Felix to automate and digitise high risk procurement supply chains

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H1 FY24 highlights

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H1 FY24 highlights

Strong sales momentum with Contractor ARR growth of 55% on pcp

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\$6.8m

Group ARR
+39% on H1 FY23

\$4.9m

Contractor ARR¹
+55% on H1 FY23

\$426k

Contractor MRR²
+67% on Dec-23

49

Tier 1 and leading Contractors
+14% on H1 FY23

116%

Contractor net revenue retention³
(NRR) rate

5

New Contractors signed
in H1 FY24

5

Expansion deals signed
in H1 FY24

90.5k

Vendors in the Marketplace
+14% on H1 FY23

1. Contractor ARR is the sum of contracted annualised recurring fees for all Felix Contractor customers, which includes contracts yet to be implemented.

2. Contractor MRR represents the monthly recurring revenue as at December 2023.

3. Contractor net revenue retention (NRR) is calculated by comparing the contracted ARR of Contractor customers as at 31 December 2023 with the contracted ARR of the same customers as at 31 December 2022.

Group ARR

Strong growth in Group ARR

- +39% growth in Group ARR to \$6.8m
- +55% growth in Contractor ARR to \$4.9m, another record half

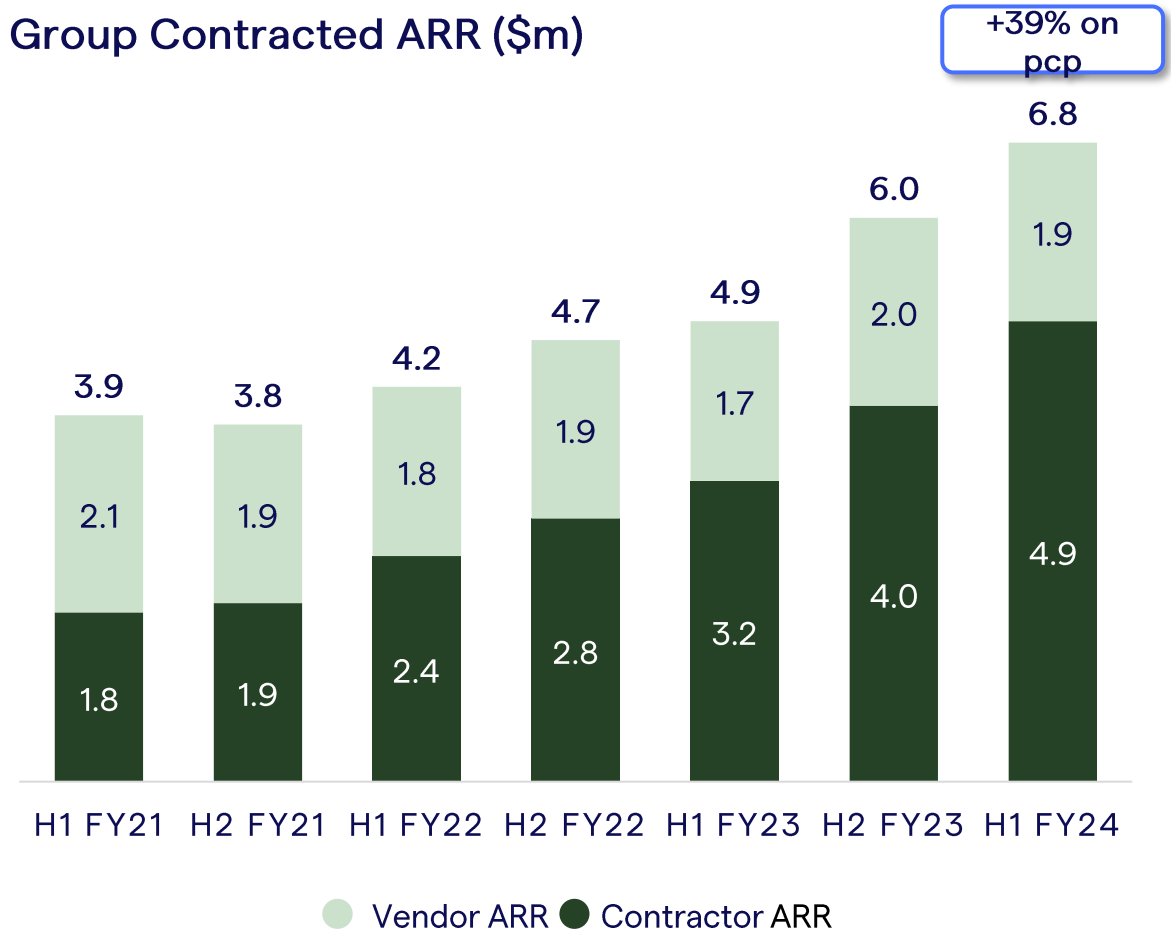
Pipeline conversion

- 5 new Contractors signed in H1 FY24, driven by growing momentum in the mining & resources sector
- First international customer win in Q2 FY24
- 5 expansion deals signed in H1 FY24, demonstrating ability to grow customer accounts
- Strong and growing pipeline, with total pipeline value increasing 28% during H1 FY24, highlighting the significant top line growth opportunity

