

# APPENDIX 4D

## HALF-YEAR REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2022

### 1. NAME OF ENTITY

#### Flexiroam Limited and its Controlled Entities

ABN	REPORTING PERIOD	PREVIOUS CORRESPONDING PERIOD
27 143 777 397	Half year ended 30 September 2022	Half year ended 30 September 2021

### 2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

FINANCIAL RESULTS	% INCREASE / (DECREASE)	30 SEP 2022 AUD	30 SEP 2021 AUD
Revenue from ordinary activities ( <i>item 2.1</i> )	178%	3,685,470	1,327,067
Loss from ordinary activities after tax attributable to members ( <i>item 2.2</i> )	27%	(2,386,397)	(1,874,071)
Net loss for the period attributable to members ( <i>item 2.3</i> )	27%	(2,386,397)	(1,874,071)
Final and interim dividends ( <i>item 2.4</i> )		It is not proposed that an interim dividend be paid.	
Record date for determining entitlements to the dividend ( <i>item 2.5</i> )		N/A	
Brief explanation of any of the figures reported above ( <i>item 2.6</i> ):		Refer to the attached Report for commentary on results.	

### 3. NTA BACKING

	CURRENT PERIOD 30 SEP 2022	PREVIOUS CORRESPONDING PERIOD 30 SEP 2021
Net tangible assets per ordinary share ( <i>Item 3</i> )	(0.7) cents	(1.0) cents

### 4. CONTROL GAINED OVER ENTITIES

Details of entities over which control has been gained or lost (*item 4*)

N/A

### 5. DIVIDENDS PAID AND PAYABLE

Details of dividends or distribution payments (*item 5*)

No dividends or distributions are payable.

## APPENDIX 4D

### 6. DIVIDEND REINVESTMENT PLANS

Details of dividend or distribution reinvestment plans (item 6)

There is no dividend reinvestment program in operation.

### 7. DETAILS OF ASSOCIATES

Details of associates and joint venture entities (item 7)

N/A

### 8. FOREIGN ENTITIES

Foreign entities to disclose which accounting standards are used in compiling the report (item 8)

N/A

### 9. AUDIT REVIEW OPINION

Details of audit review that is subject to a modified opinion, emphasis of matter or other matter paragraph (item 9)

Emphasis of Matter – Material Uncertainty Related to Going Concern

The Audit Review Report contains an Emphasis of Matter relating to the ability of the Group to continue as a going concern, which is dependent on the Group achieving positive operating cash flows and/or securing additional funding through capital raising to continue to fund its operational and marketing activities.



# FLEXIROAM

## HALF-YEAR REPORT 2022

Consolidated Interim Half-Year Financial Report  
for the Half-Year ended 30th September 2022

FLEXIROAM LIMITED AND ITS CONTROLLED ENTITIES ACN 143 77 397

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# DIRECTORS' REPORT

The Directors of Flexiroam Limited ('Flexiroam' or 'the Company') and its controlled entities submit herewith their report together with the financial report of the Company and its controlled entities ('the Group') for the half-year ended 30 September 2022.

## DIRECTORS

The Directors of the Company during or since the end of the half-year are:

- Jeffrey Ong (appointed 18 March 2015)
- Tat Seng Koh (appointed 3 September 2018)
- Ong Thian Choy (appointed 1 October 2019, resigned 1 June 2022)
- Marc Barnett (appointed 22 February 2021)
- Stephen Picton (appointed 1 June 2022)

## COMPANY SECRETARY

- Natalie Teo Shu Qing (appointed 14 February 2020)

## PRINCIPAL ACTIVITIES

The Company is involved in provision of IoT SIM cards, data connectivity and other related services and solutions. There have been no significant changes in the nature of activities during the financial period.

## FINANCIAL PERFORMANCE REVIEW

The Company continues to deliver its stated objective of increasing revenue and growing the global customer base as shown in the results of its first-half performance, highlights as follows:

- The +178% increase in half-year revenue or equivalent to A\$3.7m compared to A\$1.3m from the same period last year from continuous growth of the Travel business, which is driven by the digital marketing initiatives;
- Revenue from Travel rose to 170% from the previous corresponding period to A\$3.4m (1HFY22: A\$1.3m). Revenue from Solutions increased by 304% from the previous corresponding period to A\$318k (1HFY22: A\$79k);
- Gross Profit up by 24% to A\$966k (1HFY22: A\$778k), driven by revenue growth and data cost reductions;
- Group consolidated Income Statement recorded EBITDA of A\$(2.5m) in 1HFY23. The Company has been investing in infrastructure enhancement and additional resources in research and development to position the business for long term global growth;
- Operational expenses recorded at A\$3.5m inclusive of provision of non-cash performance shares incentive of A\$446k
- Cash Receipts up by 299% to A\$4.2m (1HFY22: A\$1m), with a strong pipeline for growth across Travel and Solutions;
- Cash Receipts from Travel up by 295% from the previous corresponding period to A\$3.9m (1HFY22: A\$973k). Cash Receipts from Solutions increased by 370% from the previous corresponding period to A\$304k (1HFY22: A\$65k). Other Cash Receipts increased by 221% from the previous corresponding period to A\$36.4k (1HFY22: A\$11.3k);
- Cash burn of A\$1.2m inclusive of legacy payment of A\$227k, lower by A\$137k compared to the same period last year (1HFY22: A\$1.3m);

## STRATEGIC PLAN FY23

The Group continued to deliver on its objective of lowering data costs, growing revenue and stabilising the platform to support the future growth in travel and solutions during the first half of FY23. The Group is capitalising on the strong and expanding interest in our products by developing and pursuing scalable prospects, aggressively expanding its travel business, and signing deals across new and existing verticals.

The Group concentrated on the technical infrastructure to offer resellers and merchants improved services. To accommodate transformational changes as the business grows, the Company added new features to our current products and improved the platform.

The Group has been enhancing its product funnel through digital marketing in order to acquire new customers at scale. Large increases in return on ad spend, new user revenue, and registration to paying user conversion have been made possible by improved efficiency, targeting, and product upgrades. With an expanding Solutions pipeline across a wide range of use cases, we anticipate concluding and implementing over the upcoming quarters. Key travel indicators continue to improve from quarter to quarter.

## DIRECTORS' REPORT

### TRAVEL KEY METRICS

The Group observed a continued strong growth across key Travel performance metrics in September 2022, with activations up by 115% to 43k of which 33.4k are eSIM activations (March 2022: 20k), data sold up by 77% to 315TB (March 2022: 177TB), paying users up by 92% to 28.5k (March 2022: 14.9k) and active users up by 90% to 29.4k (March 2022: 15.5k).

Data sold and data utilised increased to 315TB, up by 77% from March 2022 (177TB) and 246TB up by 157% from March 2022 (96TB) respectively. This growth in data sold is a strong indicator of potential future revenues. The increase in data utilisation represents the adoption of the Flexiroam product whilst roaming, as travel increases.

### DIGITAL MARKETING

The Company focused on the initiatives to acquire new users through Digital Marketing from early 2021. Digital Marketing uses various platforms for the marketing campaigns as part of the initiatives to acquire new subscribers, such as Google, Apple, Facebook and TikTok. The number of subscribers increased by 38% to 108.4k in September 2022 (March 2022: 78.6k).

The focus on iOS installs continues to pay dividends as lower total, but higher quality installs has driven improved conversion metrics, specifically in subscriber to paying users at 40%, up from 17% in April 2022.

The Company is also collaborating with influencers to boost the credibility of the promoted products and drive further conversions.

### TRAVEL STRATEGIC PARTNERSHIPS

During the first quarter of FY23, Flexiroam's long standing partnership with Mastercard Asia Pacific, has now expanded globally to cover all Mastercard credit card issuers worldwide, allowing any Mastercard issuing bank around the globe to participate in the program. The inaugural agreement, which has a 5-year term and is for qualified Mastercard holders at partnering banks to receive Flexiroam data packs, was signed in September 2019.

Sim Local and Flexiroam formed a Reseller partnership for eSIMs in Q2 FY23. Sim Local is a market leader in the sale of travel SIM cards and eSIMs, selling directly to consumers in a number of countries through brick-and-mortar stores, kiosks, vending machines, mobile apps, and an online store. Sim Local will market to the whole travel industry by selling Flexiroam eSIMs and data through its physical and digital channels.

Flexiroam formed a relationship with TripAdd to provide eSIM connection from Flexiroam as an add-on service to clients of prestigious airlines and online travel agents. As part of its current product lineup, TripAdd will incorporate Flexiroam's mobile data and eSIM technologies, providing customers with local and regional plans to ensure seamless access when they reach their destination.

A reseller agreement with Kuwait Star Telecom Services, a top provider of telecommunications solutions was signed. In 2007, Kuwait Star was one of the first companies to introduce internet devices to the country. Since then, through 19 stores spread throughout Kuwait, they have expanded to offer maintenance and repair services as well as the retail of a variety of internet devices, including routers and SIM cards. In accordance with the contract, Kuwait Star will offer Travel SIM and data bundles through its conventional retail outlets as a Flexiroam reseller.

