

UPDATE ON CORONAVIRUS RESPONSE PLAN

Flexiroam Limited (ASX:FRX), (“Flexiroam” or the “Group”) provides the following update on measures taken by the Group in response to the coronavirus (COVID-19) pandemic.

As outlined in Flexiroam’s ASX release dated 30 March 2020 and the recent March 2020 Quarterly Update and Appendix 4C dated 30 April 2020, the Group is proactively managing the impacts of the COVID-19 pandemic through the implementation of a crisis and recovery plan aimed at seeing it through a prolonged downturn in demand brought about by the unprecedented restrictions placed on domestic and international travel by governments globally. This update also expands on the Group’s responses to section 8.6 of the Appendix 4C dated 30 April 2020.

Crisis and Recovery Plan

To date, steps taken to ensure both the safety of its personnel and the public, the conservation of funds, and alternative sources of income include:

- a) All employees are working remotely.
- b) All management, administrative and accounts meetings are being conducted using teleconferencing.
- c) All board meetings will be conducted using teleconferencing.
- d) Discussions with key suppliers, partners, and distributors regarding network costs.
- e) Ongoing engagement with subscribers and new customers.
- f) Ongoing support for all employees, including assistance with work placements for employees who have been stood down in the short-term.
- g) Payroll, executive and non-executive director remuneration reductions, with employees agreeing to a 25% pay reduction across the board, a 30% pay reduction for the Managing Director, and non-executives directors currently not receiving any payment.
- h) Identifying and pursuing new sources of income, in particular, unlocking opportunities along the Internet of Things value chain with Flexiroam’s cellular connectivity technology.
- i) Deferment of non-essential projects.

Cost-reduction measures

The above measures are expected to assist with the Group’s cashflow management as follows:

- a) New credit terms with key network suppliers is estimated to reduce cash outflow by A\$800,000 for the next 6 (six) months.
- b) New payment terms and discounts negotiated with vendors is estimated to reduce cash outflow by A\$100,000 per quarter.
- c) Payroll reduction will translate to reduced outflows of approximately A\$150,000 per quarter.
- d) Executive and board remuneration reductions will translate to reduced outflows of approximately A\$16,800 per quarter.

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Comments from Flexiroam's Managing Director, Jef Ong:

"Flexiroam continues to be conscious of the need to be flexible and innovative during these challenging times, and early feedback on our Internet of Things connectivity platform for various applications has been positive. We will also continue to monitor our crisis and recovery plan and other cost-saving measures that can help the Company to overcome this current challenge, whilst preserving our culture and team spirit."

AUTHORISED BY THE BOARD OF DIRECTORS

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ABOUT FLEXIROAM LIMITED

FLEXIROAM (ASX: FRX) is a global connectivity provider offering data access to travelers across the world. Its service coverage spans across 110 countries with its access to over 580 network operators globally. Flexiroam is affiliated with over 100 travel industry partners including major international airlines to serve customers from over 190 countries and territories.