Growing operating metrics

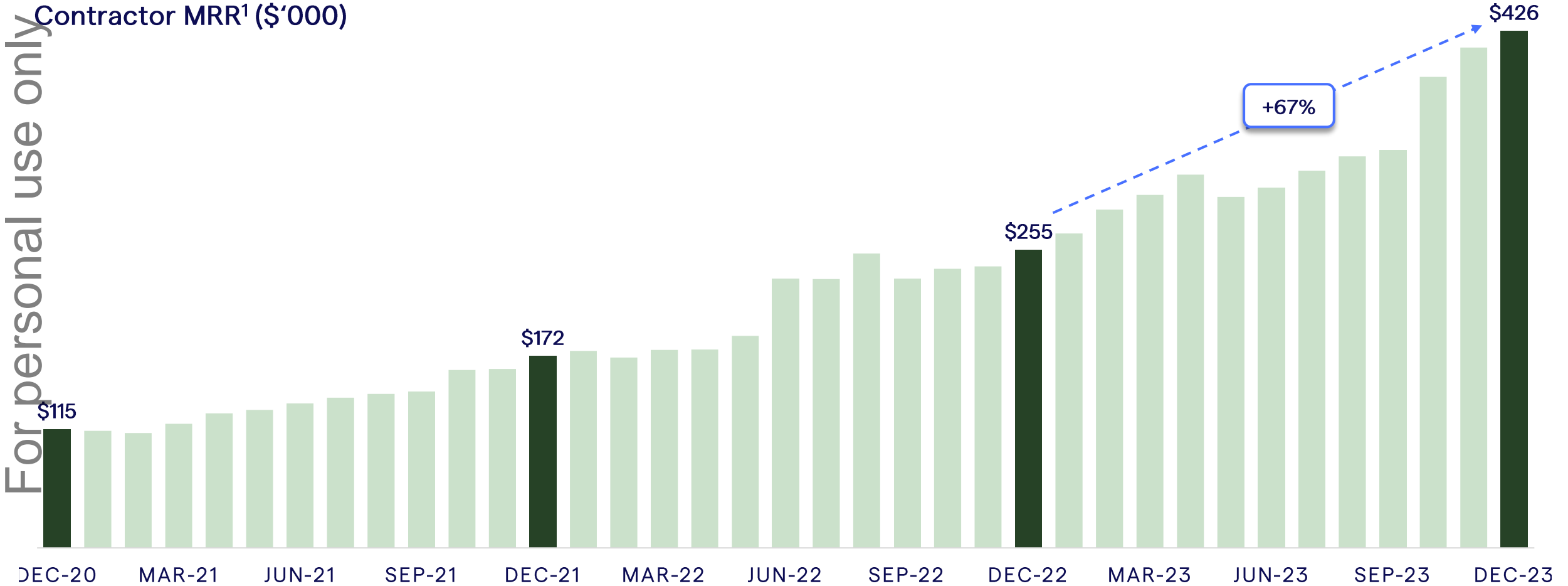
- 116% Contractor net revenue retention (NRR), demonstrating Felix's ability to retain and grow Contractor revenue¹
- +36% growth in average ARR per Contractor to \$101k, driven by contracted price increases, expansion revenue and larger contract wins

Group Contracted ARR (\$m)



Monthly recurring revenue momentum

Contractor MRR has almost quadrupled over the last three years and continues to accelerate

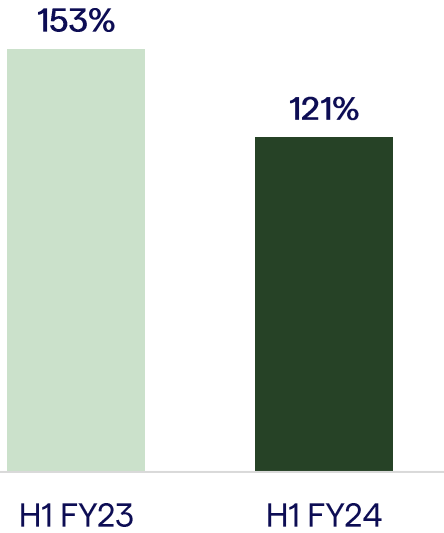


Improving operating cost efficiency

Significant improvement in operating costs as operating leverage builds

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Employee benefits (% of revenue)



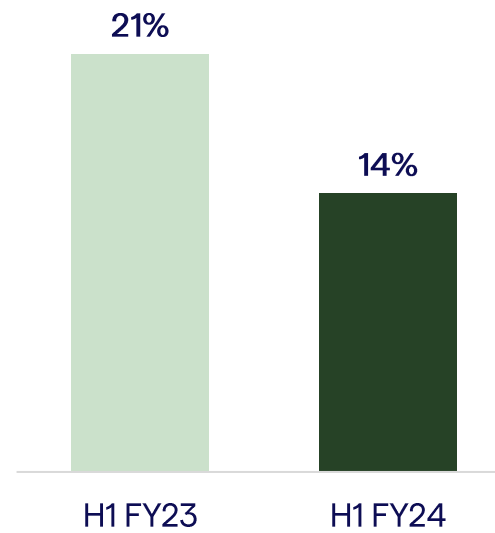
Employee benefits declined significantly relative to pcp, despite increasing by 5% on an absolute basis, highlighting an optimised employee cost base to drive strong growth

