

FLEXIROAM

Flexiroam Limited

ACN 143 777 397

ASX: FRX

NON-RENOUNCEABLE ENTITLEMENT ISSUE PROSPECTUS

Rights Offer

For a pro-rata non-renounceable entitlement issue of one (1) Share (**New Share**) for every three (3) Shares held by those Eligible Shareholders registered at the Record Date at an issue price of \$0.01 per New Share to raise up to approximately \$1,017,348 (before costs).

Shortfall Offer

For an offer of the Shortfall to the Rights Offer, at an issue price of \$0.01 per Share.

Underwriting

The Rights Offer is fully underwritten by Townshend Capital Pty Ltd (ACN 099 900 188) on a conditional basis.

Offer Period

The Rights Offer opens on Thursday, 23 July 2020 and closes at 5:00pm (AWST) on Friday, 7 August 2020*.

*The Company reserves the right, subject to the Corporations Act, Listing Rules and the Underwriting Agreement, to extend the Closing Date of the Rights Offer.

IMPORTANT NOTICE

This document is a transaction-specific Prospectus for an offer of continuously quoted securities and has been prepared in accordance with section 713 of the *Corporations Act 2001* (Cth). It should be read in its entirety. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus, consideration has been given to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. If you have any questions about the securities being offered under this Prospectus, or any other matter relating to an investment in the Company, you should consult your professional adviser. The shares offered under this Prospectus should be considered speculative.

This Prospectus has been prepared for use in Australia and is not for release, publication, or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This Prospectus does not constitute an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein 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 or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

Important Notice

This Prospectus is dated 14 July 2020 and was lodged with ASIC on that date. Application will be made to ASX for quotation of the New Shares offered under this Prospectus within 7 days of this date.

Neither ASIC, ASX nor any of their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No New Shares will be allotted or issued pursuant to this Prospectus later than its expiry date of 14 August 2021, being 13 months after the date of this Prospectus.

Before deciding to invest in Flexiroam Limited (the **Company**), you should read and understand the entire Prospectus and, in particular, in considering the Company's prospects, you should consider the risk factors that could affect the Company's performance. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek advice from your professional adviser before deciding to invest. The key risks relating to an investment in the Offers, are identified in Section 8 of the Prospectus.

Nature of this Prospectus

The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the 3 months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of the securities on the Company and the rights and liabilities attaching to the securities offered under this Prospectus (being New Shares). It is not necessary to include general information in relation to the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Foreign jurisdictions

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand or Malaysia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. The Company has determined that it would be unreasonable to make an offer under this Prospectus to persons who are not residents of Australia, New Zealand and Malaysia having regard to the cost of complying with legal requirements in foreign countries.

Shareholders outside Australia, Malaysia or New Zealand should refer to Section 9 of this Prospectus on how your Entitlement will be dealt with.

Nominees and Custodians

Nominees or custodians may not submit an Acceptance Form on behalf of any Shareholder resident outside Australia, Malaysia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Prospectus availability

Eligible Shareholders can obtain a copy of this Prospectus during the Offer period on the Company's website at www.investor.flexiroam.com or by contacting the Company Secretary on +61 8 6389 2688. If you access an electronic copy of this Prospectus, you should ensure that you download and read the entire Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include a personalised Acceptance Form. Eligible Shareholders will only be able to accept the Rights Offer by completing the personalised Acceptance Form which accompanies this Prospectus or by making payment using BPay® (refer to Section 9 of this Prospectus for further information).

Disclaimer of representations

No person is authorised to provide any information or make any representation in connection with the Offers which is not contained in this Prospectus.

Privacy

Please read the privacy information located in Section 10.3 of this Prospectus. By submitting an Acceptance Form, you consent to the matters outlined in that section.

Definitions

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

Enquiries

If you have any questions, please contact the Company Secretary on +61 8 6389 2688. Alternatively, consult your broker, accountant or other professional adviser.

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CORPORATE DIRECTORY

Directors

Kenn Tat “Jefrey” Ong – Managing Director
Tuck Yin Choy – Non-Executive Director
Tat Seng Koh – Non-Executive Director
Thian Choy “David” Ong – Non-Executive Director

Underwriter

Townshend Capital Pty Ltd (ACN 099 900 188)
AFSL No. 219326

15 McCabe Street,
North Fremantle, WA 6159

Company Secretary

Natalie Teo

Solicitor to the Offers

Blackwall Legal LLP

Level 26, 140 St Georges Terrace
Perth, WA 6000

Registered Office

15 McCabe Street,
North Fremantle, WA 6159

Telephone: +61 8 6389 2688
Website: www.investor.flexiroam.com

Share Registry*

Advanced Share Registry Ltd
110 Stirling Highway,
Nedlands, WA 6009

Telephone: +61 8 9389 8033
Facsimile: +61 8 6370 4203

Auditor*

Crowe Sydney

Level 15 1 O’Connell Street
Sydney NSW 2000

ASX Code: FRX

*These entities are included for information purposes only and were not involved in the preparation of this Prospectus and have not consented to being named in this Prospectus.

1 KEY INFORMATION

Indicative Timetable

| Event | Date |
|--|----------------------|
| Lodgement of Prospectus with ASIC and ASX Announcement of Offers and lodgement of Appendix 3B | 14 July 2020 |
| “Ex” Date | 17 July 2020 |
| Record date to determine Entitlements | 20 July 2020 |
| Prospectus and Acceptance Forms dispatched to Shareholders, and announcement that this has occurred Offers open | 23 July 2020 |
| Last date to extend the Rights Offer | 4 August 2020 |
| Closing date for all acceptances (5:00 pm AWST) | 7 August 2020 |
| If agreed by ASX, New Shares quoted on a deferred settlement basis | 10 August 2020 |
| Announcement of results of Rights Offer | 11 August 2020 |
| Issue date for New Shares issued under the Rights Offer Lodgement of Appendix 2A with ASX for quotation of the New Shares | 14 August 2020 |
| Normal Trading of New Shares on ASX commences | 17 August 2020 |
| Last date to issue Additional Shares under the Shortfall Offer (refer to Section 5.2) | 7 November 2020 |

Note: The timetable is indicative and may change. The Company reserves the right to vary the dates of the Rights Offer subject to the Corporations Act and Listing Rules.

Key Rights Offer Details

| Rights Offer | Details |
|------------------------------|---|
| Eligibility | Shareholders registered on the Record Date with an address in Australia, Malaysia and New Zealand |
| Ratio | 1 New Share for every 3 Shares held at Record Date |
| Price per New Share | \$0.01 |
| Number of New Shares offered | 101,734,764 |
| Cash proceeds (before costs) | \$1,017,348 |
| Minimum Subscription | There is no minimum subscription to the Rights Offer |

Key Shortfall Offer Details

| Shortfall Offer | Details |
|------------------------------|--|
| Price per New Share | \$0.01 |
| Number of New Shares offered | That number of Entitlements not taken up under the Rights Offer and any New Shares to which Excluded Shareholders would have been entitled to if they were Eligible Shareholders |

Delivery of Prospectus and Entitlement and Acceptance Forms

The Company is aware that, due to the COVID-19 pandemic, there may be significant postal delivery delays with the potential to impact on Eligible Shareholders' ability to receive and return their Prospectus and Entitlement and Acceptance forms in time to participate in the Rights Offer.

Shareholders who wish to participate in the Rights Offer are encouraged to provide their email address to the Company's share registry to permit electronic delivery of their Entitlement and Acceptance forms for participation in the Rights Offer.

If you have not provided your email address to the share registry, Advanced Share Registry, or if you are unsure, to receive a copy of the Prospectus and a personalised Entitlement and Acceptance form please contact the Company Secretary at investor@flexiroam.com prior to the closing date of the Rights Offer noted above.

General Enquiries

Shareholders residing in Australia can contact the Company Secretary on +61 8 6389 2688 at any time between 9:00am and 5:00pm (AWST) Monday to Friday until the Closing Date. Shareholders residing in Malaysia and New Zealand can contact the Company's Investor Relations team by email on investor@flexiroam.com.

If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, please consult your stockbroker, accountant or other professional advisor.

2 MANAGING DIRECTOR'S LETTER

Dear Eligible Shareholder,

I am pleased to invite you to participate in this non-renounceable pro-rata 1-for-3 rights issue at an issue price of \$0.01 per New Share to raise approximately \$1.02 million (before costs) (**Rights Offer**). You can also apply for Additional Shares (**Shortfall Offer**). Proceeds of the Offers will provide important working capital for the Company to continue the development of its business. New Shares issued under the Offers will rank equally with existing Shares.

The Rights Offer is fully underwritten by Townshend Capital Pty Ltd (**Townshend Capital**). Details of the Underwriting Agreement entered into between the Company and Townshend Capital are set out in Section 10.6.

The Company has faced a challenging start to the new financial year, with its key business impacted by various government policies and travel restrictions both domestically and abroad due to the ongoing COVID-19 pandemic. Flexiroam has implemented various cost-cutting measures to cushion the blow and are focusing on opportunities that have arisen because of the pandemic. The Board is confident that the Company has a future that it can continue to build on and, more importantly, grow from. The Offers give you the opportunity to further invest in the growth and the future potential of the Company and to maintain your equity interest.

Furthermore, I am delighted that Non-Executive Directors, Mr David Ong and Mr Tat Seng Koh, who are also substantial shareholders, have committed to take up their full Entitlements (refer Section 5.5 for further details). In addition, Mr Koh and a professional and sophisticated investor, Mr Kay Yip Ng, have committed to provide up to \$1,017,348 of sub-underwriting (in aggregate) for the Rights Offer (refer Section 5.4 for further details). Mr Ng was a co-founder and director of JobStreet Corporation Berhad (**JobStreet**), one of South East Asia's largest online recruitment companies. JobStreet was acquired in 2014 by a major ASX-listed recruitment company. He is an entrepreneur presently based in Malaysia with investments in technology, property and construction projects.

Details of the Offers are set out in this Prospectus and I encourage you to read the Prospectus in its entirety before making your investment decision. In particular, Eligible Shareholders should carefully consider the key risk factors outlined in Section 8 of this Prospectus and consult your advisors before investing. **The Company encourages participants in the Offers to apply for New Shares by BPay® or EFT as a matter of public safety, to avoid the handling of paper Acceptance Forms and to overcome potential mail delays in light of the ongoing COVID-19 pandemic.**

On behalf of the Board I look forward to your continued support of the Company and on updating you on the Company's progress.

