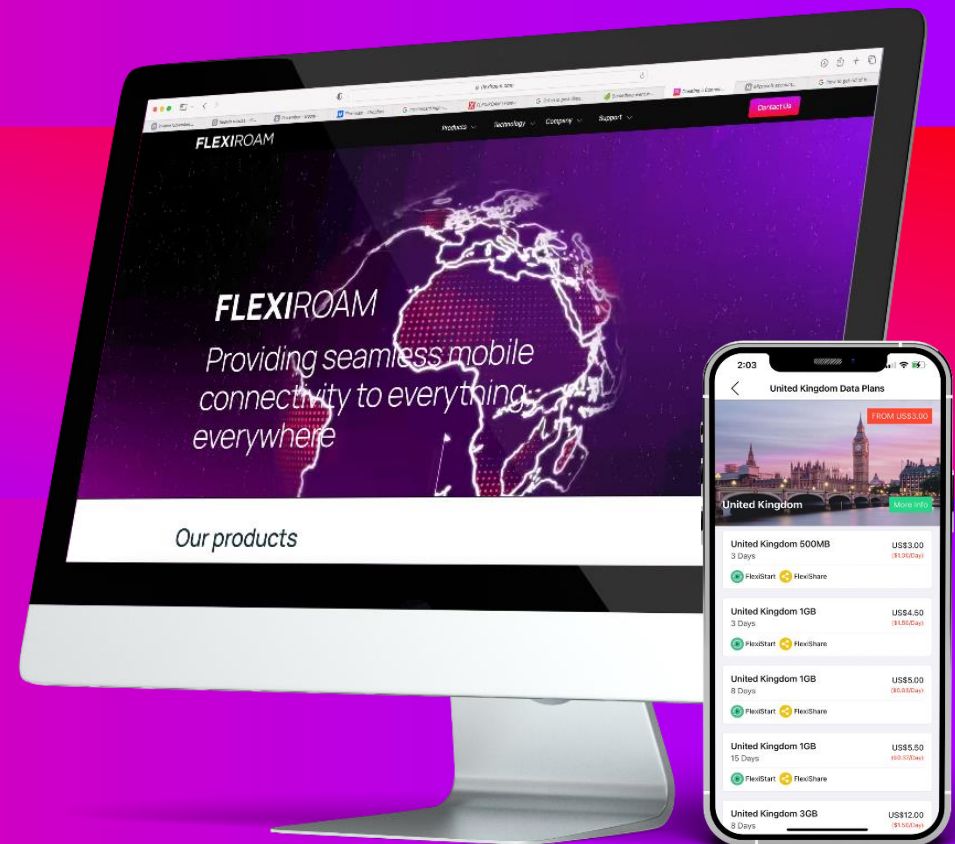


# FLEXIROAM

( ASX:FRX )

**FY23 – Q4 Investor Webinar**  
**20 April 2023**

**Marc Barnett, CEO**



# FLEXIROAM

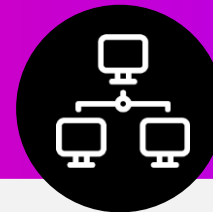
*Flexiroam Limited (ASX:FRX) provides connectivity across any device, in any part of the world for any application. The Company is a superconnector for people and machines globally. Flexiroam's versatile network now spans across 520 network operators in over 200 countries and territories, making it the preferred service for consumers and businesses worldwide.*



**1 of 13 Apple certified  
Global eSIM service providers**



**Global offices across Europe  
and South East Asia**



**Enterprise-grade solutions  
for businesses**



**Access to over 500 networks across  
200+ countries and territories**

## **Overview: Summarising the progress made in Q4 FY23**

### **Strong Financial performance**

- Revenue of A\$2.7M, up 8% on the previous quarter (Q3: A\$2.5M) and 120% on the prior year
- Cash receipts of A\$3.1M, up 4% on the previous quarter (Q3: A\$2.9M) and 112% on the prior year
- Gross Profit of A\$1.65M, up 32% on the previous quarter (Q3: A\$1.25k) and 314% on the prior year
- Q4 operating cash burn of A\$205k, lower by 58% on the previous quarter (Q3: A\$488k) and 68% on the prior year
- Exceeded FY23 revenue and EBITDA targets by 23% and 28% respectively, ending the year at A\$9.0M\* and –A\$2.75M\*
- Strong cash balance at end of Mar 2023 of A\$2.1M

### **Continued operational success**

- Further reduced cost per GB by 13% from December to March and 39% on the prior year
- Key metrics remain positive relative to the holiday season in Q3 FY23
- Significant progress in customer service, resulting in improvements across CSAT and Trustpilot ratings
- Multi-eSIM service providing wider coverage at more affordable prices
- Provided connectivity to users from 150 countries in 172 destinations (13% more coverage)