Subscriptions (% of revenue)



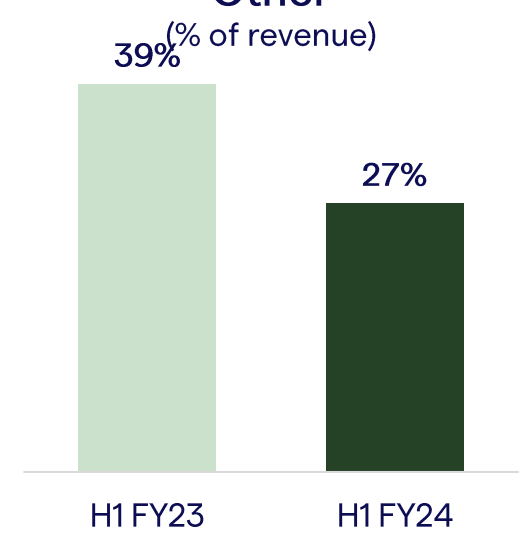
Subscription costs remained stable as a percentage of revenue, despite investments made for growth

Contractor expenses (% of revenue)



Reduction in Contractor expenses due to the optimisation of resources, with further improvements realised from January 2024 onwards

Adv. & Marketing, Professional fees & Other (% of revenue)



Advertising & marketing spend reduced, driven by more targeted campaigns and greater efficiency in acquiring new customers

Summary H1 FY24 results

	H1 FY24 (\$000)	H1 FY23 (\$000)	Change (%)
REVENUE			
1 Contractor revenue	2,216	1,453	53%
2 Vendor revenue	1,006	920	9%
Other income	57	96	(41%)
TOTAL REVENUE	3,278	2,469	33%
OPERATING EXPENSES			
3 Employee benefits	(3,976)	(3,776)	5%
4 Subscriptions	(521)	(361)	44%
5 Contractor expenses	(453)	(526)	(14%)
Professional fees	(230)	(194)	19%
6 Advertising and marketing	(83)	(100)	(17%)
Other operating expenses	(547)	(678)	(19%)
TOTAL OPERATING EXPENSES	(5,811)	(5,635)	3%
7 EBITDA	(2,532)	(3,166)	(20%)
Depreciation & amortisation	(351)	(146)	140%
Finance costs	(5)	(6)	(27%)
LOSS BEFORE INCOME TAX	(2,888)	(3,319)	(13%)

1 **53% growth in Contractor revenue** driven by five new contract wins and five expansion deals signed during H1 FY24, including the Company's first international contract outside of APAC

2 **9% increase in Vendor revenue**, in line with strategic focus on scaling high margin Contractor revenue

3 **Stable employee benefit costs** despite strong topline Contractor growth, demonstrating Felix's ability to manage costs while maintaining growth momentum

4 **Increase in subscription costs as a result of investments to support growth.** Felix expects subscription costs to remain largely stable in future periods outside of incremental increases in hosting costs, which make up a small proportion of subscription expenses

5 **14% decrease in Contractor expenses** due to the optimisation of resources, which has resulted in greater productivity, with further reductions realised from January 2024 onwards