Flexiroam also signed a 1-year deal with Gordian Software, a Washington-based top B2B technology platform that offers solutions for airlines and online travel agencies to sell auxiliary services to travel clients via API connection. Through partners like Trip.com, lastminute.com, Priceline, Qantas, American Airlines, and British Airways, Gordian will introduce Flexiroam's mobile data as the standard ancillary for mobile data services globally, giving exposure to a vast network of potential Travel customers.

South-African insurance provider, Discovery Insure, was another travel deal closed in FY23, which compensates clients for pre-purchasing affordable data bundles with travel benefits. With this, Discovery Insure is able to instantly link their policyholders to Flexiroam's secure network.

With a renowned provider of technology and communications solutions, Monty Mobile, Flexiroam has entered into a White Label agreement. Globally, Monty Mobile provides businesses, service providers, and mobile network operators with digital goods and services. In the first year, Monty Mobile is anticipated to sell 20,000 or so eSIMs as a result of the deal.

Another white label agreement was made with Simly Store, a top German retailer of prepaid SIM cards for tourists. 80,000 of their consumers have a significant demand for US data plans, especially through eSIM. With its network switching technology, Flexiroam will power Simly Store's offering, guaranteeing clients to have dependable and robust connections everywhere.

## DIRECTORS' REPORT

### POWERING THE EAST ASIA SUPER LEAGUE AND THE INTERNATIONAL AIDS CONFERENCE

Prior to the 2022–2023 basketball season, Flexiroam announced a new sponsorship deal with The East Asia Super League. The EASL is Asia's premier club-to-club basketball competition, showcasing the best clubs from the continent, who are all title challengers in their respective local leagues. Players, staff, and VIPs will receive eSIMs and data from Flexiroam in exchange for comprehensive brand exposure during the competition, as well as advertising and sponsorship options.

In addition, Flexiroam provided connectivity for the International AIDS Conference after successfully doing so for the previous two conferences. The virtual conference was held in Montreal, Canada, and attendees from Africa, South America & the Caribbean Islands, Asia Pacific, Europe, and North America were able to participate in the conference, thanks to the data provided by Flexiroam.

### SOLUTIONS STRATEGIC PARTNERSHIPS

Flexiroam signed its first wearable technology deal with Lutikey LLC, a US based company that manufactures LutiBand Smartwatches for seniors. Flexiroam will provide connectivity to a minimum of 10,000 LutiBand Smartwatches, which allows seniors and people with pre-existing conditions to be protected via geo-location, biometrics sensors and interconnections with emergency services, in the case of emergencies.

With Malaysian consumer application and ecommerce rewards programme, AAATap, Flexiroam joined the Cashless Parking Payments vertical. The parking payment system from AAATap is perfect for embracing the current cashless trend as it offers users with quick and simple transactions. Flexiroam would supply connectivity to AAATap payment terminals for cashless parking payments as per the agreement.

The Maritime Communications agreement with Nearshore in February 2022 has allowed Flexiroam to secure maritime connection deals with Internet 4 Crew and Ship to Shore. This is one of the fundamental pillars of Flexiroam's growth plan.

Customers of Internet 4 Crew, a leading supplier of prepaid eSIM connectivity plans for crew members onboard and cruise ships, are primarily from Europe, UK, Mexico, and the United States. Over 200,000 units of eSIM products have been sold by Internet 4 Crew in the past five years, demonstrating the strong demand for their offers. By offering Internet 4 Crew with a white-label data reselling solution, Flexiroam will benefit from the rising demand for maritime travel as leisure cruises resume by giving its customers access to global connectivity while working at sea.

Flexiroam formed another maritime communications partnership with Ship to Shore, to provide connectivity to superyachts under its own brand. Ship to Shore will utilise the data from Flexiroam network, so that the vessels operating in the UK and Europe will have access to data connectivity.

During the first half of FY23, Flexiroam continues to grow its mPOS user base whilst extending its Malaysian connectivity agreement with Pine Labs to the United Arab Emirates. Additionally, an agreement was signed with UAE-based Allo Pay to provide secured connectivity for its mobile point-of-sale terminals. As more devices are introduced throughout all regions, these deals will generate monthly recurring revenue, which will rise over time.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of directors made pursuant to section 306(3)(a) of the Corporations Act 2001.



