

17 June 2022

The Manager  
Company Announcements Office  
ASX Ltd  
20 Bridge Street  
**SYDNEY NSW 2000**

**AMENDMENT TO TERMS OF FLAGSHIP INVESTMENTS'  
LISTED UNSECURED REDEEMABLE CONVERTIBLE NOTES (ASX: FSIGA)**

For the benefit of FSIGA Note Holders, the note terms have been reviewed and amended. The amendments are to specific provisions relating to the adjustment of the conversion price in certain circumstances. Flagship Investments Limited (ASX: FSI) has agreed with the Trustee of the FSI Convertible Note Trust (2021) to enter a *Deed of Amendment and Restatement – Trust Deed relating to the FSI Convertible Note Trust (2021)*, to better serve the interests of Note Holders.

The amendments to the Note Terms take effect as of 17 June 2022, and are shown in full in Appendix A herein.

Key terms of the FSI Convertible Notes remain unchanged:

- ◆ 1 Convertible Note converts to 1 ordinary share (Conversion Price of \$2.70)
- ◆ Interest rate:
  - 5.50% per annum paid quarterly until Step Up date of 30 September 2024
  - After Step up date (three years after issue) increases to 6.50% per annum if 2-year Bank Bill Swap rate is above 1.2832%
- ◆ Maturity date of 1 October 2026 (five years) (if not converted or redeemed earlier)

Yours sincerely



Mr Dominic McGann

Chairman

**FLAGSHIP INVESTMENTS LIMITED**

Authorised for release by the Board.

## **APPENDIX A: AMENDED NOTE TERMS**

### **3.10 Adjustment to Conversion Price for issues at less than current market price**

- (a) If and whenever the Issuer will issue (otherwise than as mentioned in clauses 3.8 or 3.11) any Ordinary Shares (other than Conversion Shares issued or other Ordinary Shares issued on the exercise of any rights of conversion into, or exchange or subscription for or purchase of, Ordinary Shares) wholly for cash or for no consideration at a price per Ordinary Share which is less than 90% of the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue, the Conversion Price will be adjusted immediately using the following formula:

$$CP = CPo \times \frac{1}{P} \times \frac{(RD \times P) + (RN \times A)}{(RD + RN)}$$

where:

- CP means the Conversion Price applying immediately after the application of this formula;
- CPo means the Conversion Price applying immediately before the application of this formula;
- P means the VWAP during the five consecutive Business Days up to the announcement of the terms of such issue or grant to the ASX;
- RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the rights or bonus issue;
- RN means the number of Ordinary Shares issued at a price per Ordinary Share which is less than 90% of the VWAP during the five Business Days immediately preceding the date of the first public announcement of the terms of such issue or grant; and
- A means the subscription price per Ordinary Share for the issue.
- (b) Such adjustment shall become effective on the date of the relevant issue of Ordinary Shares.

### **3.11 Adjustment to Conversion Price for issues under a share purchase plan or dividend reimbursement plan at a discount**

- (a) If and whenever the Issuer will issue any new Ordinary Shares under a share purchase plan or dividend reinvestment plan where the pricing of new Ordinary Shares under that plan is expressly calculated as a discount to a market price and that discount is greater than 10%, the Conversion Price will be adjusted immediately using the following formula:

$$CP = CPo \times \frac{(RD + ((1-D) \times RN))}{(RD + RN)}$$

where:

- CP means the Conversion Price applying immediately after the application of this formula;
- CPo means the Conversion Price applying immediately before the application of this formula;
- RD means the number of Ordinary Shares on issue immediately before the issue of new Ordinary Shares under the share purchase plan or dividend reinvestment plan;
- RN means the number of Ordinary Shares issued under the plan: and
- D means the discount at which new Ordinary Shares are issued under the plan.

- (b) Such adjustment shall become effective on the date of the relevant issue of new Ordinary Shares.

### **3.12 Adjustment to Conversion Price for return of capital**

- (a) If the Issuer makes a pro rata return of capital to holders of Ordinary Shares without cancellation of any Ordinary Shares, the Conversion Price will be adjusted under the following formula:

$$CP = CPo \times \frac{P - C}{P}$$

where:

- CP means the Conversion Price applying immediately after the application of this formula:
- CPo means the Conversion Price applying immediately before the application of this formula:
- P means the VWAP during the period from (and including) the first Business Day after the announcement to the ASX of the return of capital up to and including the last Business Day of trading cum the return of capital (or if there is no period of cum return of capital, an amount reasonably determined by the Directors as representing the value of an Ordinary Share cum the return of capital); and
- C means with respect to a return of capital (other than by way of extraordinary distribution, special dividend (being a dividend that is paid other than in accordance with the Issuer's dividend policy from time to time), or special distribution), the amount of the cash and/or the value (as reasonably determined by the Directors) of any other property distributed to holders of Ordinary Shares per Ordinary Share (or such lesser amount such that the difference between P and C is greater than zero).

- (b) Such adjustment shall become effective on the date of the relevant return of capital, or if later, the first date upon which the amount of the relevant cash and/or the value of property distributed to holders of Ordinary Shares is capable of being determined as provided in this clause 3.12.