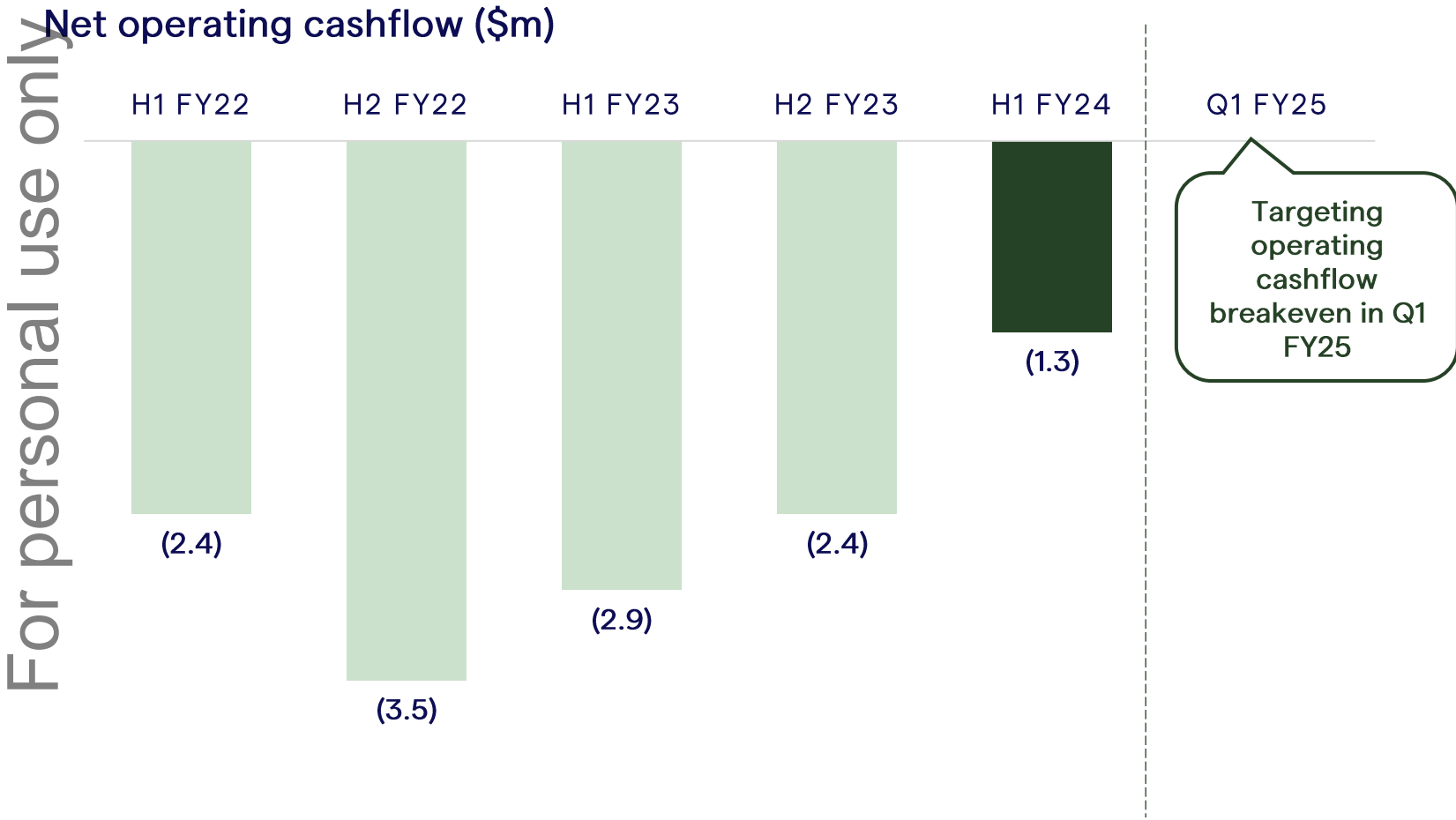
6 **Reduction in advertising and marketing expenses** in line with a focus on highly targeted campaigns and greater efficiency in customer acquisitions

7 **Improvement in EBITDA** driven by strong topline growth and stable operating expenses as a result of prudent cost management

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Positive cashflow trajectory

\$1.7m reduction in net operating cash outflows on H1 FY23



- Cash flow trajectory demonstrates continued improvement in performance and pathway to achieving cashflow breakeven in Q1 FY25
- Clear focus on maintaining top line momentum while retaining flexibility to manage costs to maximise growth
- Focus on high margin revenue opportunities and fast implementation of new customers to drive improvements in cashflow profile
- Cost base optimisations implemented in December 2023 expected to generate further operating expense improvements from January 2024 onwards
- Vendor Marketplace already operating at cashflow breakeven

Growth strategy

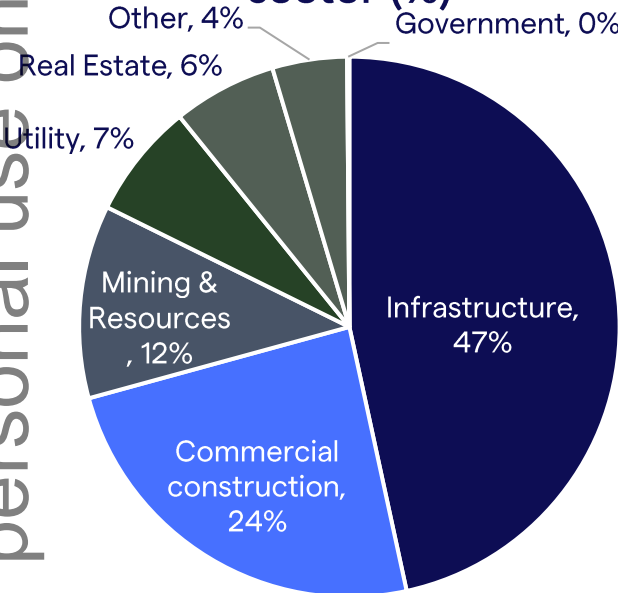
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- Large domestic and international Contractor pipeline and expansion into adjacent sectors
- Capitalise on expansion opportunities with existing customers
- Unlock the value of Felix's Vendor Marketplace
- Strategic platform development

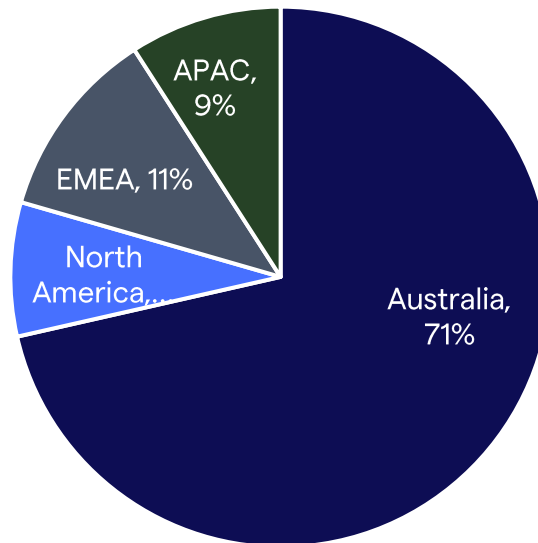
● Focus on pipeline conversion

\$10m+ ARR pipeline focused on high value sectors and domestic customers with demonstrated value proposition