#### **Marc Barnett**

Chief Executive Officer

Signed on this 8<sup>th</sup> day in November 2022

# AUDITOR'S INDEPENDENCE DECLARATION

## ROTHSAY

AUDIT & ASSURANCE PTY LTD

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the review of Flexiroam Limited for the half-year ended 30 September 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Flexiroam Limited and the entities it controlled during the half-year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla  
Director

8 November 2022

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2022

	NOTES	HALF-YEAR ENDED 30 SEP 2022 \$	HALF-YEAR ENDED 30 SEP 2021 \$
<b>Revenue</b>	<b>2</b>	<b>3,685,470</b>	<b>1,327,067</b>
Cost of sales		(2,719,385)	(548,928)
<b>Gross profit</b>		<b>966,085</b>	<b>778,139</b>
Interest income		15,227	2,408
Foreign exchange gains		71,460	50,588
Other income		61,281	11,515
Administration and operating expenses		(497,711)	(805,347)
Selling and marketing expenses		(1,345,056)	(473,993)
Research and development		(410,894)	(163,822)
Staff costs		(1,036,683)	(1,204,707)
Depreciation and amortisation		(9,838)	(7,001)
Finance expenses		(200,268)	(61,851)
<b>Loss before income tax</b>		<b>(2,386,397)</b>	<b>(1,874,071)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(2,386,397)</b>	<b>(1,874,071)</b>
Other comprehensive income			
<i>Items that may be re-classified subsequently to profit or loss:</i>			
Foreign currency translation differences		(486,881)	(351,993)
Total other comprehensive income, net of tax		(486,881)	(351,993)
<b>Total comprehensive loss for the period</b>		<b>(2,873,278)</b>	<b>(2,226,064)</b>
Loss per share (basic and diluted)		(0.4) cents	(0.4) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022

	NOTES	AS AT 30 SEP 2022 \$	AS AT 31 MAR 2022 \$
<b>CURRENT ASSETS</b>			
Cash at bank	3	1,647,145	3,161,565
Fixed deposits with licensed bank	3	1,402,549	1,049,782
Trade and other receivables		110,979	66,356
Inventory	4	203,397	280,337
Other assets	5	156,022	68,090
<b>Total current assets</b>		<b>3,520,092</b>	<b>4,626,130</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		42,565	29,742
Intangible assets		105,573	58,315
<b>Total non-current assets</b>		<b>148,138</b>	<b>88,057</b>
<b>Total Assets</b>		<b>3,668,230</b>	<b>4,714,187</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	5,404,184	4,825,899
Deferred revenue	7	2,682,639	1,880,708
<b>Total current liabilities</b>		<b>8,086,823</b>	<b>6,706,607</b>
<b>Total Liabilities</b>		<b>8,086,823</b>	<b>6,706,607</b>
<b>Net Liabilities</b>		<b>(4,418,593)</b>	<b>(1,992,420)</b>
<b>EQUITY</b>			
Issued capital	8	46,892,690	46,883,390
Reserves		(1,849,403)	(1,800,326)
Accumulated losses		(49,461,880)	(47,075,484)
<b>Total equity</b>		<b>(4,418,593)</b>	<b>(1,992,420)</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2022

	ISSUED CAPITAL	OPTION & PERFORMANCE RIGHTS RESERVE	FOREX TRANSLATION RESERVE	ACCUMULATED LOSS	TOTAL
	\$	\$	\$	\$	\$
<b>BALANCE AT 1 APRIL 2021</b>	<b>42,427,553</b>	<b>299,993</b>	<b>(2,928,498)</b>	<b>(43,182,317)</b>	<b>(3,383,269)</b>
Loss for the period	-	-	-	(1,874,071)	(1,874,071)
Other comprehensive loss for the period	-	-	(351,993)	-	(351,993)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(351,993)</b>	<b>(1,874,071)</b>	<b>(2,226,064)</b>
<b>Contributions by and distributions to owners of the Company:</b>					
Performance rights to employees	-	701,927	-	-	701,927
Issuance of joining shares	85,000	(85,000)	-	-	-
Options lapsed	-	(299,993)	-	299,993	-
Total transactions with owners	85,000	316,934	-	299,993	701,927
<b>BALANCE AT 30 SEPTEMBER 2021</b>	<b>42,512,553</b>	<b>616,927</b>	<b>(3,280,491)</b>	<b>(44,756,395)</b>	<b>(4,907,406)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2022