Yours faithfully,



Jeffrey Ong
Managing Director

14 July 2020

3 INVESTMENT OVERVIEW AND KEY RISKS

This information is a selective overview only. Prospective investors should read the Prospectus in full before deciding to invest in New Shares.

| Question | Response | Where to find more information | | | | | | | | |
|--|--|--------------------------------|------------------------|--|---------|---------------------|--------|--------------|------------------|-------------|
| What is the Rights Offer? | <p>A fully underwritten pro-rata non-renounceable offer of one (1) New Share for every three (3) Shares held on the Record Date at an issue price of \$0.01 per New Share.</p> <p>The Rights Offer seeks to issue up to approximately 101,734,7641 New Shares to raise up to approximately \$1,017,348 (before costs) if fully subscribed.</p> | Section 5.1 | | | | | | | | |
| Is the Rights Offer underwritten? | <p>Yes. The Rights Offer is fully underwritten by Townshend Capital Pty Ltd (Underwriter).</p> <p>The Underwriter has entered into sub-underwriting agreements with Mr Tat Seng Koh, a director, and Mr Kay Yip Ng, a shareholder.</p> <p>No sub-underwriter, individually or together with any of its associates, will hold more than 20% of the voting power on completion of the Offers. The maximum sub-underwriting commitment from Mr Koh and Mr Ng is \$203,470 and \$813,878 respectively.</p> | Sections 5.3 and 10.6 | | | | | | | | |
| Is there a minimum subscription? | There is no minimum subscription. | Section 5.1d | | | | | | | | |
| Am I an Eligible Shareholder? | <p>The Rights Offer is made to Eligible Shareholders, being Shareholders who:</p> <p>(a) are the registered holders of Shares as at 5:00pm (AWST) on the Record Date; and</p> <p>(b) have a registered address in Australia, Malaysia or New Zealand.</p> | Section 9 | | | | | | | | |
| How will the proceeds of the Offers be used? | <p>The following table illustrates the proposed allocation of the funds raised through the Rights Offer as at the date of this Prospectus. The Directors reserve the right to use the funds received as they see fit to meet the needs of the Company.</p> <table><tr><th>Use of funds</th><th>Full Subscription (\$)</th></tr><tr><td>General working capital, operating expenses and administration overheads</td><td>977,348</td></tr><tr><td>Costs of the Offers</td><td>40,000</td></tr><tr><td>Total</td><td>1,017,348</td></tr></table> | Use of funds | Full Subscription (\$) | General working capital, operating expenses and administration overheads | 977,348 | Costs of the Offers | 40,000 | Total | 1,017,348 | Section 4.3 |
| Use of funds | Full Subscription (\$) | | | | | | | | | |
| General working capital, operating expenses and administration overheads | 977,348 | | | | | | | | | |
| Costs of the Offers | 40,000 | | | | | | | | | |
| Total | 1,017,348 | | | | | | | | | |

| Question | Response | Where to find more information |
|--|---|--------------------------------|
| What are the key risks of a subscription under the Rights Offer? | <p>The Directors consider that the Company's key risks include:</p> <ul style="list-style-type: none"> • The ability of the Company to continue as a going concern may be dependent on the Company being able to raise additional funds as required to meet ongoing operational commitments and for working capital. • The concentration of share ownership in the Company contributes to low liquidity in the trading of the Company's Shares. There is a risk that given the low liquidity, investors may not be able to readily buy or sell Shares and that there may be significant fluctuations in the Share price. • The Australian and other global economies are currently affected by the impact of government policies in response to the ongoing COVID-19 pandemic. These government policies have had detrimental effect on economic activities, more so with tourism which is a key industry in which Flexiroam operates. These government policies, including border lockdown and movement control orders, have negatively impacted the operations of the Company. Any further measures to limit the transmission of the virus, such as mandatory quarantining, may continue to adversely impact the Company's operations. • The industry in which the Company operates in is a highly dynamic and competitive market, and is subject to both domestic and global competition. The Company's competitors comprise mainly of telecommunication companies and resellers of travel SIMs in countries that the Company operates in and global roaming providers. The competitive pressures have increased in recent years with customers having multiple options of data roaming providers to select from. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may negatively impact the operating and financial performance of the Company. • The long-term success of the Company is dependent upon its continuous ability to acquire new subscribers and to ensure retention of those subscribers as repeat users. Whilst the Company continues to devise various strategies including strategic alliances, marketing, promotions and pricing to achieve targeted subscribers and customer growth within the limit of available resources, there can be no assurance that the strategies adopted will be effective. There is no guarantee that the strategies will result in a successful sizeable take-up by customers. | Section 8 |

| Question | Response | Where to find more information |
|---|---|--------------------------------|
| | <ul style="list-style-type: none"> Cyber attack is of foremost concern as the Company relies heavily upon the proper functioning of the FlexiroamX App to provide services to existing customers and to attract new customers. Any attack by hackers on the FlexiroamX App could render the FlexiroamX App unavailable for use by customers or customers' personal information could be compromised. Although the Company has in place necessary cyber security measures to minimise and manage such attacks, there can be no assurance that such security strategies will be effective. Unavailability of the FlexiroamX App could harm the Company's reputation and lead to a loss of revenue. <p>Please carefully consider these risks and the information contained in other sections of this Prospectus before deciding whether or not to apply for New Shares.</p> | |
| What are the Directors' Interests in relation to the Offers? | <p>Non-Executive Directors, Mr David Ong and Mr Tat Seng Koh have committed to take up all of their Entitlements under the Rights Offer.</p> <p>In addition, Mr Koh has entered into a sub-underwriting agreement with the Underwriter to underwrite 20% of the Shortfall Offer.</p> <p>The Company's other directors have each confirmed that they will not participate in the Rights Offer.</p> | Sections 5.4 and 5.5 |
| Is the Rights Offer subject to any conditions? | No, the Rights Offer is not subject to any conditions. | |
| Can I accept part of my Entitlement? | Yes. Eligible Shareholders may accept all or part of their Entitlement under the Rights Offer. | Section 5.6 |
| How will fractional entitlements be dealt with? | Fractional entitlements to New Shares will be rounded down to the nearest whole number. | Section 5.1b |
| Can I sell my Entitlement under the Rights Offer? | No, the Entitlement to New Shares pursuant to the Rights Offer is non-renounceable. Accordingly, Entitlements may not be disposed of or traded in whole or in part. | Section 5.1c |
| What happens if Eligible Shareholders don't accept their Entitlement? | Any Entitlement not subscribed for by Eligible Shareholders will form part of the Shortfall Offer. | Section 5.2 |

| Question | Response | Where to find more information |
|--|---|--------------------------------|
| How will the Additional Shares under the Shortfall Offer be allocated? | <p>Any Entitlements not taken up by Eligible Shareholders will become available under the Shortfall Offer.</p> <p>The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date.</p> <p>The issue price for each Additional Share to be issued under the Shortfall Offer shall be \$0.01, being the same price at which New Shares have been offered under the Rights Offer.</p> <p>Eligible Shareholders can apply for Additional Shares by following the instructions set out in the Entitlement and Acceptance Form and in Section 9 and provide the Company with payment for those Additional Shares in accordance with the instructions on that form.</p> <p>The Directors, in consultation with the Underwriter, reserve the right to issue Additional Shares at their absolute discretion, including to reject any application or to allocate any applicant fewer Additional Shares than the number applied for. Any Application Monies received for more than your final allocation of Additional Shares will be refunded. Further details of the allocation policy are set out in section 5.2c.</p> <p>The Directors and the Underwriter will endeavour to allot the Additional Shares under the Shortfall Offer where the Directors are satisfied, in their sole discretion, that the issue of the Additional Shares will not result in a person's voting power increasing above 20%.</p> | Section 5.2c |
| What will be the effect of the Offers on control of the Company? | The effect of the Rights Offer on control of the Company will vary with the level of Entitlement taken up by Eligible Shareholders and the number of Additional Shares placed pursuant to the Shortfall Offer. | Sections 6.3 and 6.4 |
| Is the Rights Offer subject to Shareholder approval? | No. Shareholder approval is not required for the Rights Offer. | |
| How can I obtain further advice? | <p>Investors can contact the Company Secretary on +61 8 6389 2688 at any time between 9:00 am and 5:00 pm (AWST) Monday to Friday until the Closing Date.</p> <p>If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional advisor.</p> | |

4 OVERVIEW

4.1 Activities

Flexiroam is a technology company providing vital links between touchpoints and information repositories. The Company provides data connectivity across various communication devices to individuals as well as enterprises requiring constant connectivity to support their business activities. Its global connectivity platform provides extended coverage across more than 100 countries and allows ease of use and seamless integration for its customers.

In its 2020 Annual Report, lodged with ASX on 6 July 2020, the Company stated that for the financial year ended 31 March 2020, it had successfully grown its subscriber base by 81% to 472,000 subscribers from the previous year (FY2019: 260,000 subscribers). The Company's subscribers are comprised of international travellers based in Asia Pacific, North and South America and Africa.

The Company's innovative business model gives it the flexibility to expand its capacity and geographical reach and it has now ventured into developing enterprise solutions in the area of Internet of Things (**IoT**). The IoT encompasses a connectivity network on which sit smart devices, sensors and meters, and software to enable the exchange of information between devices and repositories. IoT technology holds significant potential in the overall information technology and communications industry. The initial focus on IoT for the Company include the development of applications for mobile point of sales, smart transportation, freight and logistics, and the healthcare sector.

Details of Flexiroam's current activities are set out in the recent announcements released to ASX by Flexiroam and are available on the ASX market announcements platform using Flexiroam's ASX code 'FRX', or Flexiroam's website: www.investor.flexiroam.com.

4.2 Impact of the coronavirus (COVID-19) pandemic

The COVID-19 pandemic has adversely affected the global business climate as a result of various government policies put in place to manage the crisis, and has had a significant adverse impact on the ability of businesses to operate domestically and abroad.

The Australian and other global economies are currently affected by the impact of government policies in response to the COVID-19 pandemic. These government policies have had detrimental effect on economic activities, more so with tourism which is a key industry in which Flexiroam operates. These government policies, including border lockdown and movement control orders, have negatively impacted the operations of the Company. Any further measures to limit the transmission of the virus, such as mandatory quarantining, may continue to adversely impact the Company's operations.

The extent of the effect of the pandemic on the performance of the Company remains uncertain. As the Company's business largely focuses on customers undertaking international travel, particularly those travelling to Malaysia, travel restrictions have impacted the Company's business, and will likely continue to do so into the future. These interruptions have stopped the upward growth trajectory maintained by the Company over the past couple of years. There can be no guarantee as to whether the travel restrictions and interruptions resulting from the onset of the pandemic will ease in the near future or at all. The continued interruptions will affect the Company's ability to generate revenue from customers undertaking international travel.

In order to address the impacts of the pandemic, the Company has taken on defensive and offensive strategies, for instance, cost-cutting measures to preserve cash flow, and maintaining a strong core team to service existing partners and subscribers whilst focusing on new opportunities such as IoT applications. Although the full extent of the economic impact from the ongoing COVID-19 pandemic is yet unknown, the Company is continuing to monitor the situation with plans to respond in tune to the changing global business environment.

In addition, the outbreak of COVID-19 is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19.

4.3 Purpose of the Offers and use of funds

The purpose of the Offers is to raise up to \$1,017,348 (before costs). The funds will be applied to strengthen Flexiroam's financial position and for general working capital purposes.

Specifically, Flexiroam intends to apply the funds raised under the Offers as follows:

| Use of Funds | Full Subscription (\$) | % |
|--|------------------------|-------------|
| General working capital, operating expenses and administration overheads | 977,348 | 96% |
| Costs of the Offers | 40,000 | 4% |
| Total | 1,017,348 | 100% |

Notes:

1. Working capital costs comprises Flexiroam's administration and overhead costs, and include operating expenses, accounting costs, auditing costs, insurance costs, legal costs, Share Registry costs, Directors' fees, ASX fees and regulatory compliance costs and expenses.
2. Costs of the Offers include the Underwriter's fees and the other costs identified in Section 10.11.

The information set out in the table above is a statement of the Directors' current intentions as at the date of this Prospectus. The exact amount of funds spent by Flexiroam will depend on many factors that cannot be presently ascertained. Accordingly, the Directors reserve the right to alter the way the funds are applied.

5 DETAILS OF THE OFFERS

5.1 Rights Offer

a. Offer

Under the Rights Offer, Eligible Shareholders are invited to subscribe for 1 New Share for every 3 Shares held at the Record Date, at an issue price of \$0.01 per New Share to raise up to approximately \$1,017,348 (before costs).

All New Shares issued pursuant to the Rights Offer will be issued as fully paid and will rank equally in all respects with the Existing Shares on issue. Further details of the rights and liabilities attaching to Shares are set out in Section 7.