Contractor pipeline ARR by sector (%)



Contractor pipeline ARR by region (%)



Diversified pipeline across various sectors with complex supply chains, exhibiting a bias towards sectors with higher potential contract values

Primarily focused on domestic opportunities and leveraging existing customer relationships to upsell into international parent companies, while global partnership helps target various international opportunities

Conversion approach and focus:

- Build on strong ongoing sales momentum from FY23 and early FY24 to continue driving adoption in both target and adjacent sectors
- Leverage recent demand within mining & resources sector, with the convergence of significant supply chain, ESG and legislative pressures driving strong demand for Felix
- Focused approach on domestic market with demonstrated record of sales conversion, while executing low customer acquisition cost strategy for international opportunities
- Execute on active joint-bid opportunities with global partner for a diverse range of international opportunities

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● Penetration of adjacent sectors

Leveraging success in initial target sectors to drive traction in high value adjacent sectors

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Continued focus on and traction across initial target sectors



Government & Infrastructure



Engineering & Construction



Feb 2022



Jan 2023



Broad applicability of platform validated by traction in adjacent sectors



Energy & Utilities



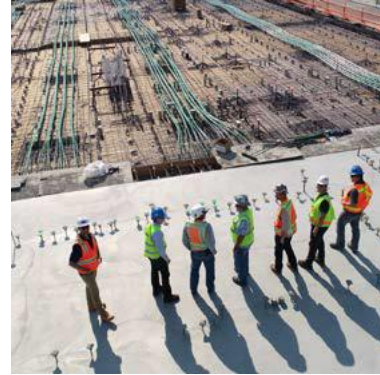
Nov 2021



Diversified Real Estate



Jan 2022



Commercial Construction



Sep 2022



Natural resources



Jul 2023

Land and expand opportunity

Opportunities to generate high margin / low CAC revenue from existing customers

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Land

Single module, project or small number of user accounts

\$36k

2018

Vendor Management (Divisional)



Expand

Multiple projects, additional models, expanded user accounts or new regions

\$100k

2020-2021

Vendor Management (Full Enterprise)
Sourcing (Divisional)

Scale

Enterprise agreement, licensing all relevant modules across multiple teams and regions

\$210k

2022+

Vendor Management (Full Enterprise)
Sourcing (Full Enterprise)
Procurement Schedule (Full Enterprise)
Contract Management (Full Enterprise)

Demonstrated ability to generate revenue from existing customers through:

- Upselling to large parent organisations and rolling Felix out across multiple subsidiaries (e.g. NRW Holdings)
- Successfully completing initial pilot contract and expanding to larger enterprise contract (e.g. Fulton Hogan contract which expanded from \$35k to \$133k ARR)
- Proving value during smaller infrastructure projects, which provides further validation when bidding for larger enterprise contracts (e.g. Contract with Nexus Consortium led by Laing O'Rourke (LOR) in Oct-22 leading to separate enterprise contract with LOR generating \$249k ARR in Feb-23¹)
- Leveraging demand from existing customers to take out additional modules or add users once initial value of the platform has been proven

● International expansion

Targeted and opportunistic strategy

- Capital-light international expansion strategy to leverage opportunities to upsell into large international parent organisations of Felix's existing customer base
- International opportunities sourced through InEight partnership provides access to large global Contractors at limited sales & marketing cost to Felix
- Felix's platform has demonstrated broad international applicability, with 7,480 international Vendors across 84 countries and 55 active international projects currently on the platform

Opportunity

- International opportunities in the pipeline present a higher average ARR relative to Felix's current average Contractor ARR of \$101k
- International Contractors require longer sales cycles given size and scale, however provide opportunities which can reshape Felix's financial profile

Platform internationalisation

- Investment to date into infrastructure and security posture, including SOC2 and GDPR certification, allows platform to scale and expand international Tier 1 customer base
- Development of integrations with InEight and Felix platform updates to further expand international opportunity

First international customer signed

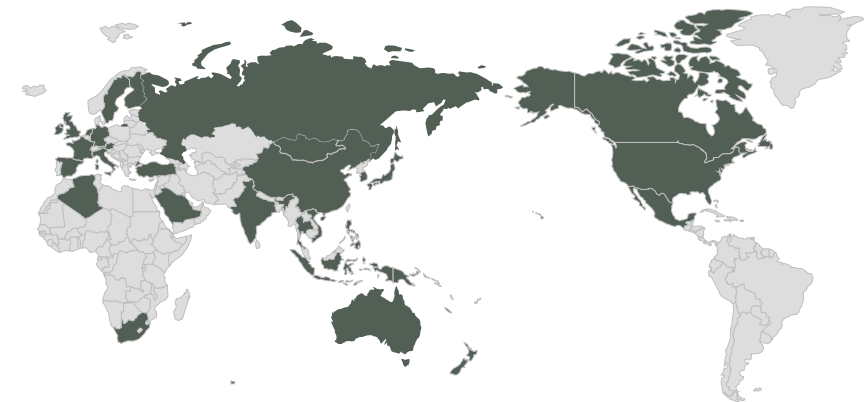


Type: Mining & Natural Resources

Footprint: Africa, Middle East, North and South America, and APAC

Initial use case: 4 projects in South Africa and Ethiopia

International footprint of *Vendor Marketplace*



Vendor Marketplace monetisation

Contractor-led strategy accelerating Vendor Marketplace take-up as new Contractors mandate usage of Felix across respective Vendors