	ISSUED CAPITAL	OPTION & PERFORMANCE RIGHTS RESERVE	FOREX TRANSLATION RESERVE	ACCUMULATED LOSS	TOTAL
	\$	\$	\$	\$	\$
<b>BALANCE AT 1 APRIL 2022</b>	<b>46,883,390</b>	<b>1,102,774</b>	<b>(2,901,527)</b>	<b>(47,075,483)</b>	<b>(1,990,846)</b>
Loss for the period	-	-	-	(2,386,397)	(2,386,397)
Other comprehensive loss for the period	-	-	(486,881)	-	(486,881)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(486,881)</b>	<b>(2,386,397)</b>	<b>(2,873,278)</b>
<b>Contributions by and distributions to owners of the Company:</b>					
Performance rights to employees	-	445,531	-	-	445,531
Share rights conversion	9,300	(9,300)	-	-	-
Total transactions with owners	9,300	436,231	-	-	445,531
<b>BALANCE AT 30 SEPTEMBER 2022</b>	<b>46,892,690</b>	<b>1,539,005<sup>[a]</sup></b>	<b>(3,388,408)</b>	<b>(49,461,880)</b>	<b>(4,418,593)</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Note:

- <sup>a</sup> Included in the shares issued under Employee Incentive Plan during the financial year is an amount of \$406,783 for 11,964,197 ordinary fully paid shares at an issue price of \$0.034 per share had been issued to eligible employees pursuant to the Employee Incentive Plan approved by shareholders with share holding lock periods between 12 to 24 months. The issuance of shares is nil in cash consideration. These shares will be transferred issued capital upon expiry of the holding lock periods.

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2022

	NOTES	HALF-YEAR ENDED 30 SEP 2022 \$	HALF-YEAR ENDED 30 SEP 2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,173,852	1,046,864
Payments to suppliers and employees		(5,363,933)	(2,144,218)
Interest paid		(198,073)	(59,561)
Interest received		15,227	2,408
<b>Net cash flows used in operating activities</b>		<b>(1,372,927)</b>	<b>(1,154,507)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Purchase of plant and equipment		(17,034)	(32,049)
<b>Net cash flows used in investing activity</b>		<b>(17,034)</b>	<b>(32,049)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Excess of proceeds from issuance of share capital refunded		(69)	-
Repayment of borrowings		-	(4,628)
<b>Net cash flows used in financing activities</b>		<b>(69)</b>	<b>(4,628)</b>
Net decrease in cash and cash equivalents		(1,390,030)	(1,191,184)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>			
Foreign exchange fluctuations on opening cash balances		228,377	(107,101)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	3	<b>3,049,694</b>	<b>1,511,323</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### STATEMENT OF COMPLIANCE

This consolidated interim financial report includes the financial statements and notes to the consolidated financial statements of Flexiroam Limited (“the Company”) and its subsidiaries Flexiroam Sdn. Bhd., Flexiroam Asia Limited, Super Bonus Profit Sdn. Bhd. and Flexiroam Global FZCO (collectively “the Group”). The Company is a for-profit entity primarily and is domiciled in Australia.

This half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 March 2022 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

### BASIS OF PREPARATION

The consolidated interim financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The functional currency of the Company and subsidiaries are measured using the currency of the primary economic environment in which the Company and subsidiaries operates; being Australian Dollars, Malaysian Ringgit, United States Dollar, Euro and United Arab Emirates Dirham, respectively. However, as the majority of the Company’s shareholder base is Australian, these consolidated financial statements are presented in Australian Dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period and does not include full disclosures of the type normally included in an annual financial report.

### ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

#### Standards and Interpretations applicable to 30 September 2022

In the half-year ended 30 September 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current half-year reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

### SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of a half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 March 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### GOING CONCERN

These consolidated financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the consolidated financial statements, the Group incurred an operating loss of \$2,386,397 for the half-year ended 30 September 2022 (30 September 2021 loss: \$1,874,071) and a net cash outflow from operating activities amounting to \$1,372,927 (30 September 2021 outflow: \$1,154,507). In addition, as of 30 September 2022 the Group has a deficiency of net current assets of \$4,566,731 (30 September 2021 : \$4,922,294). Based on conservative assumptions, we believe that our existing current financial investments and cash and cash equivalents of \$3,049,694 at 30 September 2022 coupled with declining cash burn that will continue to reduce over the coming quarters, Flexiroam is well positioned to reach cash flow breakeven in the next 12-18 months.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

### NOTE 2 – REVENUE

	HALF-YEAR ENDED 30 SEP 2022 \$	HALF-YEAR ENDED 30 SEP 2021 \$
Corporate <sup>[a]</sup>	780,448	469,216
Consumer <sup>[b]</sup>	2,586,792	779,140
Solutions <sup>[c]</sup>	318,230	78,711
	<b>3,685,470</b>	<b>1,327,067</b>

<sup>a</sup> Corporate sales consist of business to business transactions involving local and foreign travel agencies.

