

13 August 2019

ASX Listings Compliance - Perth
Level 40, Central Park,
152-158 St Georges Terrace
Perth WA 6000

Attn: Ms Isabelle Andrews

Dear Isabelle,

Flexiroam Limited ("FRX"): Appendix 4C Query

We acknowledge receipt of your letter dated 9 August 2019 regarding the Company's Appendix 4C quarterly report for the period ended 30 June 2019.

In response to each of your questions, we advise as follows:

1. Yes, the Company presently does expect to continue to have negative operating cash flows for a period of time based on its current levels of sales and operating expenditure. However, the Company notes that operating cash flows in Q1 of FY 2020 have shown continued improvement, with Q1 revenues up by 31% over the previous quarter, and by 35% over Q1 of FY 2019. It has no reason to believe that this growth will not continue. Nevertheless, the Company continues to invest heavily in research and development and sales and marketing for its future growth.
2. The Company is considering a number of steps to raise further cash to fund its operations, following the decision by shareholders at the Company's AGM last week not to seek de-listing from ASX. Currently, there are discussions with local and international investors on strategic investment opportunities, and other fund-raising initiatives are also under consideration.

On the operations side, the Company remains committed to its growth objectives and has recently implemented new initiatives such as its strategic pricing method and other cost-saving initiatives. These initiatives are expected to yield positive results in the near term.

3. The Company expects to be able to continue its operations and to meet its business objectives based on its current cash balance and the success of one or several of the abovementioned initiatives.
4. The Company confirms that it is in compliance with ASX Listing Rule 3.1. and that there is no information that should be provided to ASX other than that which has already been released to the market.
5. This response has been authorised in accordance with the Company's continuous disclosure policy.

Yours faithfully,



Jefrey Ong
Managing Director



9 August 2019

Reference: ODIN04891

Mr Kim Hogg
Company Secretary
Flexiroam Limited
79 Broadway
Nedlands WA 6009

By email:

Dear Mr Hogg

Flexiroam Limited ('FRX'): Appendix 4C Query

ASX refers to FRX's Appendix 4C quarterly report for the period ended 30 June 2019 lodged with the ASX Market Announcements Platform and released on 31 July 2019 (the 'Appendix 4C').

ASX notes that FRX has reported:

- negative net operating cash flows for the quarter of \$508,000;
- cash at the end of the quarter of \$787,000; and
- estimated cash outflows for the next quarter of \$3,382,000.

It is possible to conclude, based on the information in the Appendix 4C, that if FRX were to continue to expend cash at the rate indicated by the Appendix 4C, FRX may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks FRX to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does FRX expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has FRX taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does FRX expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that FRX is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that FRX's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of FRX with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that FRX considers may be relevant to ASX forming an opinion on whether FRX is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

For personal use only

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **09:00 AM AWST Wednesday, 14 August 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in FRX's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, FRX's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to FRX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that FRX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in FRX's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Isabelle Andrews
Senior Adviser, Listings Compliance (Perth)