Each Contractor therefore contributes to building the Vendor Marketplace at no direct acquisition cost to Felix

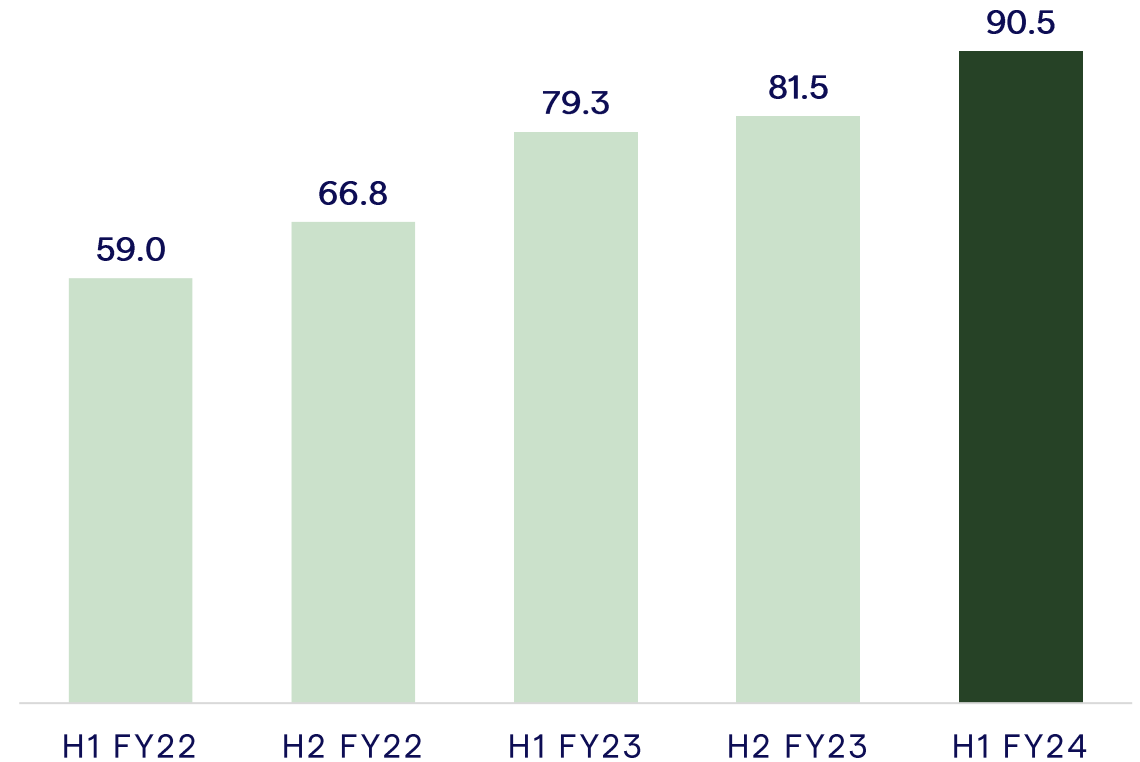
14% increase of Vendors in the Vendor Marketplace, growing to 90,522 in H1 FY24

Staged approach to growth focuses on enhancing the scale and value of the Vendor Marketplace ahead of monetisation in the medium-term:

- Increase the number of Contractors on the platform, thereby growing the number of Vendors on the platform, driving increased RFQs submitted by Contractors
- Develop new functionality for Vendors including AI-powered Vendor compliance document automation to significantly streamline qualification process for projects
- Release new modules to significantly enhance the value proposition and drive Vendor conversion and retention
- Transition to new subscription revenue model once Marketplace has reached sufficient scale

Long-term growth underpinned by significant opportunity to unlock the value of the Vendor Marketplace

Vendors in the Vendor Marketplace ('000)



● Strategic platform development

Investment to expand markets and enhance platform value



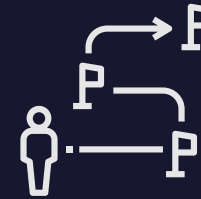
Current focus

- ✓ Data compliance certifications for US and Europe
 - ✓ Deployment of AI-powered document information extraction and validation to provide significant operational and strategic benefits for Vendors and Contractors
- Continue making architectural updates to facilitate local hosting in new regions, supporting Felix's growing number of existing Contractors with international operations



Medium-term focus

- Integrated ecosystem including an expanded InEight Connected Solution along with fraud detection and risk monitoring partnerships
- Core module enhancements that provide expanded supply chain coverage and increased capability of *Sourcing* module
- Ongoing security investment for Vendors and Contractors