<sup>b</sup> Consumer sales consist of business to consumer transactions involving local and foreign travellers.

<sup>c</sup> Solutions sales consist of business to business transactions involving local and foreign partners.

### NOTE 3 – CASH AND CASH EQUIVALENTS

	AS AT 30 SEP 2022 \$	AS AT 31 MAR 2022 \$
Cash at bank	1,647,145	3,161,565
Fixed deposits with licensed bank	1,402,549	1,049,782
	<b>3,049,694</b>	<b>4,211,347</b>

Fixed deposits of the Group and of the Company amounting to \$1,402,549 and \$nil (31.3.2022: \$1,049,782 and \$nil) respectively are deposited to licensed banks.

The weighted average effective interest rates of the fixed deposits with licensed banks at the reporting date range from 2.01% to 2.28% (31.3.2022: 1.7% to 2.03%) per annum.

The fixed deposits have maturity periods from 3 to 6 (31.3.2022: 3 to 6) months.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4 – INVENTORY

	AS AT 30 SEP 2022 \$	AS AT 31 MAR 2022 \$
Opening balance	280,337	321,190
Purchases	6,152	23,322
Distribution	(200,272)	(68,424)
Written down	74,914	980
Foreign exchange translation effects	42,266	3,269
<b>Closing balance</b>	<b>203,397</b>	<b>280,337</b>

This inventory refers to microchip and SIM cards.

### NOTE 5 – OTHER ASSETS

	AS AT 30 SEP 2022 \$	AS AT 31 MAR 2022 \$
Prepayments	156,022	68,090
	<b>156,022</b>	<b>68,090</b>
<b>Reconciliation</b>		
Opening balance	68,090	130,876
Net charged out	87,932	(62,786)
<b>Closing balance</b>	<b>156,022</b>	<b>68,090</b>

### NOTE 6 – TRADE AND OTHER PAYABLES

	AS AT 30 SEP 2022 \$	AS AT 31 MAR 2022 \$
Other payables	400,606	407,396
Accruals	5,003,578	4,418,503
	<b>5,404,184</b>	<b>4,825,899</b>

Trade payables are non-interest bearing and are normally settled within 30 to 90 days.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 7 – DEFERRED REVENUE

	AS AT 30 SEP 2022 \$	AS AT 31 MAR 2022 \$
Corporate sales	228,199	400,950
Consumer sales	2,440,711	1,468,160
Solutions	13,729	11,598
	<b>2,682,639</b>	<b>1,880,708</b>
<b>Reconciliation</b>		
Opening balance	1,880,708	2,029,804
Net charged out	504,243	(184,427)
Foreign exchange translation effects	297,688	35,331
<b>Closing balance</b>	<b>2,682,639</b>	<b>1,880,708</b>

Advance billing to customers that give rise to provisions for unearned revenue in respect of services which have not been rendered as at the end of the reporting period.

### NOTE 8 – ISSUED CAPITAL

	NUMBER OF SHARES	\$
<b>Ordinary shares issued (net of share issue costs)</b>	<b>601,595,275</b>	<b>46,892,690</b>
<b>Reconciliation</b>		
Balance at 1 April 2021	500,647,030	42,427,553
Share issue – 6 August 2021 <sup>[a]</sup>	1,500,000	51,000
Share issue – 6 September 2021 <sup>[b]</sup>	1,000,000	34,000
Share issue – 27 October 2021 <sup>[c]</sup>	37,500,000	1,500,000
Share issue – 4 January 2022 <sup>[d]</sup>	3,356,575	120,837
Share issue – 15 February 2022 <sup>[e]</sup>	57,291,670	2,750,000
<b>Balance at 31 March 2022</b>	<b>601,295,275</b>	<b>46,883,390</b>
Balance at 1 April 2022	601,295,275	46,883,390
Share issue – 15 July 2022 <sup>[g]</sup>	300,000	9,300
<b>Balance at 30 September 2022</b>	<b>601,595,275</b>	<b>46,892,690</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 8 – ISSUED CAPITAL (CONTINUED)