## **Overview:** *Summarising the progress made in Q4 FY23*

### **Expanding partnerships**

- Signed 4 white-label reseller agreements with: Telesim (UK-based communication solutions provider), Japan Communications Inc (JCI), Sky Call (Israel based telecommunication provider) and Connectivity World Global (Poland)
- Signed agreement with Acutec, a maritime connectivity solutions provider
- Signed aviation deals with Denmark based Air Support and Etihad Airways
- Emirates deal shows potential as a customer acquisition channel
- Successfully onboarded Mastercard EEMEA and Europe, with 1.3M additional cards starting in April FY24

### **Product Improvements**

- App upgrade and user guide improvements, including the introduction of new help center to improve customer experience
- Completed Mastercard's annual technical security compliance assessment
- Completed the modification of onboarding process for reward partners (Discovery and Mastercard) to expand viability
- Enhanced solutions portal related to bulk creations, validations and auto-assignment features
- Completed development of new connectivity platform, ready to be integrated with products and platforms

# Defining the key priorities for FY24

In FY23, Flexiroam focused on cost savings and system critical development while working on the solutions and reseller portal suite. Flexiroam will continue to invest in research and development of its product and network offerings in FY24

Below are the key areas of focus in H1 FY24, which are further split internally into 8 revenue-driving, 3 cost-saving and 5 development and integration enhancing priorities

## Development of customer-required product features

- Discovery and development of various features and capabilities across network and product as specified by prospecting clients across Aviation Markets, Maritime Services, Enterprise Solutions and Terminal Enablement Solutions

## Modify and enhance reseller and reward partner features to expand revenue opportunity with existing partners

- Streamlining of user redemption experience to insert Flexiroam's service into a wider geographical and industrial reach with existing partners

## New Platform - Decreasing Technical Debt

- Continue addressing platform technical debt with emphasis on central inventory, plans and rate sheets
- Improve development tooling and infrastructure to achieve better maintainability, troubleshooting, automation and scalability

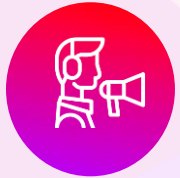
## Improve security and latency of platform and applications

- Increase data and platform security across the board to comply with requirements from specific customer segments

## Redefining the Flexiroam Travel App and Webshop

- Discovery of a new travel app and webshop experience for users and partners, improving usability while creating other forms of revenue opportunities

## **Operations: Improving our customer's experience**



**Develop comprehensive chatbot in preparation for growth in users**



**Increase size of customer service team to improve capacity of 24/7 support**



**Enhancement to user guides and FAQs**



**Redesigning of the Flexiroam app**

### **Progress**

Preliminary chatbot has been implemented, resulting in quicker first response times and reduced manpower requirements

Expanded the team sufficiently, decreasing average response times by 70%

Developed a new help center with updated guides and FAQs.  
Enhanced information available in user guides and in-app user interface

In Design and Discovery phase

### **Next Steps**

Establish and implement a comprehensive chatbot prompt logic to be used for automation

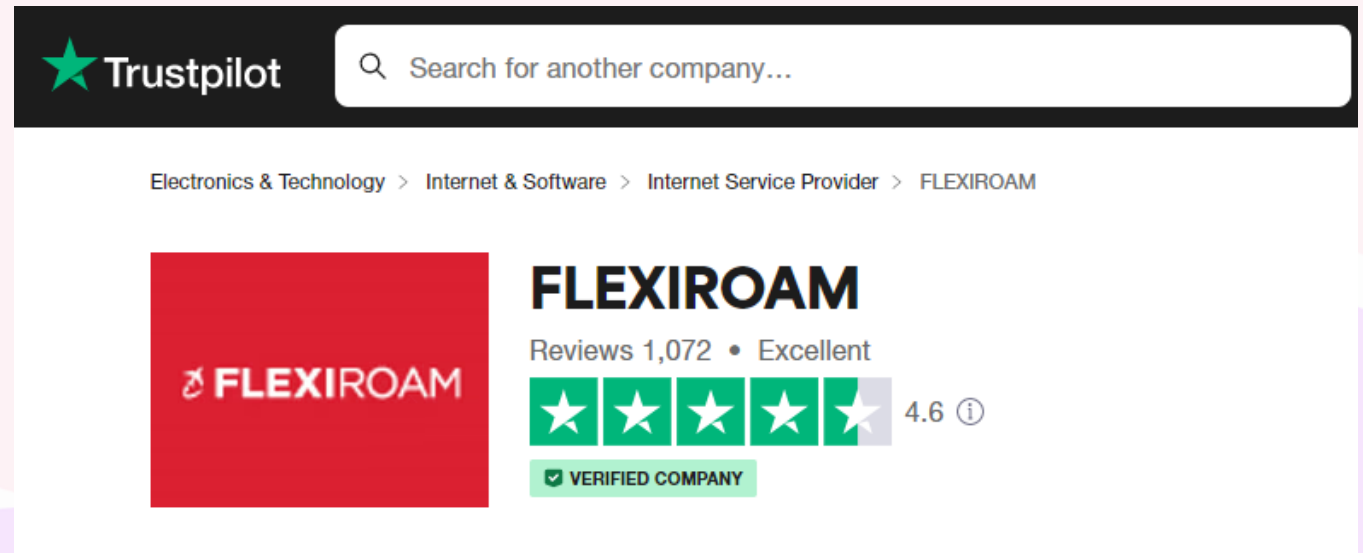
Improve training and onboarding material through an iterative process