Eligible Shareholders may apply for New Shares but are not required to do so. Please refer to Section 9 for details on how to accept an Entitlement and apply for New Shares under the Rights Offer.

Directors may, at any time prior to the issue of New Shares under the Rights Offer, decide to withdraw this Prospectus and the Offers of New Shares made under this Prospectus. In which case, the Company will return all Application Monies in full and without interest within 1 month of giving notice of such withdrawal.

b. Entitlement and eligibility

The Rights Offer is made to Eligible Shareholders only.

All Shareholders with a registered address in Australia, New Zealand or Malaysia and who are registered as the holder of Shares at **5:00pm (AWST) on Monday, 20 July 2020 (Record Date)** are Eligible Shareholders. The Rights Offer is not extended to Shareholders who do not meet the criteria (**Excluded Shareholders**).

The number of New Shares to which Eligible Shareholders are entitled (i.e. their Entitlement) is shown on each Eligible Shareholder's personalised Acceptance Form accompanying this Prospectus.

Where the determination of the Entitlement of any Eligible Shareholder results in a fraction of a New Share, such fraction will be rounded down to the nearest whole number.

An Eligible Shareholder's Entitlement to participate in the Rights Offer will lapse if not accepted by the Closing Date. Any New Shares not applied for will form part of the Shortfall.

Flexiroam reserves the right (in its sole discretion) to:

- reject any Acceptance Form that it reasonably believes comes from a person who is not an Eligible Shareholder; and
- reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claim to be entitled to participate in the Rights Offer proves to be false, exaggerated or unsubstantiated.

Flexiroam reserves the right to withdraw the Rights Offer at any time before New Shares are issued pursuant to it. In that event, relevant Application Monies will be refunded without interest in accordance with the Corporations Act.

c. No rights trading

The Rights Offer is non-renounceable. Eligible Shareholders may not sell or transfer their Entitlement under the Offers. If Eligible Shareholders do not take up their Entitlement to New Shares under the Rights Offer by the Closing Date, their Entitlement will lapse.

d. Minimum Subscription

The Rights Offer is not subject to any minimum subscription condition or requirement.

5.2 Shortfall Offer

a. Shortfall

Any Entitlements not taken up under the Rights Offer, and any New Shares to which Excluded Shareholders would have been entitled to if they were Eligible Shareholders, will comprise the Shortfall.

b. Offer

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open until the Closing Date. The issue price for each Additional Share to be issued under the Shortfall Offer is \$0.01 per Additional Share, being the same price at which the New Shares are being offered under the Rights Offer (**Shortfall Offer**).

Under the Shortfall Offer, Eligible Shareholders can apply for Additional Shares by completing the appropriate section on the Acceptance Form. There is no guarantee that Eligible Shareholders will receive the number of Additional Shares they apply for under the Shortfall Offer.

All Additional Shares issued pursuant to the Shortfall Offer will be issued as fully paid and will rank equally in all respects with the Existing Shares on issue. Further details of the rights and liabilities attaching to Shares are set out Section 7.

Flexiroam reserves the right to reject any Acceptance Form or to allocate any Eligible Shareholder fewer Additional Shares under the Shortfall than the number applied for. Flexiroam reserves the right to withdraw the Shortfall Offer at any time before Additional Shares are issued pursuant to it.

Please refer to Section 9.3 for details on how to apply for Additional Shares under the Shortfall Offer.

c. Allocation policy and scale back

In the event that applications for Additional Shares under the Shortfall Offer exceed the total amount of the Shortfall, the Directors will have discretion as to how to allocate the Shortfall. In exercising this discretion:

- (i) The Directors propose to allocate the Shortfall to both new investors and Eligible Shareholders in a manner considered appropriate to applicants having regard to the best interests of the Company and the Company's desire to maximise the funds raised from the Offers;
- (ii) Eligible Shareholders are encouraged to apply for the Shortfall, but in allocating the Shortfall preference will not necessarily be conferred on Eligible Shareholders;
- (iii) Where the Directors consider it is in the best interests of the Company to allocate any portion of the Shortfall to a particular applicant or to particular applicants in order to maximise the total funds raised from the Rights Offer, the Directors may do so; this may result in preference being given to an application from a new investor who is not an Eligible Shareholder;

- (iv) Subject to the above, to the extent that applications for the Shortfall are made by Eligible Shareholders, as between those Eligible Shareholders the Directors will generally endeavour to allocate the Shortfall in a manner which is considered fair to those applicants, having regard to their existing shareholding interests;
- (v) The Directors will not allocate any portion of the Shortfall to an applicant who is a related party of the Company in priority to, or to the exclusion of, any other applicant;
- (vi) The Company will not allocate New Shares under the Shortfall Offer to the extent that an applicant's voting power in the Company, together with that applicant's associates, exceed the takeover thresholds in the Corporations Act (i.e., acquiring voting power of 20% or more in the Company, or increasing an existing controlling voting power of more than 20%), subject to certain exceptions permitted by law; and
- (vii) The Directors will not otherwise exercise their discretion regarding allocation of the Shortfall in a manner likely to exacerbate a potential unacceptable control effect, except to the extent they consider necessary (acting reasonably) to prevent the issue of shares contrary to law or the Listing Rules.

If an Eligible Shareholder does not receive any or all of the Additional Shares applied for, the excess Application Monies will be returned to them without interest.

5.3 Underwriting

The Offers are underwritten by Townshend Capital on a conditional basis for the full amount of \$1,017,348, being equal to 101,734,764 New Shares.

The Underwriter will be entitled to receive a fixed fee of \$8,000 (plus GST) as consideration for agreeing to underwrite the Rights Offer.

A summary of the terms and conditions of the Underwriting Agreement, including the circumstances in which the Underwriter may terminate its underwriting commitment, is set out in Section 10.6.

The number of New Shares subscribed for under the Offers will go in relief of the Underwriter's underwriting commitment and will reduce the number of New Shares to be subscribed for by the Underwriter.

It is noted that Mr Tat Seng Koh and Mr David Ong, both directors of the Company, have provided firm commitments to the Company to subscribe under the Rights Offer for their full Entitlements. As particularised in Section 5.5 below, Mr Koh's and Mr Ong's full Entitlements amount to 7,986,666 and 20,333,333 New Shares respectively. Accordingly, it is not expected that the full extent of the underwriting (or, as described in Section 5.4 below, the sub-underwriting) will be required.

5.4 Sub-underwriting

The Underwriter has entered into sub-underwriting agreements with Mr Tat Seng Koh, a director and Shareholder of the Company, and Mr Kay Yip Ng, also a Shareholder of the Company.

Pursuant to the sub-underwriting arrangements, in the event of a Shortfall, Mr Koh and Mr Ng have agreed to sub-underwrite up to \$203,470 and \$813,878 respectively, being 20,346,953 and 81,387,811 Shares and respectively constituting 20% and 80% of the New Shares offered under the Offers. If the Shortfall is less than the total number of underwritten shares, each of Mr Koh's and Mr Ng's sub-underwriting commitment will be reduced on a pro rata basis.

As mentioned in Section 5.3 above, given the firm commitments to subscribe under the Rights Offer given to the Company by Mr Koh and Mr David Ong, it is not expected that the full extent of the sub-underwriting will be required.

Mr Koh and Mr Ng will not be paid a fee for their sub-underwriting commitments.

The maximum total shareholding of Mr Koh and Mr Ng, the sub-underwriters, following the Offers has been calculated in the table below on the basis that:

- a) Mr David Ong, a Non-Executive Director of the Company, subscribes for his full Entitlement pursuant to his commitment;
- b) Mr Koh, a Non-Executive Director of the Company, subscribes for his full Entitlement pursuant to his commitment, and takes up his full sub-underwriting commitment;
- c) Mr Ng subscribes for his full Entitlement and takes up his full sub-underwriting commitment; and
- d) no other Eligible Shareholder subscribes for their Entitlement.

| Name | Current shareholding (including direct and indirect) | Current interest in voting shares | Entitlement under Rights Offer | Maximum additional Shares to be issued ¹ | Maximum total Shares held post Offers | Maximum post-Offer interest in voting shares ² |
|---------------------------|--|-----------------------------------|--------------------------------|---|---------------------------------------|---|
| Tat Seng Koh ³ | 23,960,000 | 7.85% | 7,986,666 | 14,682,953 | 46,629,619 | 11.46% |
| Kay Yip Ng ⁴ | 10,000 | 0.003% | 3,333 | 58,731,812 | 58,745,145 | 14.44% |

Notes:

1. These figures assume that no Entitlements under the Rights Offer are taken up by Eligible Shareholders (other than Mr David Ong, Mr Koh and Mr Ng) and the underwritten Shares will be allocated to Mr Koh and Mr Ng in accordance with the sub-underwriting arrangement to take up those Shares to the maximum committed amount.
2. These percentages assume that all underwritten Shares have been taken up by the sub-underwriters.
3. Mr Koh has committed to take up his full Entitlement.
4. Mr Ng has informed the Company that he may take up part or all of his Entitlement.

For further details of the possible effect of the Offers on control of Flexiroam, please refer to Sections 6.3.

5.5 Directors' Interests

Other than as set out in this Prospectus, no Director holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offers; or
- c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- d) as an inducement to become, or to qualify as, a Director; or
- e) for services provided in connection with the formation or promotion of the Company, or the Offers.

The table below sets out the Directors' relevant interest in the securities of the Company based on the current capital structure, and their commitment and intention in relation to the take-up of their Entitlement under the Rights Offer.

| Name | Existing Shares (including direct and indirect) | Existing Options ⁶ | Entitlement | Sub- underwriting commitment |
|---------------|---|----------------------------------|-------------------------|------------------------------------|
| Jefrey Ong | 61,411,430 | 12,282,286 | 20,470,476 | Nil |
| Tat Seng Koh | 23,960,000 ¹ | 4,792,000 | 7,986,666 ² | 14,749,620 ³ |
| David Ong | 61,000,000 ⁴ | 12,200,000 | 20,333,333 ⁵ | Nil |
| Tuck Yin Choy | Nil | Nil | Nil | Nil |

Notes:

1. Mr Koh holds beneficial interests over Shares that are registered under a nominee account.
2. Mr Koh has committed to take up his Entitlement in full.
3. In addition to his commitment to take up his Entitlement, Mr Koh has entered into a sub-underwriting agreement with the Underwriter (refer Section 5.4). Mr Koh will not receive a fee for his sub-underwriting commitment taken up.
4. Mr Ong's relevant interests includes 1,000,000 Shares held by Reapfield Properties Sdn Bhd, an entity of which he is a director and shareholder.
5. Mr Ong has committed to take up the Entitlement for his direct holding in full, being 20,000,000 New Shares. Reapfield Properties have informed the Company that it intends to take its Entitlement, being 333,333 New Shares.
6. Options to subscribe for one fully-paid ordinary share in the Company at an exercise price of \$0.12 and having an expiry date of 31 October 2022.

5.6 Acceptances

The Rights Offer may be accepted in whole or in part prior to the Closing Date subject to the rights of the Company to extend the Offer period or close the Offer early.

Instructions for accepting your Entitlement are set out in Section 9 and on the Acceptance Form which accompanies this Prospectus.

5.7 No Cooling-Off Rights

Cooling-off rights do not apply to an investment in New Shares. You cannot, in most circumstances, withdraw your application once it has been accepted.

5.8 Entitlement to Offer

The Rights Offer is made to Eligible Shareholders, who are those Shareholders that:

- a) are the registered holder of Shares as at 5:00pm (AWST) on the Record Date; and
- b) have an address on the register in Australia, New Zealand or Malaysia.