### FULLY PAID ORDINARY SHARES

- <sup>a</sup> On 6 August 2021, the Company issued a Joining grant of 1,500,000 ordinary fully paid shares at an issue price of \$0.034 per share to eligible employees pursuant to the Employee Incentive Plan approved by shareholders. The issuance of shares is nil in cash consideration.
- <sup>b</sup> On 6 September 2021, the Company issued a Joining grant of 1,000,000 ordinary fully paid shares at an issue price of \$0.034 per share to eligible employees pursuant to the Employee Incentive Plan approved by shareholders. The issuance of shares is nil in cash consideration.
- <sup>c</sup> On 27 October 2021, the Company successfully completed a capital raising of \$1.5 million by the issue of 37,500,000 ordinary fully paid shares at an issue price of \$0.040 each. The Placement is being undertaken within the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A. The investor is not a related party of the Company.
- <sup>d</sup> On 4 January 2022, the Company issued a Joining grant of 3,356,675 ordinary fully paid shares at an issue price of \$0.036 per share to eligible employees pursuant to the Employee Incentive Plan approved by shareholders. The issuance of shares is nil in cash consideration.
- <sup>e</sup> On 15 February 2022, the Company successfully completed a capital raising of \$2.75 million by the issue of 57,291,670 ordinary fully paid shares at an issue price of \$0.048 each. The Placement is being undertaken within the Company's existing placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A. The investor is not a related party of the Company.
- <sup>f</sup> On 2 June 2022, the Company issued 40,318,001 fully paid ordinary shares at an issue price of \$0.034 to eligible employees pursuant to the Employee Incentive Plan approved by shareholders with share holding lock periods between 12 to 24 months. The issuance of shares is nil in cash consideration. These shares will be transferred to issued capital upon expiry of the holding lock periods.
- <sup>g</sup> On 15 July 2022, the Company received an exercise notice in respect of vested Tranche 1 share rights, being 300,000 ordinary fully paid shares at an issue price of \$0.031 per share had been issued to eligible employees pursuant to the Employee Incentive Plan approved by shareholders. The issuance of shares is nil in cash consideration.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

### CONVERTIBLE SECURITIES

On 21 June 2022, the Company issued 10 million FY2023 CEO Performance Rights and 1 Executive Performance Right to Marc Barnett, following shareholder approval granted at the AGM held on 20 June 2022. These unquoted securities are subject to performance vesting conditions and further details regarding the terms and conditions are set out in the notice of annual general meeting dated 20 May 2022.

### DIVIDENDS

No dividends were paid or proposed during the half-year ended 30 September 2022 (31 March 2022: nil).

## NOTE 9 – SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about the components of the group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the chief operating decision maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the chief operating decision maker.

As at 30 September 2022, the Group operated in two business segments being the telecommunication and solutions business segments.

During the current period, the chief decision makers have been reviewing operations and making decisions based on the supply and provision of telecommunications as a single operating unit. Internal management accounts are consequently prepared on this basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9 – SEGMENT REPORTING (CONTINUED)

	PERIOD ENDED 30 SEPTEMBER 2022			PERIOD ENDED 30 SEPTEMBER 2021		
	TRAVEL	SOLUTIONS	TOTAL	TRAVEL	SOLUTIONS	TOTAL
	\$	\$	\$	\$	\$	\$
Segment and group revenue	3,367,240	318,230	3,685,470	1,248,356	78,711	1,327,067
Segment and group cost of sales	(2,646,621)	(72,764)	(2,719,385)	(527,097)	(21,831)	(548,928)
Other income and forex gains	-	-	147,968	-	-	64,511
Administration and operating expenses	-	-	(3,490,612)	-	-	(2,709,720)
Depreciation and amortisation	-	-	(9,838)	-	-	(7,001)
<b>Group profit/ (loss) for the period/year</b>	<b>720,619</b>	<b>245,466</b>	<b>(2,386,397)</b>	<b>721,259</b>	<b>56,880</b>	<b>(1,874,071)</b>
Net cash used in operating activities	-	-	(1,372,927)	-	-	(1,154,507)
Net cash used in investing activities	-	-	(17,034)	-	-	(32,049)
Net cash used in financing activities	-	-	(69)	-	-	(4,628)
<b>Net cash flow</b>	<b>-</b>	<b>-</b>	<b>(1,390,030)</b>	<b>-</b>	<b>-</b>	<b>(1,191,184)</b>

	AS AT 30 SEPTEMBER 2022			AS AT 31 MARCH 2022		
	\$	\$	\$	\$	\$	\$
Assets	-	-	3,668,230	-	-	4,714,187
Liabilities	-	-	8,086,823	-	-	6,706,607

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10 – FINANCIAL INSTRUMENTS

The accounting policies and methods of computation adopted are consistent with those of the previous year and corresponding half-year.

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

### NOTE 11 – SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

On 1 June 2022, the Board appointed Steve Picton as a Non-Executive Director with a base salary of A\$60,000 per annum. At the same time, David Ong will step down from his role as Non-Executive Director, effective from 1 June 2022, to pursue other business interests.

