

11 January 2021

ASX Release: (ASX: FLX)

Felix Group Holdings Ltd – Pre-Quotation Disclosure

The following information is provided to ASX Limited for release to the market in connection with the admission of Felix Group Holdings Ltd ACN 159 858 509 (ASX: FLX) (**Company**) to the Official List of ASX and quotation of the Company's fully paid ordinary shares (**Shares**).

Condition 1.1 and 2.2.10

In relation to Condition 1.1 and 2.2.10, we confirm that close of the offer under the prospectus dated 26 November 2020 and completion of the issue of the following securities has occurred:

- (a) 33,333,333 Shares at an issue price of \$0.36 per Share;
- (b) 1,462,975 Shares and 4,388,946 unquoted options each exercisable at nil on or before 8 July 2022 to directors and certain eligible employees under the Salary Sacrifice Offer;
- (c) 611,111 unquoted options exercisable at \$0.36 each on or before 8 January 2025 to Mr Michael Bushby under the Director Option Offer;
- (d) 305,555 unquoted options exercisable at \$0.36 each on or before 8 January 2025 to Mr Michael Trusler under the Director Option Offer;
- (e) 305,555 unquoted options exercisable at \$0.36 each on or before 8 January 2025 to Mr George Rolleston under the Director Option Offer; and
- (f) 1,571,680 unquoted options each exercisable at nil on or before 8 January 2027 to various senior management executives under the Senior Management Offer.
- (g) 36,583,444 Shares on the conversion of all converting notes on issue;
- (h) 500,000 unquoted options exercisable at \$0.72 each on or before 8 January 2024 to Kidder Williams; and
- (i) 500,000 unquoted options exercisable at \$0.58 each on or before 8 January 2024 to Kidder Williams.

Condition 2.2.11

In relation to Condition 2.2.11, 29,409,784 Shares in the Company are subject to mandatory ASX escrow restrictions under Chapter 9 of the ASX Listing Rules, 21,789,247 Shares in the Company are subject to voluntary escrow and the remaining 80,331,255 Shares in the Company are not restricted, as set out in the table below.

Escrowed for 24 months after listing date	
Total Fully Paid Ordinary Shares Held in ASX escrow	23,739,412
Escrowed until 14/12/2021	
Total Fully Paid Ordinary Shares Held in ASX escrow	2,920,387
Escrowed until 20/04/2021	
Total Fully Paid Ordinary Shares Held in ASX escrow	2,749,985
Total Shares Restricted under ASX escrow	29,409,784
Unrestricted Fully Paid Ordinary Shares	102,120,568
Total Fully Paid Ordinary Shares	131,530,352
Escrowed for 24 months after listing date	
Options Held in ASX escrow	2,418,746
Unrestricted Options	7,058,701
Total Options	9,477,447
Total Securities	141,007,799

Condition 2.2.12

In relation to Condition 2.2.12, the number of securities subject to voluntary escrow and the escrow period applied to those securities is as set out in the table below.

Voluntary escrow securities	
Shares – Escrowed up to 24 months until 11 January 2023 unless released earlier in accordance with the terms of the voluntary escrow deed	21,789,247
Total fully paid voluntary escrowed securities	21,789,247

Condition 2.2.13

In relation to Condition 2.2.13, we confirm that the Company will have 141,007,799 securities on issue as at listing and its capital structure will be comprised of:

- (a) 131,530,352 Shares; and
- (b) 9,477,447 unquoted options.

Condition 2.2.14

In relation to Condition 2.2.14, the terms of the waiver granted to the Company are as follows.

Waiver Decision

1. *Based solely on the information provided, ASX Limited (ASX) grants Felix Group Holdings Ltd (FLX) a waiver from listing rule 1.1 condition 12 to the extent necessary for FLX to issue 1,571,680 unquoted options to senior management personnel (Senior Management Options) and 4,388,946 unquoted options under the Salary Sacrifice Offer (Salary Sacrifice Options) (together, the Options), pursuant to the employee incentive plan (EIP), with an exercise price of less than 20 cents on the condition that the material terms and conditions of the Options are included in FLX's initial public offering prospectus.*

2. ASX has considered Listing Rule 1.1 condition 12 only and makes no statement as to FLX's compliance with other listing rules.

Basis for Waiver Decision

Listing Rule 1.1 condition 12

3. If an entity seeking admission to the official list has options or performance rights on issue, the exercise price for each underlying security must be at least 20 cents in cash. This rule supports Listing Rule 2.1 condition 2 which requires the issue price or sale price of all securities for which an entity is seeking quotation (except options) upon admission to the official list to be at least 20 cents in cash. These requirements together support the integrity of the ASX market, as they demonstrate that the entity's ordinary securities have a minimum value suitable for a listed entity.

Facts and Reasons for granting the waiver

4. Shortly prior to the admission to the Official List of ASX, FLX will issue the Senior Management Options and Salary Sacrifice Options pursuant to the EIP to incentivise and remunerate various employees and directors. The milestones associated with the vesting of the Senior Management Options are meaningful and linked to the tenure of key management personnel and the valuation of FLX. The Salary Sacrifice Options are issued to remunerate employees for a salary reduction.
5. On the basis that there exists a compelling commercial rationale for the issue of the Options and the proposed issue overall appears to be equitable it is considered that the existence of the Options will not undermine the 20 cent rule in the circumstances. The waiver is granted on condition that the material terms and conditions of the Options have been clearly disclosed in FLX's initial public offering prospectus.

Delegated authority and expiration of the decision

6. For the purposes of resolutions 1 to 4 above inclusive, any decision to be made by or discretion to be exercised by ASX can be made by or exercised by the Manager Listings Compliance at the State office of ASX processing the application for admission or another authorised Manager Listings Compliance.
7. If the conditions set out in resolutions 1 and 2 are not satisfied by 23 March 2021, resolutions 1 to 4 above inclusive cease to have effect and if FLX has been admitted to the Official List, it be removed.

Conditions of waiver

8. The waiver is also subject to certain conditions. Under Listing Rule 18.1, these conditions must be complied with for the waiver to be effective.

Condition 2.2.15

In relation to Condition 2.2.15, the following information, in relation to any funds raised pursuant to the Institutional Bookbuild (**Bookbuild**) is set out below:

- (a) the number of securities allocated under the Bookbuild and the price at which they will be issued; 21,508,335 Shares at an issue price of \$0.36.
- (b) if a material number of securities have been taken up by a person or persons who are promoters or related parties of the Company, the number of securities taken up by them;

George Rolleston is a Non-Executive Director and under the Institutional Bookbuild subscribed for the ordinary shares in the entities described below at an issue price of \$0.36:

Entity	Shares
Asset Growth Fund Pty Ltd	138,888

- (c) any concessionary fee or other arrangements entered into which have had the result that the effective transfer price paid by some allottees differs materially from the Bookbuild price announced by the Company;

None.

- (d) any arrangements entered into which have had the result that some allottees receive a material benefit for agreeing to participate in the Bookbuild at the Bookbuild price announced by the Company and which is not received by other allottees; and

None.

- (e) any arrangements entered into with associates of the Company or the bookrunner to avoid a shortfall, or the appearance of a shortfall, in the Bookbuild.

None.



James Frayne

CFO & Company Secretary | Felix