5.9 Timetable

The indicative timetable for the Offers is set out in Section 1.

5.10 New Zealand resident Eligible Shareholders

The New Shares are not being offered to the public within New Zealand other than to Shareholders with registered addresses in New Zealand, to whom the offer of these New Shares is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. 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.

5.11 Malaysian resident Eligible Shareholders

The Offers are made to Eligible Shareholders with an address in Malaysia in reliance on Item 28 of Schedule 6 Part II (D) of the Capital Markets and Services Act 2007 (Malaysia).

The New Shares are not being offered or sold to the public within Malaysia other than to such Eligible Shareholders and therefore the Offers can be extended to Eligible Shareholders who are residents in Malaysia without any disclosure document being filed with the Securities Commission of Malaysia.

5.12 Excluded Shareholders

The Offers are not made to Shareholders who, on the Record Date, have a registered address outside Australia, Malaysia or New Zealand (**Excluded Shareholders**).

Neither this Prospectus nor the Acceptance Form constitutes an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

In making the decision to not extend the Offers to Excluded Shareholders, Flexiroam has taken into account:

- the small number Shareholders outside Australia, Malaysia and New Zealand;
- the number and value of New Shares that would be offered to Shareholders outside Australia, Malaysia and New Zealand; and
- the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The Offers are made to all Eligible Shareholders. Flexiroam is not required to determine whether or not any registered Eligible Shareholder holds Shares on behalf of persons who are residents outside Australia, Malaysia and New Zealand (including nominees, custodians and trustees) or the identity or residence of any beneficial owners of Shares.

Any Eligible Shareholders who hold Shares on behalf of persons who are residents outside Australia, New Zealand and Malaysia are responsible for ensuring that any dealing with New Shares issued under the Offers do not breach the laws and regulations in the relevant overseas jurisdiction, and should seek independent professional advice and observe any applicable restrictions relating to the taking up of Entitlement, subscribing under the Shortfall Offer, or the distribution of this Prospectus and/or the Acceptance Form.

The distribution of this Prospectus and accompanying Acceptance Form (including electronic copies) outside Australia, New Zealand or Malaysia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

5.13 Beneficial holders, nominees, trustees and custodians

Persons acting as nominees, trustees, or custodians for other persons must not take up any Entitlements on behalf of, or send any documents related to the Offers to, any person in any jurisdiction where it is unlawful to do so, or to any person that is acting for the account or benefit of a person in any jurisdiction where it is unlawful to do so. By applying for New Shares under this Prospectus, including by submitting an Acceptance Form or making a payment using BPAY®, a nominee, trustee or custodian represents and warrants this is the case.

Flexiroam is not required to determine whether or not a registered holder or investor is acting as a nominee, trustee or custodian or the identity or residence of any beneficial holder of Shares.

Where any person is acting as a nominee, trustee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in an Offer by the beneficiary complies with applicable laws.

5.14 Option Holders

Under the terms of the Options on issue, there is no entitlement to participate in either Offer unless Option Holders exercise their Options and are entered into the register as an Eligible shareholder on or before the Record Date.

If an Option Holder wishes to participate in an Offer, it will be necessary for the Option Holder to exercise all or part of their Options in accordance with the terms and conditions of those Options, and the Shares in respect of those Options must have been issued on or before the Record Date.

5.15 Allotment and application monies

New Shares will be issued only after all application monies have been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 14 August 2020 and normal trading of the New Shares on ASX is expected to commence on 17 August 2020.

All application monies will be deposited into a separate bank account of the Company and held in trust for Applicants until the New Shares are issued or application monies returned. Any interest that accrues will be retained by the Company and will not be paid to Applicants.

5.16 Quotation

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the New Shares offered by this Prospectus on ASX. If ASX does not grant permission for the quotation of the New Shares within 3 months after the date of this Prospectus, or such longer period as modified by ASIC, none of the New Shares offered by this Prospectus will be allotted or issued. In these circumstances, all Applications will be dealt with in accordance with the Corporations Act including the return of all application monies without interest.

A decision by ASX to grant official quotation of the New Shares is not to be taken in any way as an indication of ASX's view as to the merits of the Company or of the New Shares.

Quotation, if granted, of the New Shares offered by this Prospectus will commence as soon as practicable after statements of holdings of the New Shares are dispatched.

5.17 Market prices of existing Shares on ASX

The highest and lowest market sale price of the existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the 3 months immediately preceding the lodgement of this Prospectus with the ASIC, and the last market sale price of the Shares on ASX prior to the lodgement date of this Prospectus, are set out below.

| | 3 month high | 3 month low | Last market sale price |
|------------|--------------|---------------|------------------------|
| Price (\$) | \$0.02 | \$0.01 | \$0.016 |
| Date | 3 June 2020 | 15 April 2020 | 14 July 2020 |

6 EFFECT OF THE OFFERS

6.1 Effect of the Offers on the Company's capital structure

The table below sets out the anticipated effect of the Offers on Flexiroam's capital structure, assuming all Entitlements are accepted and no Options are exercised prior to the Closing Date.

Shares

| | Number | % |
|---|--------------------|------------|
| Shares currently on issue | 305,204,293 | 75 |
| New Shares offered pursuant to the Offers | 101,734,764 | 25 |
| Total Shares | 406,939,057 | 100 |

Options

| | Number | % |
|--|-------------------|------------|
| Options currently on issue ¹ | 65,620,842 | 100 |
| Options offered pursuant to the Rights Offer | Nil | - |
| Total Shares | 65,620,842 | 100 |

- Options to subscribe for one fully-paid ordinary share in the Company at an exercise price of \$0.12 and having an expiry date of 31 October 2022

6.2 Details of substantial shareholders

Based on available information as at the date of this Prospectus, those persons which together with their associates having a voting power of 5% or more of the Shares on issue are set out below.

| Shareholder | Number of Shares | Voting power % |
|--|------------------|----------------|
| Jefrey Ong | 61,411,430 | 20.12 |
| David Ong and Reapfield Properties Sdn Bhd | 61,000,000 | 19.99 |
| Tat Seng Koh and Citicorp Nominees Pty Limited | 29,094,849 | 9.53 |
| Aik Cheong Yeoh | 24,211,187 | 7.93 |
| HSBC Custody Nominees (Australia) Limited | 7,505,612 | 5.74 |

In the event all Entitlements are accepted there would be no change to the substantial holders on completion of the Rights Offer.

6.3 Dilution

Eligible Shareholders should note that if they do not participate in the Rights Offer, their holdings are likely to be diluted by approximately 25% in relation to the Offers compared to their holdings and number of Shares on issue as at the date of this Prospectus.

6.4 Effect of the Offers on control of the Company

The maximum total number of New Shares proposed to be issued under the Offers is 101,734,764 which will constitute 25% of the Shares on issue following completion of the Offers (assuming no other Shares are issued prior to the Record Date).

In summary, section 606(1) of the Corporations Act prohibits a person, unless an exception applies, from increasing their voting power in the Company:

- a) from 20% or below to more than 20%; or
- b) from a starting point of above 20% and below 90%.

One of the exceptions to section 606(1) is where that increase occurs as a result of an issue under a disclosure document to an underwriter or sub-underwriter to the issue and where the disclosure document disclosed the effect that the issue would have on the underwriter's or sub-underwriter's voting power in the company.

No nominee has been appointed for Excluded Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlements, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in section 606 as a result of acceptance of their Entitlement should seek professional advice before completing and returning their Acceptance Form.

The Company is of the view that the Rights Offer will not affect the Control (as defined by section 50AA of the Corporations Act) of the Company and that no investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Rights Offer.

The potential effect the Rights Offer will have on each Shareholder's relevant interest in Shares and voting power in the Company is as follows:

- a) If all Eligible Shareholders take up their Entitlement and the Shortfall is fully placed with applicants who are not existing shareholders, each Eligible Shareholder's percentage in the total issued Shares of the Company will remain the same and not be diluted;
- b) In the more likely event that not all Eligible Shareholders subscribe for their full Entitlement (i.e. there is a Shortfall), Eligible Shareholders who do not subscribe for their full Entitlement under the Rights Offer and Excluded Shareholders unable to participate in the Offer will be diluted relative to those Shareholders who subscribe for some or all of their Entitlement. The extent of the dilution will depend on the degree to which Eligible Shareholders take up their Entitlement.
- c) By reason of existing shareholdings in the Company and the structure of the Rights Offer, the largest Shareholder (who is also a director) Mr Jeffrey Ong, has a current voting power of 20.12%. Mr Ong's voting power will not increase if the Rights Offer is fully subscribed and his Entitlements are taken up in full. Mr Ong has confirmed that he will not take up any part of his Entitlement under the Rights Offer. His voting power would be diluted to 15.09% under a full subscription.

Townshend Capital, the Underwriter, and its associates do not hold a relevant interest in any Shares as at the date of this Prospectus.

The Underwriter's maximum potential relevant interest in Shares and voting power in the Company under several scenarios are set out in the table below and are based on the assumptions that:

- a) no further Shares are issued;
- b) Mr David Ong and Mr Tat Seng Koh take up their Entitlements in full pursuant to their firm commitments; and
- c) The Underwriter takes up the remaining Entitlement.

| | Number of Underwriter Shares | Total Shares | Voting power % |
|--|---------------------------------|--------------|-------------------|
| Date of Prospectus | Nil | 305,204,293 | 0 |
| Rights Offer | | | |
| Fully subscribed | Nil | 406,939,057 | 0 |
| 75% subscribed by Eligible Shareholders | 25,433,691 | 406,939,057 | 6.25 |
| 50% subscribed by Eligible Shareholders | 50,867,382 | 406,939,057 | 12.50 |
| 28% subscribed by Mr David Ong and Mr Tat Seng Koh | 73,414,765 | 406,939,057 | 18.04 |

6.5 Effect of the Rights Offer on the Company's financial position

To illustrate the effect of the Rights Offer on the financial position of the Company, set out below is the audited Statement of Financial Position of the Company and the unaudited Pro Forma Statement of Financial Position, both as at 31 March 2020. Each has been prepared on the basis of the accounting policies normally adopted by the Company.

In addition, the unaudited Pro Forma Statement of Financial Position has been prepared by the Company on the basis of the following assumptions:

- a) as if the Rights Offer was effective on 31 March 2020;
- b) no further Shares are issued other than all New Shares offered under this Prospectus or as set out in this section;
- c) take up of the Rights Offer assuming the full subscription is received; and
- d) costs of the Offer will be \$40,000.

The unaudited Pro Forma Statement of Financial Position has been prepared to provide investors with information on the assets and liabilities of the Company and pro forma assets and liabilities of the Company as set out below. The audited historical and unaudited pro forma financial information is presented in an abbreviated form, insofar as it does not include all disclosures required by the Australian Accounting Standards applicable to financial statements.