On 15 July 2022, the Company allotted and issued 300,000 fully paid ordinary shares at nil monetary consideration to the eligible employees under the Employee Incentive Plan approved by shareholders as Joining Shares, which are subject to a 12-month holding lock from the date of issue.

### NOTE 12 – SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2022

Except for the events described below, there were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group or the state of affairs of the Group in the financial period subsequent to 30 September 2022.

On 11 October 2022, the Group signed a white label agreement with Singapore based motorbike and scooter rental company, Bikago. Under the agreement, Bikago will become a Flexiroam reseller, providing SIM cards, eSIMs and a connectivity solution to tourists arriving in Indonesia, under its own label “Bikago Mobile” as an upsell with any rentals that occur online or through its network of Bikago shops around Bali, and through additional channels such as its hotel partners, airline partners, OTA’s, and etc. The agreement has a term of one year, with an annual revenue commitment of A\$150k and a notice period of 30 days.

On 24 October 2022, the Group entered into partnership with Emirates to include Flexiroam as an in-flight retail product. Emirates currently operates across 6 continents, carrying approximately 19 million passengers in 2021 and 2022 alone. The Emirates in-flight magazine provides a direct distribution channel for Flexiroam to reach Emirates passengers requiring roaming data, with its customised data plan spanning 128 countries. The agreement is expected to initially deliver annual revenue of A\$150k per annum and has the potential to expand from being onboard 100 aircraft to 180 aircraft.

On 31 October 2022, 65,620,842 units unexercised options with an exercise price of A\$0.12 lapsed.

### NOTE 13 – COMMITMENTS AND CONTINGENCIES

There has been no change in contingent liabilities and commitments since the last annual reporting date.

### NOTE 14 – RELATED PARTY TRANSACTIONS

Other than the transactions detailed elsewhere in the financial statements, there are no related party transactions during the financial period.

# DIRECTORS' DECLARATION

In the opinion of the Directors of the Group:

1. The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 30 September 2022 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board



**Marc Barnett**

Director

Signed on this 8<sup>th</sup> day in November 2022

## ROTHSAY

AUDIT & ASSURANCE PTY LTD

### FLEXIROAM LIMITED

#### INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Flexiroam Limited

#### Report on the Half-Year Financial Report

##### Conclusion

We have reviewed the accompanying half-year consolidated financial report of Flexiroam Limited, which comprises the consolidated statement of financial position as at 30 September 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity (or "Group") comprising Flexiroam Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Flexiroam Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Group's financial position as at 30 September 2022 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

##### Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 1 Going Concern section, which indicates that the Group incurred a loss for the half-year to 30 September 2022 of \$2,386,397 and cash outflows from operations of \$1,372,927. As at 30 September 2022 the Group had a deficiency in net current assets of \$4,566,731.

As stated in Note 1, these events and conditions along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast doubt on the ability of the Group to continue as a going concern. Our conclusion is not modified in respect of this matter.

##### Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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## FLEXIROAM LIMITED

### INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Flexiroam Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **Directors' Responsibility for the Half-Year Financial Report**

The directors of Flexiroam Limited are responsible for the preparation of the consolidated half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility for the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Rothsay Audit & Assurance Pty Ltd

**Daniel Dalla**

Director

Sydney, 8 November 2022

# CORPORATE INFORMATION

## DIRECTORS

Jefrey Ong  
Tat Seng Koh  
Marc Barnett  
Stephen Picton

## COMPANY SECRETARY

Natalie Teo Shu Qing

## REGISTERED OFFICE

15 McCabe Street, North Fremantle,  
Western Australia 6159

## PRINCIPAL PLACE OF BUSINESS

Lot 4-401 & 4-402, Level 4, The Starling Mall,  
No. 6, Jalan SS21/37, Damansara Utama,  
47400 Petaling Jaya, Selangor, Malaysia

## AUDITORS

Rothsay Audit & Assurance Pty Ltd  
Level 1/12 O'Connell Street, Sydney NSW 2000

## BANKERS

National Australia Bank  
100 St Georges Terrace, PERTH WA 6000

## SHARE REGISTRY

Advanced Share Registry  
110 Stirling Highway, NEDLANDS WA 6009

Ph : 08 9389 8033

Fax : 08 9262 3723

## SECURITIES EXCHANGE LISTING

Flexiroam Limited shares are listed on the  
Australian Securities Exchange (ASX code : FRX)

## WEBSITE

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**FLEXIROAM**