Long-term focus

- Vendor modules, including *Compliance Passport* with a long-term view towards significant Vendor monetisation opportunity
- Project compliance benchmarking and reporting functionality
- Additional partner integrations for an expanded integration ecosystem
- Expanded *Contract Management* capability

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Outlook

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Progress against FY24 priorities

Clear execution against strategic priorities as Felix approaches cashflow inflection point



Contractor Growth

Accelerate Contractor revenue growth by converting the strong and growing pipeline of domestic and international opportunities

\$4.9m

Contractor ARR
+55% on H1 FY23



Expansion

Unlock high margin growth opportunities across existing customers by expanding users accounts and projects, while also increasing module uptake

\$591k

Expansion ARR in H1 FY24



Cost management

Execute on disciplined budget focused on calibrated expenditure in areas that maximise growth

Flat

Operating expenses in H1
FY24



Operating cash flow

Targeting operating cashflow breakeven in Q1 FY25

\$1.7m

Improvement in net operating cashflows in H1
FY24 on pcp

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Additional information

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Favourable industry backdrop

Structural tailwinds support long-term growth



Compliance

Increasing legislative requirements, such as the *Modern Slavery Act 2019*, and supply chain complexity create significant risk for Contractors



ESG

Contractors are pursuing initiatives to improve ESG performance including sustainable materials sourcing, raising female participation and supporting Indigenous engagement requiring firms to source and engage appropriate Vendors



Digitisation

Errors, delays, disputes and rework – caused by ineffective supply chain management – have significant impacts on overall project costs, loss of reputation and penalties, driving Contractors to adopt technology to ensure accurate, real-time and comprehensive data flows



Infrastructure spending

Government initiatives to stimulate economies post-COVID-19 include prioritised spending on a range of infrastructure-led construction projects. For example, the Australian Government's A\$110bn land transport infrastructure program¹

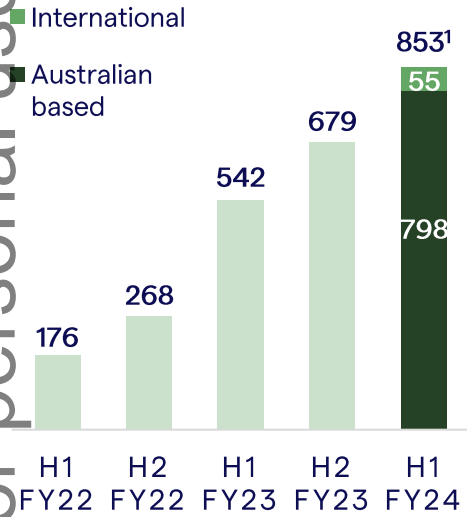
Platform engagement metrics

Engagement across key platform metrics reflects Felix becoming entrenched in Contractor operations

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Active Projects

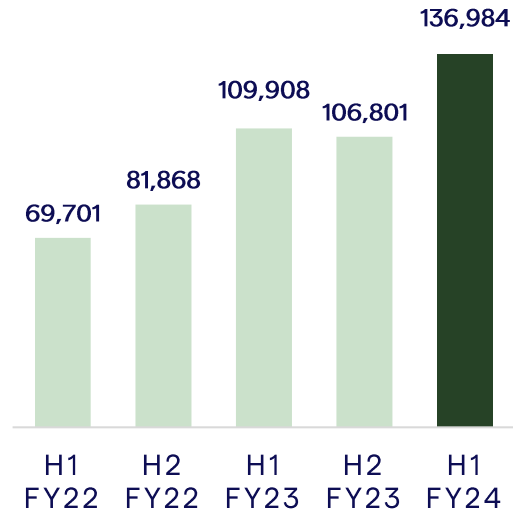
+52%
on pcp



Rapid penetration of platform across Contractor projects

Active Compliance Documents

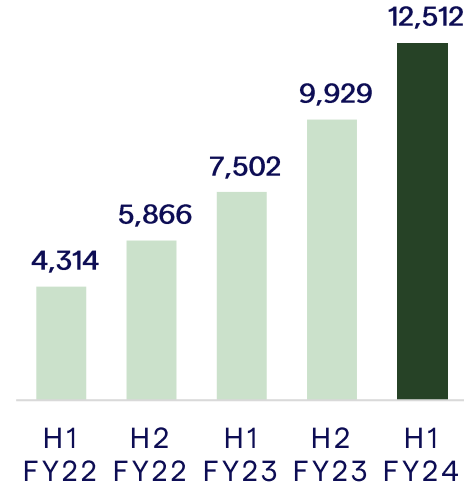
+25%
on pcp



Reflects ongoing usage of *Vendor Management* module, providing significant opportunity to automate document workflows

Requests for Quotations (RFQ)