UNAUDITED PRO FORMA STATEMENT OF FINANCIAL POSITION

| | Audited 31 March 2020 \$ | Full Subscription | | Unaudited Pro Forma 31 March 2020 \$ |
|----------------------------------|--------------------------------|-------------------|--------------------------|---|
| | | Offers \$ | Costs ¹ \$ | |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 615,741 | 1,017,347 | (40,000) | 1,593,089 |
| Trade and other receivables | 157,087 | | | 157,087 |
| Inventory | 416,365 | | | 416,365 |
| Other assets | 130,708 | | | 130,708 |
| Total Current Assets | 1,319,901 | 1,017,347 | (40,000) | 2,297,249 |
| NON-CURRENT ASSETS | | | | |
| Property, plant and equipment | 73,304 | | | 73,304 |
| Right of use asset | 12,666 | | | 12,666 |
| Total Non-Current Assets | 85,970 | - | - | 85,970 |
| TOTAL ASSETS | 1,405,871 | 1,017,347 | (40,000) | 2,383,219 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 2,392,770 | | | 2,392,770 |
| Deferred revenue ² | 4,119,431 | | | 4,119,431 |
| Lease liability | 12,416 | | | 12,416 |
| Total Current Liabilities | 6,524,617 | - | - | 6,524,617 |
| Total Liabilities | 6,524,617 | - | - | 6,524,617 |
| NET ASSETS | (5,118,746) | 1,017,347 | (40,000) | (4,141,398) |
| EQUITY | | | | |
| Issued Capital | 39,366,706 | 1,017,347 | (40,000) | 40,344,054 |
| Reserves | (3,742,616) | | | (3,742,616) |
| (Accumulated Losses) | (40,742,836) | | | (40,742,836) |
| TOTAL EQUITY | (5,118,746) | 1,017,347 | (40,000) | (4,141,398) |

1. The Costs of the Offers are set out in Section 10.11.
2. In accordance with AASB 15 "Revenue from Contracts with Customer", deferred revenue as at 31 March 2020 is comprised of unearned corporate and consumer sales (i.e. in relation to sales of mobile data plans) and foreign exchange translation effects. Unearned sales will be duly recognised in the current reporting period as revenue either upon the subscriber utilising the purchased data and allowing the Company to fulfil its contracted obligation, or upon the expiry of the validity period, which can range between a number of days and months, or up to a period of one year. The Company's 2020 Annual Report, lodged with ASX on 6 July 2020, contains further details on the accounting treatment of deferred revenue.

7 RIGHTS AND LIABILITIES ATTACHING TO NEW SHARES

The New Shares issued under this Prospectus will be fully paid ordinary shares in the capital of Flexiroam and will rank equally with the Existing Shares.

Full details of the rights and liabilities attaching to the Shares are contained in the Constitution of Flexiroam and, in certain circumstances, are regulated by the Corporations Act, the Listing Rules and the common law. The Constitution is available for inspection free of charge at the Company's registered office.

The following is a broad summary (though not necessarily an exhaustive or definitive statement) of the rights and liabilities attaching to the Shares:

(a) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of members every member has one vote on a show of hands and one vote per Share on a poll. Voting may be in person or by proxy, attorney or representative.

(b) **Dividends**

Except as otherwise required by the Corporations Act and on the terms on which shares are on issue and the rights and restrictions attaching to shares, the Directors may from time to time:

- declare dividends (whether final or interim) to be paid to members on such terms, including the amount and the time for and the method of payment, as the Directors think fit; or
- determine that a dividend is payable, fix the amount and time for payment.

(c) **Future issues of securities**

Subject to the Corporations Act and the Listing Rules, the Directors may issue, grant options over, or otherwise dispose of unissued shares in the Company at the times and on the terms that the Directors think proper and a share may be issued with preferential or special rights.

(d) **Transfer of Shares**

A shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by ASX for the purpose of facilitating transfers in Shares or by an instrument in writing in a form approved by ASX or the Board.

(e) **Meetings and notices**

Each shareholder is entitled to receive notice of, and to attend, general meetings for the Company and to receive all notices, accounts and other documents required to be sent to shareholders under the Constitution, the Corporations Act or the Listing Rules.

Shareholders may requisition meetings in accordance with the Corporations Act.

(f) **Liquidation rights**

The Company has one class of shares on issue, ordinary shares. Each ordinary Share ranks equally in the event of liquidation.

(g) **Variation of rights**

Subject to the Corporations Act and Listing Rules, the rights attached to the Shares may be varied in accordance with the Corporations Act

(h) **Winding up**

Subject to the Corporations Act, the Listing Rules and any rights or restrictions attached to a class of shares, on a winding up of the Company any surplus must be distributed among the shareholders of the Company.

(i) **Shareholder liability**

As the Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

8 RISK FACTORS

8.1 Introduction

Investors wishing to subscribe for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the effect of the issue of New Shares on Flexiroam and the rights and liabilities attaching to New Shares.

Investors should carefully consider whether or not the New Shares in the Company are an appropriate investment for them and should appreciate that the price of Flexiroam's Securities can fall as well as rise.

New Shares offered by this Prospectus should be viewed as speculative and, whilst the Directors commend the Offers, investors should be aware of, and take into account, the risk factors involved.

This Section 8 is not intended to be an exhaustive list of the considerations to be taken into account by investors in deciding whether or not to subscribe for New Shares, nor all of the risk factors to which the Company is exposed. Some of these risks can be mitigated by the use of safeguards and appropriate systems and actions, but many are outside the control of the Company and cannot be mitigated.

There are risks associated with investing in any form of business and with investing in the share market generally. All investors should consult their professional advisors if they are in any doubt as to any aspect of this Prospectus, the Offers or any other matter relating to an investment in Flexiroam.

8.2 Risk specific to the Offers

(a) Dilution

Shareholders who do not take up their Entitlement will have their shareholding in the Company diluted. Details of dilution are set out in Section 6.3 above.

(b) Control

The Directors will take reasonable steps to help ensure a reasonable distribution of voting power under the Offers. However, assuming some Eligible Shareholders take up their Entitlement and others do not, there is a risk that voting power may be consolidated among fewer Shareholders and the interests of these Shareholders may not align with other Shareholders' interests. See Section 6.4 for details on the effect of the Offers on the control of the Company.

8.3 Company specific risks

(a) Going concern

To date, the business operations of the Company have not yet generated a net operating profit and it currently has a significant deficiency in net working capital. While the proceeds from the Offers will significantly improve its working capital position, there is no assurance that the Company's working capital position is sufficient to support its operations if and until it becomes profitable. Accordingly, the Company may require additional funding to support its operations. Any inability to raise additional funding on acceptable terms may have a material adverse effect on the Company's financial condition and performance and therefore its ability to continue as a going concern.

(b) Concentration of share ownership

The Company's top 20 Shareholders hold approximately 89% of the Company's issued Shares, while the Directors hold approximately 48% of the Company's issued Shares. This concentration of share ownership contributes to low liquidity in the trading of the Company's Shares.

There is a risk that given the low liquidity, investors may not be able to readily buy or sell Shares and that there may be significant fluctuations in the Share price.

8.4 Business and industry specific risks**(a) Coronavirus (COVID-19) pandemic**

The Australian and other global economies are currently affected by the impact of government policies in response to the COVID-19 pandemic. These government policies have had detrimental effect on economic activities, more so with tourism which is a key industry in which Flexiroam operates. These government policies, including border lockdown and movement control orders, have negatively impacted the operations of the Company. Any further measures to limit the transmission of the virus, such as mandatory quarantining, may continue to adversely impact the Company's operations.

The extent of the effect of the pandemic on the performance of the Company remains uncertain. As the Company's business largely focuses on customers undertaking international travel, particularly those travelling to Malaysia, travel restrictions have impacted the Company's business, and will likely continue to do so into the future. These interruptions have stopped the upward growth trajectory maintained by the Company over the past couple of years. There can be no guarantee as to whether the travel restrictions and interruptions resulting from the onset of the pandemic will ease in the near future or at all. The continued interruptions will affect the Company's ability to generate revenue from customers undertaking international travel.

In order to address the impacts of the pandemic, the Company has taken on defensive and offensive strategies, for instance, cost-cutting measures to preserve cash flow, and maintaining a strong core team to service existing partners and subscribers whilst focusing on new opportunities such as IoT applications. Although the full extent of the economic impact from the ongoing COVID-19 pandemic is yet unknown, the Company is continuing to monitor the situation with plans to respond in tune to the changing global business environment.

In addition, the outbreak of COVID-19 is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share prices. The Company's Share price may be adversely affected by the economic uncertainty caused by COVID-19.

(b) Competitive market

The industry in which the Company operates in is a highly dynamic and competitive market, and is subject to both domestic and global competition. The Company's competitors comprise mainly of telecommunication companies and resellers of travel SIMs in countries that the Company operates in and global roaming providers. The competitive pressures have increased in recent years with customers having multiple options of data roaming providers to select from and their decisions are typically based on price, quality of products and services, coverage and technology. Some of the Company's competitors, especially telecommunication companies are large organisations with greater financial, technical and human resources. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its

competitors, whose activities or actions may negatively impact the operating and financial performance of the Company.

Notwithstanding stiff competition, the Company continues to respond with customer-focused strategy, constant research and development into technology, high quality products and services, and improvements to cost structures. Review of competition and understanding of market and technology trends are also regularly carried out.

(c) **Future capital needs**

During recent times, the Company has continued to develop sales pipelines and alliances with major airlines, that could reach out to global travellers and the Company intends to intensify further effort to capture customers from these pipelines. The Company will require additional funding in the future to support its business development needs and market growth. Changes to operational requirements, market conditions and business opportunities could mean further funding may be required by the Company at an earlier stage than is currently anticipated. There can be no assurance that funds will be available should the Company require additional funding on acceptable terms. Any inability to obtain additional funding, if required, may have a material adverse effect on the Company's financial condition and performance and may lead to the Company's ability to continue as a going concern.

(d) **Subscribers and customers acquisition**

The long-term success of the Company is dependent upon its continuous ability to acquire new subscribers and to ensure retention of those subscribers as repeat users. Whilst the Company continues to devise various strategies including strategic alliances, marketing, promotions and pricing to achieve targeted subscribers and customer growth within the limit of available resources, there can be no assurance that the strategies adopted will be effective. There is no guarantee that the strategies will result in a successful sizeable take-up by customers. The costs incurred in acquiring and retaining customers have direct impact on the financial performance of the Company and there is a risk that revenue generated may not be sufficient to cover customer acquisition and operating costs.

(e) **Cyber security**

Cyber attack is of foremost concern as the Company relies heavily upon the proper functioning of the FlexiroamX App to provide services to existing customers and to attract new customers. Any attack by hackers on the FlexiroamX App could render the FlexiroamX App unavailable for use by customers or customers' personal information could be compromised. Any attack may happen without warning and ranges in severity.

Any breach of security can have an extreme impact on the Company's business and credibility with its clients. Although the Company has in place necessary cyber security measures to minimise and manage such attacks, there can be no assurance that such security strategies will be effective. Unavailability of the FlexiroamX App could harm the Company's reputation and lead to a loss of revenue, while a compromise on customers' information could hinder the Company's ability to retain existing customers or attract new customers, which could have a material adverse impact on the Company's business.

(f) **Risks associated with strategic alliances**

The Company's sales and marketing initiatives for global market growth involve entering into strategic alliances with major corporates in the airline, insurance, travel and financial services industries to acquire global customers. Such strategic activities often require additional high investment costs to support customers and operations and may even require setting up physical presence in those countries thus incurring additional associated overheads and costs. There are risks that the strategic alliances may be unsuccessful due to operational challenges or the acquisition of subscribers and customers are lower than expected. Even if there is demand for the Company's products and services from such strategic alliances, revenue generated may not be sufficient to cover costs associated with these strategic alliances and as such could materially affect the working capital and profitability of the Company.

(g) Dependence on third party network providers

The Company's business model is reliant upon third party network providers and the performance of those networks in the coverage country. The Company has support measures in place in the event of any network downtime or major network disruptions, aiming at providing customers with best possible solution and user experience. However, any network downtime or major network disruptions could materially impact connectivity and this may affect customer confidence and impact sales of the Company. Any prolonged disruption or failed relationship with any third party network could materially impact the future business performance of the Company.

(h) Dependence on devices

The Company's products and services require the use of mobile phone or other similar devices. Accordingly, the business model of the Company is heavily dependent upon the existence and ownership of these devices. There can be no guarantee that these devices will continue to be as widely used as they currently are or that they will not be replaced by alternative devices upon which the Company's technology can function.

