

30 August 2021

Flagship Investments Limited

ABN 99 080 135 913

ASX Market Announcements
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**FLAGSHIP INVESTMENTS LIMITED (FSI.ASX) TO RAISE
UP TO \$20 MILLION THROUGH A LISTED UNSECURED
REDEEMABLE CONVERTIBLE NOTE ISSUE**

Flagship Investments Limited (FSI or the Company) has today lodged a prospectus (Prospectus) with the Australian Securities and Investments Commission (ASIC) for the issue of listed, redeemable, unsecured convertible notes (FSI Notes), (the Issue). A notice of meeting for the AGM will be sent to FSI Shareholders shortly which explains that the proposed issue of convertible notes falls outside FSI's current 15% placement capacity and therefore shareholder approval is required for the purpose of ASX Listing Rule 7.1

The FSI Notes will provide investors with a listed exposure to a fixed interest rate yield and the possibility to benefit from appreciation in the price of FSI ordinary shares (Ordinary Shares) above a Conversion Price of \$2.70 through an optional conversion into Ordinary Shares at any time from the second anniversary of the issue date of the Convertible Notes until 17 September 2026.

The Board of Directors of FSI believe that the issue of FSI Notes provides the ability to increase the overall size of the investment portfolio without diluting existing FSI Shareholders. The additional capital will be deployed in accordance with FSI's existing investment mandate and investment process.

The Board fully support the FSI Notes offer and, subject to Shareholder approval being obtained in respect of such, intend to participate on the following basis:

FSI Director/Alternate Director	Value \$	Number of Notes
Dominic McGann	\$50,000	18,518
Sophie Mitchell	\$50,000	18,518
Manny Pohl	\$5,000,000	1,851,851
Angela Obree	\$5,000	1,851
Scott Barrett	\$100,000	37,037
Total	\$5,205,000	1,927,775

Key terms of the FSI Notes

- ◆ Total offer size of up to \$20.0 million
- ◆ Offer price of \$2.70
- ◆ Interest rate:
 - 5.50% paid quarterly until Step Up date of 30 September 2024
 - After Step up date (3 years after issue) increases to 6.50% if 2 year Bank Bill Swap rate is above 1.2832%
- ◆ 1 Convertible Note converts to 1 ordinary share
- ◆ Maturity date of 1 October 2026 (5 years) (if not converted or redeemed earlier)
- ◆ Priority Offer to existing shareholders of FSI or any other party as determined by FSI in its discretion and a Broker Firm Offer
- ◆ Application will be made for quotation of the FSI Notes on ASX under ticker code: FSI.GA.ASX

Issue Structure

The Issue comprises two components, a Priority Offer and a Broker Firm Offer

Priority Offer

An offer open to Eligible Participants, being any person who has a registered address in Australia and who as at the Priority Offer Record Date of 27 August 2021 was a shareholder of FSI or any other party as determined by FSI at its discretion.

[FSI does not guarantee any minimum allocation under the Priority Offer for applicants and the extent of any allocation will ultimately depend on the number of applicants under the Priority Offer and total level of applications under the Issue]

Broker Firm Offer

Comprising a firm offer to Australian clients of syndicate brokers.

Summary of Key Dates

Priority Offer record date	27 August 2021
Announce offer and lodge prospectus	30 August 2021
Notice of Meeting issued to shareholders	30 August 2021
Offer Opens	7 September 2021
Offer Closes	24 September 2021
AGM of FSI Shareholders	29 September 2021
Issue of Convertible Notes	1 October 2021
FSI Notes expected to commence trading on ASX	4 October 2021

The key dates and times for the Issue are indicative only and may change without notice.

Further Information

For further information, or if you have questions relating to the Issue please visit www.flagshipinvestments.com.au/fsi-notes/, or please contact the Company on contact@flagshipinvestments.com.au or call 1800 352 474.

The Board wishes to thank all FSI shareholders for their continued support.

Yours sincerely



Mr Dominic McGann
Chairman
FLAGSHIP INVESTMENTS LIMITED

Authorised for ASX release by the Board of Directors of FSI Investments Limited