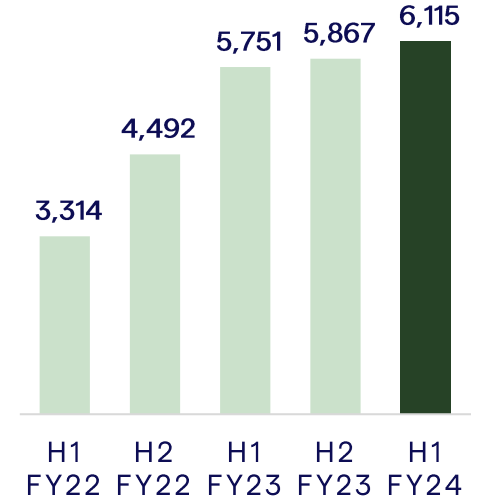
+67%
on pcp



Demonstrates growing use by Contractors to source quotes from Vendors, incentivising Vendors to join the Marketplace to access new projects

Contractor User Accounts

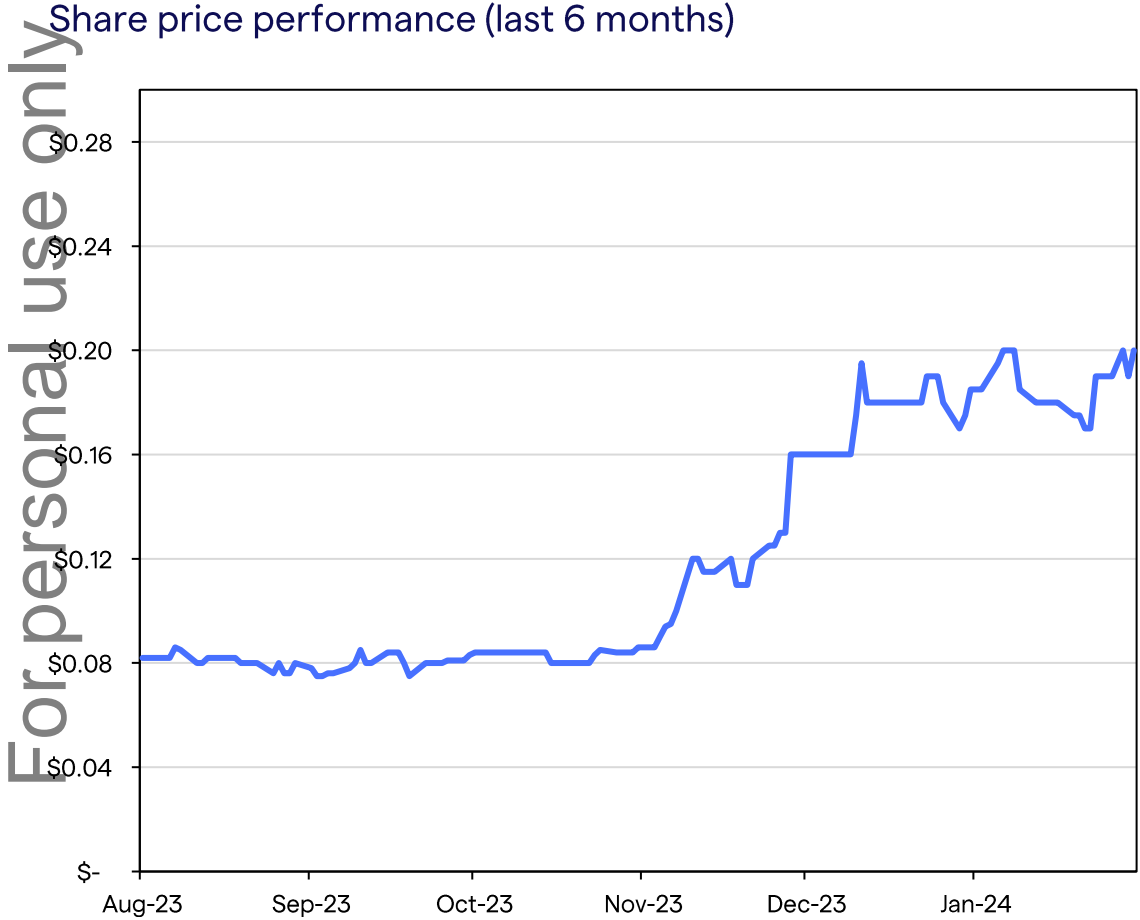
+6%
on pcp



Growth on pcp driven by expanding usage across Contractors internal workstreams and new Contractors

Corporate Overview

Share price performance (last 6 months)



Substantial shareholders

David Williams	14.4%
Perennial Value Management	12.3%
Thorney Investment Group	8.0%
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 (23-Feb-24)	\$0.20
52-week trading range (low / high)	\$0.07 / \$0.21
Shares on issue	204.5m
Market capitalisation (23-Feb-24)	\$40.9m
Cash (31-Dec-23)	\$4.4m
Debt (31-Dec-23)	N/A
Enterprise value (23-Feb-24)	\$36.5m

Board and Management

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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



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)



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



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 Phillipot
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



James Frayne
Chief Financial Officer

- Former Senior Accountant at Grant Thornton in the privately held business and taxation divisions
- Holds a Bachelor's Degree in Business and an MBA from QUT
- Member of the Institute of Chartered Accountants Australia and New Zealand



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)



Steve O'Keeffe
Chief Technical Officer

- 15 years' experience working 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

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