(i) Contractual third party risk

The Company relies on third parties for key deliverables in its business model. These third party providers include payment gateways, product suppliers and network providers. Any failure by one of these third parties to deliver on their commitment without an appropriate countermeasure could cause disruption to operations. The Company has adopted mitigating strategies including diversifying and not relying on single party providers and continually assesses such risk.

(j) Staff risk

Attracting, nurturing and retaining high-calibre staff is vital for the successful execution of the future ambition of the Company. Any turnover of key staff involved in the business and development of the Company's core technology and intellectual property may negatively impact the Company's business performance and growth. Their departure may result in the loss of critical knowledge, knowhow and information and the replacement of such key staff members may require time and further training. The Company's risk mitigation strategy involves creating a professional environment in which all staff members are able to progress personally and professionally with the Company.

(k) Protection of intellectual property rights

The Company has intellectual property protection plans but such plans may not be exhaustive enough for protection and defence. The legal standards relating to validity, enforceability and scope of protection of intellectual property rights are uncertain from country to country and effective patent, trademark, copyright and trade secret protection may not be available to the Company in all countries in which it has operations. Accordingly, the Company may not be able to prevent third parties from infringing upon or misappropriating its intellectual property. The Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights and may initiate or otherwise be involved in litigation against third parties for infringement or to establish the validity of its rights. Any litigation, whether or not successful could result in significant expenses to the Company and cause a distraction to management.

(l) Failure to deal with rapid growth potential

The Company's business has the potential for rapid growth globally. Failure to properly manage his growth potential could harm the business and resulting to loss of the opportunity to become a market leader. The Company will require scale-up strategies and other resources including availability of financial resources, development of new technologies, recruitment of talent, training, integration and management of the staff as well as the need to satisfy customer requirements, execute strategic business plan or respond to market competition pressure. There can be no assurance that the Company will be able to successfully manage this rapid growth potential opportunity.

(m) Currency risk

The Company derives a majority of its revenue in the US dollars and have costs exposures mainly in US dollars, Australian dollars and Malaysian Ringgit. Accordingly, changes in the exchange rate between the American dollars, Australian dollar and Malaysian Ringgit will have direct effect on the performance of the Company.

(n) Reliance on distribution partners

Apart from strategic alliance partners and direct marketing, the Company's business model also depends on distribution partners who sell the Company's products and services globally. There is a risk that these partners will not perform within the expectations of the Company and this could potentially affect the financial performance of the Company.

(o) Government policy changes and legal risk

The Company's customers are situated from over 120 countries and the Company's network covers over 150 countries globally. The Company's operations in the countries in which it operates will be governed by the applicable laws and regulations in those countries. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the assets, operations, performance, growth prospects and share price of the Company. Any governmental action or policy changes in relation to aspects such as access to customers, intellectual property protection, trade restrictions and taxation may also adversely affect the Company. These laws and regulations may also be amended from time to time, and any changes thereto are outside of the control of the Company. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

8.5 General investment risks**(a) Investment risk**

The New Shares offered pursuant to this Prospectus should be considered speculative due to the nature and stage of development of the Company's business. There cannot be any assurance as to payment of dividends, return of capital or the market value of the New Shares. In particular, the price at which an investor may be able to trade the New Shares may be above or below the price paid for those New Shares.

Eligible Shareholders must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate having regard to their own particular circumstances.

(b) General economic conditions

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the telecommunications industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's operations and development activities, as well as on its ability to fund those activities.

(c) Share market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors, including:

- general economic outlook;
- introduction of tax reform or other new legislation (such as royalties);
- interest and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors in Australia and/or overseas;
- the demand for, and supply of, capital, and

- terrorism or other hostilities.

The market price of Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and telecommunication stocks in particular, which influences are beyond the Company's control and unrelated to the Company's performance.

(d) **Volatility in global credit and investment markets**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors leading to this situation have been outside the control of the Company and may continue for some time, resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's Shares trade regardless of operating performance and may affect the Company's ability to raise additional equity and/or debt, if required to achieve its objectives.

(e) **Government and legal risk**

The introduction of new legislation or amendments to existing legislation by governments (including the introduction of tax reform), developments in existing common law or the respective interpretation of the legal requirements in any of the legal jurisdictions that govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial performance of the Company. The same adverse impact is possible as a result of the introduction of new government policy or amendments to existing government policy, including such matters as access to lands and infrastructure, compliance with environmental regulations, taxation and royalties.

(f) **Regulatory approvals**

The Company requires permits from regulatory authorities to authorise the Company's operations. Obtaining the necessary permits can be time consuming and there is a risk that the Company will not obtain them on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining the necessary permits and complying with those permits and applicable laws and regulations could materially delay or restrict the Company from proceeding with the development of a project or the operation of a mine and/or constructing mineral treatment and processing facilities. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in the suspension of the Company's activities or interruption of the commercialisation of the Company's technologies.

(g) **Insurance**

The Company intends to review its insurance for its activities in accordance with good industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(h) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

9 ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

9.1 Alternative options available

The number of New Shares to which each Eligible Shareholder is entitled is shown on the personalised Acceptance Form accompanying this Prospectus.

An Eligible Shareholder may do any of the following:

- accept their Entitlement in full;
- accept their Entitlement in full and apply for Additional Shares under the Shortfall Offer;
- accept part of their Entitlement and allow the balance to lapse; or
- allow all of their Entitlement to lapse.

9.2 Accepting Entitlements in full or in part

To accept Entitlement in full or in part, an Eligible Shareholder may either:

- complete the Acceptance Form for the number of New Shares that the Eligible Shareholder wishes to apply for in accordance with the instructions on the form, and return the completed form together with a cheque or money order for the Application Monies to the Share Registry; or
- make a payment through the BPay® facility for the number of New Shares that the Eligible Shareholder wishes to apply for in accordance with the instructions on the Acceptance Form.

When paying by BPay®, Eligible Shareholders should be aware that their financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of the Eligible Shareholder to ensure that funds are submitted through BPay® by the Closing Date. **If electing to pay via BPay® please follow the instructions for BPay® set out in the Acceptance Form.**

For persons paying by BPay® you will not need to return the Acceptance Form.

The Company encourages participants in the Offers to apply for New Shares by BPay® as a matter of public safety, to avoid the handling of paper Acceptance Forms and to overcome potential mail delays in light of the ongoing COVID-19 pandemic.

9.3 Accepting Entitlements in full and applying for Additional Shares under the Shortfall Offer

Eligible Shareholders who wish to accept their Entitlement in full and apply for Additional Shares under the Shortfall Offer may either:

- complete the Acceptance Form for all of their Entitlement **AND** specify on that form the number of Additional Shares that the Eligible Shareholder wishes to apply for under the Shortfall Offer in accordance with the instructions on the form, and return the completed form together with a cheque or money order for the Application Monies to the Share Registry; or
- make a payment through the BPay® facility for all of their Entitlement and the number of Additional Shares that the Eligible Shareholder wishes to apply for in accordance with the instructions on the Acceptance Form.

The allocation and issue of Additional Shares under the Shortfall Offer will be determined by the Directors in their discretion, in consultation with the Underwriter. The allocation policy in relation to the Shortfall Offer is set out in Section 5.2c.

9.4 Entitlements not taken up

Eligible Shareholders who do not wish to accept any of their Entitlement are not required to take any action.

If an Eligible Shareholder does not accept all of their Entitlement, then:

- the balance of those Entitlement will lapse and the New Shares that are not subscribed for will form part of the Shortfall; and
- their percentage shareholding in the Company will be diluted and reduce accordingly.

9.5 Lodging your Acceptance Form

Unless payment is made using BPay® as outlined above, a completed Acceptance Form must be accompanied by a personal cheque or money order, payable in Australian dollars, for an amount equal to the number of New Shares for which the Eligible Shareholder wishes to apply, multiplied by the Offer Price, being \$0.01 per New Share.

Cheques or money orders must be made payable to "Flexiroam Limited" and should be marked "Not Negotiable".

Completed Acceptance Forms and accompanying cheques or money orders must be received by the Company **before 5:00pm (AWST) on the Closing Date** at either of the following addresses:

| Delivery | Post |
|---|--|
| Flexiroam Limited c/-Advanced Share Registry Limited 110 Stirling Highway Nedlands WA 6009 | Flexiroam Limited c/-Advanced Share Registry Limited PO Box 1156 Nedlands WA 6909 |

An Acceptance Form does not need to be signed to be a binding acceptance of New Shares.

If the Acceptance Form is not completed correctly it may still be treated as valid. The Company's decision as to whether to treat a form as valid and how to construe, amend or complete the form is final.

9.6 Malaysian Shareholders

Eligible Shareholders residing in Malaysia can pay for their Entitlements and Additional Shares (if applicable) by:

- emailing a completed personalised Acceptance Form and payment confirmation/receipt for the amount of Entitlement and Shortfall Shares applied for and funds transferred to investor@flexiroam.com; and
- transferring the appropriate Application Monies to the following subscription account:

| | |
|-------------------------------|--|
| Bank Name: | THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED |
| Bank Address: | NO. 1, QUEEN'S ROAD CENTRAL, HONGKONG |
| Swift Code: | HSBCHKHHHKH |
| Branch name | KWUN TONG |
| Account Name: | FLEXIROAM ASIA LIMITED |
| Bank Account Number: | 456-569482-838 |
| Reference (mandatory): | SRN/HIN and with your Surname or Corporate Entity Name |

When paying by EFT, Eligible Malaysian Shareholders should be aware that their own financial institutions may implement earlier cut off times with regards to electronic payment and it is the responsibility of the shareholder to ensure that funds are submitted through EFT by the Closing Date. For Eligible Malaysian Shareholders paying by EFT, **please ensure your SRN/HIN followed by your Last Name/Surname or Corporate Entity Name is provided as a payment reference.**

The Company takes no responsibility for Application Monies that cannot be matched to a completed Acceptance Form. Any bank fees will be to the applicant's account.

9.7 Application Monies to be held in trust

Application Monies will be held by the Company in trust in accordance with the requirements of the Corporations Act until the New Shares to which the Application Monies pertains are issued under an Offer, or a refund of Application Monies occurs in the circumstances described in this Prospectus.

Flexiroam will retain any interest earned on Application Monies, including in the event of any refund of Application Monies.

9.8 Cash payments will not be accepted but returned and the application deemed invalid.

The Company takes no responsibility for funds transferred without also emailing a completed personalised Acceptance Form.

Payments so received will be held in trust in accordance with the Corporations Act.

9.9 No brokerage

Brokerage or transfer/stamp duty is not payable in relation to the Offers.

9.10 Acceptance Form is binding

Receipt of a completed and lodged Acceptance Form together with a cheque, bank draft or money order for the application monies, or by making a payment in respect of an Application by BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn.

By completing and returning your Acceptance Form with the requisite application monies, or by making a payment in respect of an Application by BPAY, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offers;
- (b) declare that all details and statements in the Acceptance Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Company's share registry upon using the contact details set out in the Acceptance Form;
- (e) declare that you are the current registered holder of Shares and are an Australian, New Zealand or Malaysian resident, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;

- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- (g) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia, New Zealand or Malaysia and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

The Acceptance Form does not need to be signed to be a valid application. An Application will be deemed to have been accepted by the Company upon the issue of the New Shares.

If the Acceptance Form is not completed correctly or if the accompanying payment of the application monies is for the wrong amount, it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Acceptance Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the application monies received by the Company.