Continue to evaluate user feedback and improve on the customer experience.  
Increase the number of languages available

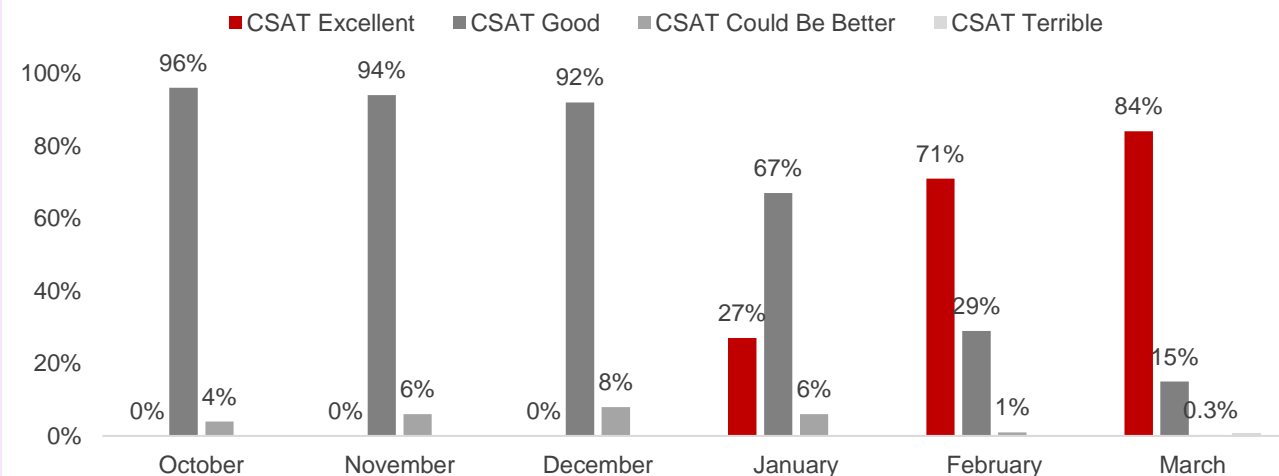
Continue to develop logic and graphical mock-ups, bringing new and improved features and experiences to our customers

## Operations: Improvements in app ratings to 4.6 stars

The initiatives to improve our customer experience have had a positive impact on our app ratings across Trustpilot and Apple Appstore



Customer Satisfaction Score (CSAT)



Flexiroam is now ranked #1 among all competitors on Trustpilot and expects to see similar improvements in both the Apple Appstore and Google Playstore ratings



## **Mastercard partnership continues to expand across both new and existing regions**

Positive traction in Australia with the launch with Latitude Finance. Redemption rates indicate that the reward was launched successfully in the region