10 ADDITIONAL INFORMATION

10.1 CHESS

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). CHESS is operated by ASX Settlement Pty Ltd (**ASPL**), a wholly owned subsidiary of ASX. Under CHESS, the Company does not issue certificates to investors. Instead, security holders will receive a statement of their holdings in the Company, including New Shares issued under this Prospectus. If an investor is broker sponsored, ASPL will provide a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Company's share registry and will indicate the number of New Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

10.2 Taxation and duty implications

The Directors do not consider that it is appropriate to give Eligible Shareholders advice regarding the taxation consequences of the Company conducting the Offers or Eligible Shareholders applying for New Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Eligible Shareholders. The Company, its advisers and officers, do not accept any responsibility or liability for any taxation consequences to Shareholders in the Offers. Eligible Shareholders should, therefore, consult their own professional tax adviser in connection with the taxation implications of the Offers.

No brokerage or stamp duty is payable by Applicants in respect of Applications for New Shares under this Prospectus.

10.3 Privacy

The Company collects information about each Applicant provided on an Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, ASX, ASIC, and to other regulatory authorities.

The Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register.

If you do not provide the information required on the Acceptance Form, the Company may not be able to accept or process your Application. An Applicant has the right to gain access to the information that the Company holds about that person subject to certain exceptions under law. A fee may be charged for access. Such requests must be made in writing to the Company's registered office.

10.4 Enquiries

Any queries regarding the Offers, including the Acceptance Form, should be directed to the Company Secretary on +61 8 6389 2688.

You can also contact your stockbroker or professional adviser with any queries in relation to the Offers.

10.5 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all ASX-listed entities, the Company is required to immediately disclose to the market any information concerning it and of which it is aware that a reasonable person would expect to have a material effect on the price or the value of the Company's securities, and to which no exception to disclosure applies. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the Official List during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of "continuously quoted securities". In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Shares of the Company and the rights and liabilities attaching to the New Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the period from lodgement of the Company's annual financial statements of the Company for the financial year ended 31 March 2020 to the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

The Company confirms that, to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in this Prospectus, there is no information:

- (a) that has been excluded from a continuous disclosure notice in accordance with ASX Listing Rules; and
- (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to New Shares.

The Company states that:

- (a) as a disclosing entity under the Corporations, it is subject to regular reporting and disclosure obligations;

- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report of the Company most recently lodged with ASIC by the Company, being the annual financial report for the year ended 31 March 2020;
 - (ii) any half-year financial report lodged with ASIC by the Company after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of the copy of this Prospectus with ASIC; and
 - (iii) any continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of the copy of this Prospectus with ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be obtained free of charge from the Company's registered office during normal office hours or from www.asx.com.au.

The Company's ASX announcements are available on its website or at the ASX website under the code "FRX".

The Company has lodged the following announcements with ASX since its 2020 annual financial report was lodged with ASX on 6 July 2020:

| Date | Description of Announcement |
|-------------|---|
| 6 July 2020 | Adjustment to Year-End Financial Statements |
| 6 July 2020 | 2020 Annual Report |
| 6 July 2020 | Appendix 4G and 2020 Corporate Governance Statement |

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours or from www.asx.com.au.

10.6 Summary of Underwriting Agreement

Flexiroam and the Underwriter have entered into the Underwriting Agreement under which the Underwriter has agreed to conditionally underwrite the Offers.

The material terms of the agreement are as follows:

| Subject | Provision |
|-----------------------------------|--|
| Underwriting commitment | The Underwriter has agreed to conditionally and fully underwrite the Rights Offer (i.e. up to 101,734,764 New Shares for up to \$1,017,348). |
| Sub-underwriting | The Underwriter may, at any time and in its absolute discretion, appoint sub-underwriters to sub-underwrite the Rights Offer. |
| Fee | In consideration for underwriting the Rights Offer, the Underwriter is entitled to a fixed fee of \$8,000 (plus GST). |
| Conditions to Underwriting | The Underwriter's obligations under the Underwriting Agreement are subject to and conditional on: |

| Subject | Provision |
|--|---|
| | <p>(a) ASIC not making any determination under section 708AA(3) of the Corporations Act in respect of the Company where such determination is in force at the Offer Opening Date;</p> <p>(b) The Company issuing this Prospectus in accordance with the timetable and otherwise in accordance with the Listing Rules; and</p> <p>(c) ASX granting the Company's application for official quotation of the New Shares.</p> |
| Termination of underwriting commitment | <p>The Underwriter may terminate the Underwriting Agreement and its underwriting commitment if various prescribed events occur, which are of the type and form that are considered usual for an underwriting agreement of this nature. The termination events include:</p> <ul style="list-style-type: none"> the Offers being withdrawn or modified by the Company without the prior consent of the Underwriter (where consent must not be unreasonably withheld or delayed); a 'material adverse change occurring after the date of the Underwriting Agreement which individually, or in aggregate, has or is reasonably likely to have a significant adverse effect on the outcome of the Offers in so far as it relates to the assets, liabilities, financial position, performance, profitability or prospects of the Company, but <u>excluding</u>: <ul style="list-style-type: none"> any event required to be undertaken or procured by the Company pursuant to the Offers; or any effect of the coronavirus (COVID-19) pandemic; the Company breaching any material term of the Underwriting Agreement and failing to remedy such breach within 10 business days of a request by the Underwriter to do so; the Company becoming insolvent or coming under external administration (e.g. having an administrator or receiver appointed); any disclosure materials or warranties given by the Company to the Underwriter being untrue and incorrect in a material respect such as to have a significant adverse effect on the outcome of the Rights Offer; or any warranty made by the Company under the Underwriting Agreement (such as to its authority to issue this Prospectus and that it is not insolvent) ceases to be true and correct in all material respects and that breach has or ought reasonably to have a significant adverse effect on the outcome of the Offers so far as it relates to the assets, liabilities, financial position, performance, profitability, or prospects of the Company. |
| Entitlement to fees on discontinuance of Offers | <p>The Underwriter will not be entitled to a fee in the event that the Underwriting Agreement is terminated before the issue of the underwritten New Shares.</p> |
| Indemnity | <p>Flexiroam indemnifies the Underwriter with respect to any non-compliance or breach by the Company of the Corporations Act or the Listing Rules, any advertising of the Rights Offer, any statement, misstatement, misrepresentation, non-disclosure, inaccuracy in or omission from the Rights Offer materials, or any</p> |

| Subject | Provision |
|---------|---|
| | breach or failure of the Company to observe any of the terms of the Underwriting Agreement. |

The agreement otherwise contains terms and conditions considered standard for agreements of this nature.

10.7 Summary of Sub-Underwriting Agreements

The Underwriter has entered into separate sub-underwriting agreements with each of Mr Tat Seng Koh (a Director of the Company) and Mr Kay Yip Ng (Sub-Underwriters), under which the Sub-Underwriters have agreed to conditionally sub-underwrite the Offers.

The material terms of the agreements are as follows:

| Subject | Provision |
|---|---|
| Sub-Underwriting commitment | Mr Tat Seng Koh has conditionally agreed to sub-underwrite 20,346,953 New Shares for up to \$203,470. Mr Kay Yip Ng has conditionally agreed to sub-underwrite 81,387,811 New Shares for up to \$813,878. |
| Obligation to Subscribe | If there is a Shortfall following the close of the Rights Offer and the Underwriter is obliged to subscribe or procure subscribers for any underwritten shares, the Sub-Underwriters agree to subscribe for underwritten shares up to their sub-underwriting commitment. The Underwriter may, at its discretion, scale-back and reduce the number of underwritten shares that a Sub-Underwriter subscribes for under their sub-underwriting commitment. If the Shortfall is less than the total number of underwritten shares, each Sub-Underwriter's commitment will be reduced on a pro rata basis. |
| Fee | No fee is payable to the Sub-Underwriters. |
| Termination of Sub-Underwriting commitment | The Sub-Underwriters may not terminate the sub-underwriting agreements. The Underwriter may terminate the sub-underwriting agreements for the same reasons it may terminate the Underwriting Agreement as set out in section 10.6 above. |

The agreements otherwise contain terms and conditions considered standard for agreements of this nature.

10.8 Remuneration of Directors

Mr Jeffrey Ong as Managing Director and Chief Executive Officer is paid cash remuneration of \$120,000 per annum plus statutory superannuation. In the 2 years prior to the date of this Prospectus, Mr Ong has received cash remuneration, including statutory superannuation and additional fees for services outside the scope of his normal duties, totalling \$323,373.

Non-Executive Directors, Mr Tat Seng Koh, Mr David Ong and Mr Tuck Yin Choy, receive an annual fee of \$36,000 inclusive of statutory superannuation.

The Company also pays premiums to insure all of the Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct whilst acting in the capacity as a Director of the Company.

| Director | Remuneration for year ended 31 March 2020 (\$) | Remuneration for year ended 31 March 2019 (\$) |
|------------------------------|---|---|
| Jefrey Ong ¹ | 158,610 | 164,763 |
| Tat Seng Koh ² | 35,801 | 20,913 |
| David Ong ³ | 28,302 | - |
| Tuck Yin Choy ⁴ | 31,839 | - |
| Dato' Larry Gan ⁵ | 17,971 | 35,482 |
| Paul Khong ⁶ | - | 16,500 |
| Wai Hong Fong ⁷ | - | 10,000 |
| Cheryl Yeoh ⁸ | - | 15,493 |

Notes:

1. Mr Ong as Managing Director and CEO is paid a base remuneration of \$120,000 per annum plus statutory superannuation.
2. Mr Koh receives director fees of \$36,000 per annum.
3. Mr Ong was appointed as a Non-Executive Director on 1 October 2019. He receives director fees of \$36,000 per annum.
4. Mr Choy was appointed as a Non-Executive Director on 13 May 2019. He receives director fees of \$36,000 per annum.
5. Mr Gan resigned on 30 September 2019.
6. Mr Khong resigned on 18 September 2018.
7. Mr Fong resigned on 3 September 2018.
8. Ms Yeoh resigned on 3 September 2018.
9. During a Board meeting held on 30 March 2020, the Directors agreed and resolved to waive all non-executive director fees and to reduce the Managing Director's salary by 30% effective from 1 April 2020 onwards.

Further information on the remuneration and other benefits received by the Directors over the last two years is set out in the Company's 2019 and 2020 annual reports, copies of which are available from www.asx.com.au.

10.9 Interests of promoters and named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2-year period ending on the date of this Prospectus, any interest in:

- a) the formation or promotion of the Company; or
- b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- c) the Offers.

Blackwall Legal LLP has acted as solicitor to the Offers. In respect of this work, the Company will pay approximately \$8,000.00 exclusive of GST. Subsequently fees will be paid in

accordance with normal hourly rates. Blackwall Legal LLP has not received any fees from the Company prior to the date of this Prospectus.

10.10 Consents

Each of the persons referred to in this section:

- (a) has given and has not, before the date of lodgement of this Prospectus with ASIC withdrawn, their written consent:
 - (i) to be named in the Prospectus in the form and context which it is named; and
 - (ii) where applicable, to the inclusion in this Prospectus of the statement(s) and/or reports (if any) by that person in the form and context in which it appears in this Prospectus;
- (b) has not caused or authorised the issue of this Prospectus;
- (c) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;
- (d) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to their name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that person.

| Name | Role |
|---------------------------|-------------------------|
| Blackwall Legal LLP | Solicitor to the Offers |
| Townshend Capital Pty Ltd | Underwriter |

10.11 Expenses of the Offers

The table below sets out the estimated expenses of the Offers (exclusive of any GST payable by the Company), assuming full subscription.

| Expense | Amount (\$) |
|--|---------------|
| ASIC and ASX fees | 8,957 |
| Underwriter's fee | 8,000 |
| Legal fees | 8,000 |
| Printing, share registry and other costs | 15,043 |
| TOTAL | 40,000 |

10.12 Litigation

As at the date of this Prospectus, the Company is not involved in any other legal proceedings of a material nature and the Directors are not aware of any other legal proceedings pending or threatened against the Company.

11 DIRECTORS' RESPONSIBILITY AND CONSENT

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated: 14 July 2020

A handwritten signature in black ink, appearing to read 'Jeffrey Ong', written over a horizontal line.

Jefrey Ong
Managing Director

For and on behalf of
Flexiroam Limited

12 GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

| | |
|-------------------------------------|---|
| \$, A\$ or Dollars | Australian dollars unless otherwise stated. |
| Acceptance | A valid acceptance of an Entitlement and application for New Shares by an Eligible Shareholder. |
| Acceptance Form | The entitlement and acceptance form accompanying this Prospectus. |
| Additional Shares | Those New Shares not issued under the Rights Issue Offer. |
| AI (Artificial Intelligence) | The theory and development of computer systems able to perform tasks that normally require human intelligence, such as visual perception, speech recognition, decision-making, and translation between languages. |
| Applicant | a person who submits a valid Acceptance Form pursuant to this Prospectus. |
| Application | a valid application made on an Acceptance Form to subscribe for New Shares pursuant to this Prospectus. |
| Application Monies | The monies payable by Eligible Shareholders who apply for New Shares under one or more Offers. |
| ASIC | the Australian Securities & Investments Commission. |
| ASX | ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited. |
| ASX Settlement | ASX Settlement Pty Ltd (ACN 008 504 532). |
| ASX Settlement Rules | The ASX Settlement Operating Rules. |
| AWST | Australian Western Standard Time |
| Big Data | Extremely large data sets that may be analysed computationally to reveal patterns, trends, and associations, especially relating to human behaviour and interactions. |
| Board | Flexiroam's Board of Directors. |
| Business Day | has the meaning given to that term in the Listing Rules. |
| Closing Date | the date set out in Section 1. |
| Company | Flexiroam Limited (ACN 143 777 397). |
| Constitution | the constitution of the Company. |
| Corporations Act | the <i>Corporations Act 2001</i> (Cth). |
| Director | a director of the Company. |
| Eligible Jurisdictions | Australia, Malaysia and New Zealand. |

| | |
|------------------------------|--|
| Eligible Shareholders | a holder of Shares as at the Record Date with a registered address in Australia or New Zealand. |
| Entitlement | The number of New Shares for which an Eligible Shareholder is entitled to apply under the Rights Offer, as determined by the number of Shares held by that Shareholder at the Record Date. |
| eSim | Electronic subscriber identity module. |
| Excluded Shareholder | A Shareholder as at the Record Date whose registered address is not situated in an Eligible Jurisdiction. |
| Existing Share | A share issued before the Prospectus date. |
| Existing Shareholder | A holder of an Existing Share. |
| GST | Goods and services tax levied under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth). |
| Holding Statement | A holding statement for Securities under CHESS or Security Holder Reference Number. |
| New Shares | The Shares that may be issued under this Prospectus pursuant to an Offer. |
| Listing Rules | the listing rules of the ASX. |
| New Shares | Shares issued pursuant to this Prospectus. |
| Offers | The Rights Offer and the Shortfall Offer, or either one of those offers as the context requires. |
| Official List | the official list of the ASX. |
| Opening Date | The opening date of the Offers, being Thursday, 23 July 2020. |
| Option | An option to subscribe for a Share at an exercise price of \$0.12 each on or before 31 October 2022. |
| Option Holder | A holder of an Option. |
| Privacy Act | The <i>Privacy Act 1988</i> (Cth). |
| Prospectus | this Prospectus and includes the electronic prospectus. |
| Record Date | The date at which eligibility of Shareholders to participate in the Offers is determined, being 5:00pm (AWST) on Monday, 20 July 2020 or such other date as may be determined by the Directors, subject to the ASX Listing Rules. |
| Rights Offer | A non-renounceable pro-rata rights offer to Eligible Shareholders under this Prospectus to subscribe for 1 New Share for every 3 Shares held at the Record Date, at an issue price of \$0.01 per New Share, to raise up to approximately \$1,017,348 (before costs). |
| Section | A section of this Prospectus. |

| | |
|-------------------------------|---|
| Securities | Has the meaning given to that term in section 92(4) of the Corporations Act, including a Share and an Option. |
| Share | a fully paid ordinary share in the Company. |
| Share Registry | Advanced Share Registry Ltd (ACN 127 175 946). |
| Shareholder | the registered holder of Shares in the Company. |
| Shortfall Offer | has the meaning given in Section 5.2. |
| Underwriter | Townshend Capital Pty Ltd (ACN 099 900 188), AFSL No. 219326 |
| Underwriting Agreement | The Underwriting Agreement dated on or about 9 July 2020 between Flexiroam and the Underwriter. |
| US Person | Any person in the United States or any person that is, or is acting for the account or benefit of, a “U.S. person” (as defined in Regulation S under the United States Securities Act of 1933, as amended). |
| US Securities Act | the <i>Securities Act of 1933</i> of the United States of America, as amended. |

REGISTERED OFFICE: 15 McCabe Street, North Fremantle WA 6159
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands WA 6009

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

| | |
|---|--|
| Sub-Register | |
| HIN / SRN | |
| Number of Eligible Shares held as at the Record Date | |
| Entitlement to Shares on 1 New Shares for every 3 Existing Shares held basis (Entitlement) | |
| Amount payable on acceptance at A\$0.01 per New Share | |

For a non-renounceable pro-rata entitlement offer to Eligible Shareholders of 1 New Share for every 3 Shares held at the Record Date at an issue price of \$0.01 per New Share to raise up to approximately \$1,017,348 (before costs) (**Rights Offer**). Refer to Section 2.1 of the Prospectus for more information in respect of the Rights Offer.

The Rights Offer opens on Thursday, 23 July 2020 and closes at 5:00pm (AWST) on Friday, 7 August 2020, unless it is extended.

**To the Directors
FLEXIROAM LIMITED**

- I/We the above mentioned, being registered on Record Date as the holder(s) of shares in your Company hereby accept the below mentioned New Shares issued in accordance with the enclosed Prospectus dated 14 July 2020;
- I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of New Shares allotted to me/us; and
- I/We agree to be bound by the Constitution of the Company.


| ENTITLEMENT | | | |
|---|--|------------------------------|--------------------------------|
| (A) | (B) | (C)=(A)+(B) | Total |
| Number of New Shares applied for (being not more than the Entitlement shown above) | Number of additional New Shares (Shortfall Shares) applied for (in excess of the Entitlement shown above) | Total New Shares applied for | Amount Payable (C) * \$0.01 |
| | | | \$ |

METHOD OF ACCEPTANCE

You can apply for New Shares and make your payment utilising either cheque/bank draft or BPAY®. Please refer to overleaf for details.

Eligible Shareholders who are residents in Malaysia can make your payment by Telegraphic Transfer (TT).

Please indicate which payment option you have chosen by marking the relevant box below.

| | | | | | |
|--------------------------|---|---------------|--|---------------|---------------|
| <input type="checkbox"/> | Please enter cheque or bank draft details | Drawer | Bank | Branch | Amount |
| | | | | | \$ |
| OR | | | | | |
| <input type="checkbox"/> |  | | You can pay by BPAY®. If you choose to pay by BPAY®, you do not need to return this Entitlement and Acceptance Form. Please refer to overleaf for details. | | |
| OR | | | | | |
| <input type="checkbox"/> | <p>Eligible Shareholders who are residents in Malaysia can pay for your Entitlement and Shortfall Shares by transferring funds in the amount of Entitlement and Shortfall Shares applied for into the following subscription account.</p> <p>BENEFICIARY BANK NAME: THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED</p> <p>BENEFICIARY BANK ADDRESS: NO.1, QUEEN'S ROAD CENTRAL, HONG KONG</p> <p>SWIFT CODE: HSBCHKHHHKH</p> <p>BRANCH NAME: KWUN TONG</p> <p>BENEFICIARY ACCOUNT NUMBER: 456-569482-838</p> <p>BENEFICIARY ACCOUNT NAME: FLEXIROAM ASIA LIMITED</p> <p>Reference (mandatory): SRN/HIN together with your Surname or Corporate Name</p> | | | | |

NOTE: Cheques should be made payable to "FLEXIROAM LIMITED", crossed "NOT NEGOTIABLE" and forwarded to Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia, 6009 to arrive no later than 5:00pm AWST on Closing Date.

CONTACT DETAILS

| | | | |
|--|--|-------|--|
| Name: | | | |
| Telephone: | | | |
| Email: | | | |
| Complete and sign below only if a change of address is to be registered with the Company | | | |
| New Address: | | | |
| Signature(s): | | Date: | |

Please indicate correct title: Director / Secretary /

CHESS holders must contact their Controlling Participant to notify a change of address.

EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares which you are entitled to apply for.
2. Your Entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each New Share is A\$0.01.
4. Please complete the Entitlement and Acceptance Form overleaf.

APPLICATION INSTRUCTIONS

Payment Details

You can apply for New Shares by utilising the payment options detailed below. There is no requirement to return this Entitlement and Acceptance Form if you are paying by BPAY®. By making your payment using either BPAY®, cheque/bank draft or by Telegraphic Transfer, you confirm that you agree to all of the terms and conditions of the Company's Rights Offer as outlined in this Entitlement and Acceptance Form and within the accompanying Prospectus.

Your cheque/bank draft should be made payable to "FLEXIROAM LIMITED" in Australian currency, crossed "NOT NEGOTIABLE" and drawn on an Australian branch of a financial institution. Please complete cheque/bank draft details overleaf and ensure that you submit the correct amount as incorrect payments may result in your Application being rejected.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s)/bank draft(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

Eligible Shareholders who are residents in Malaysia can pay for their Entitlement and Shortfall Shares (if any) by contemporaneously transferring funds in the amount of Entitlement and Shortfall Shares applied for into the subscription account printed overleaf and emailing a completed personalised Entitlement and Acceptance Form to investor@flexiroam.com, including payment confirmation/receipt. **When making Telegraphic Transfer (TT) payment, please ensure your SRN/HIN is included followed by your Last Name/Surname or Corporate Name.**

If the amount you pay is insufficient to pay for the number of New Shares you applied for, you will be taken to have applied for such lower number of New Shares as that amount will pay for, or your Application will be rejected. If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of New Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for additional New Shares under the Shortfall Offer.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the Advanced Share Registry Ltd (**Advanced Share Registry**) has a query regarding this form.

Lodgement of Application

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return this form. However, you are encouraged to return the form to the registry for reconciliation purposes – in that case you can post the form to the registry or send it by facsimile to +61 8 6370 4203. Your payment must be received by no later than 5:00pm AWST on Closing date. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that the funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order, your Application must be received by Advanced Share Registry by no later than 5:00pm AWST on Closing Date. You should allow sufficient time for this to occur. Return your Application with cheque, bank draft or money order attached.

If you have any enquiries concerning this form or your Entitlement, please contact Advanced Share Registry by telephone on +61 8 9389 8033 or facsimile on +61 8 6370 4203.

CHESS holders must contact their Controlling Participant to notify a change of address.



Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or saving account. More info:
www.bpay.com.au

By Mail

Flexiroam Limited
C/- Advanced Share Registry Ltd
PO Box 1156, Nedlands
Western Australia 6909

By Delivery

Advanced Share Registry Ltd
110 Stirling Hwy
Nedlands
Western Australia 6009