4 additional banks signed up in Vietnam, Hong Kong, China and Taiwan

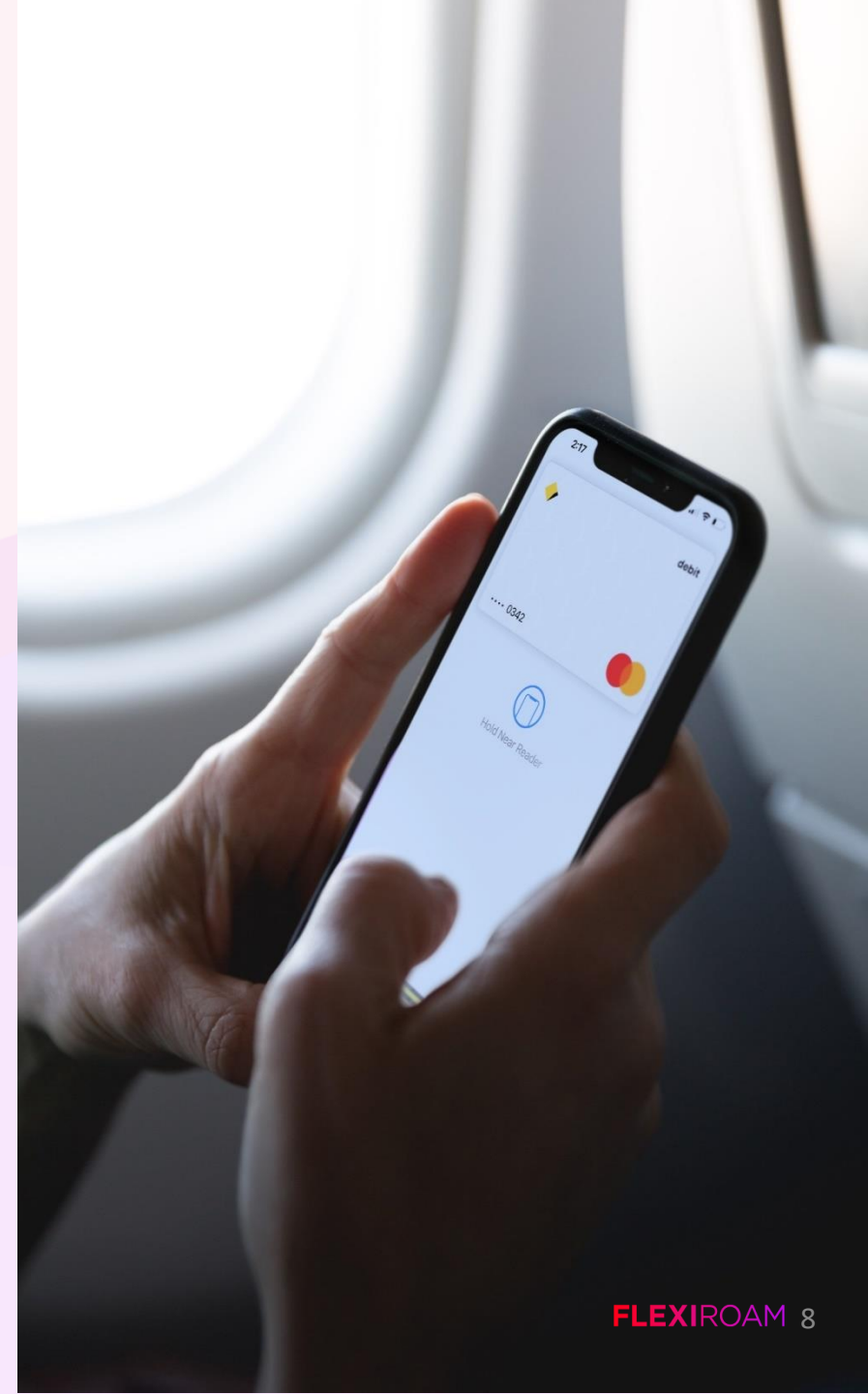
Commencement of partnership in Europe, starting with North Macedonia and Georgia

The launch has led to increased awareness and interest from other European markets, including Germany and the UK

The Regional Middle East deal comprising 1.2M cards and additional individual banks in Kazakhstan, Uzbekistan and Azerbaijan have commenced in April 2023

Physical meeting arranged with Mastercard global, North America and Latin America teams in Miami, strengthening the relationship between Flexiroam and the global Mastercard team.

Potential joint marketing and regional expansion opportunities currently in discussion





## Summary of Key Deals in Q4



**Telesim**

- Signed white-label reseller agreement with Telesim, an eSIM store based in the UK
- Telesim will offer over 120 eSIM plans powered by Flexiroam's connectivity through its native app



**JCI**

- Signed white-label reseller agreement with Japan Communications Inc, a leading mobile telecommunications service provider retailed within Japan
- JCI will offer eSIMs powered by Flexiroam's connectivity through its platform, b-mobile



**Connectivity**

- Signed white-label reseller agreement with Connectivity World Global (CWG), a communications provider based in Poland

Reference:

- 1 : Media Release "Flexiroam Signs White Label Reseller Agreement with Telesim" dated 23 February 2023
2. Media Release "Flexiroam Signs White Label Reseller Agreement with Japan Communications Inc" dated 4 April 2023

## Summary of Key Deals in Q4



**SkyCall**

- Signed a white-label agreement with Sky Call, a leading Israeli telecommunications provider with over 100k monthly active users
- Sky Call is the only company in Israel offering eSIM services



**Acutec**

- Signed maritime reseller agreement with Acutec, a Maritime connectivity solutions provider
- Acutec will utilise Flexiroam's connectivity for its customers in the US and Baltic regions, starting with a live trial



**Air Support**

- Signed agreement with flight data and planning software company, Air Support S/A based in Denmark
- Flexiroam will provide connectivity to its devices based on an agreed data pool

Reference:

1 : Media Release "Flexiroam Signs White Label Reseller Agreement with SkyCall" dated 19 January 2023

## Summary of Key Deals in Q4



**Etihad**

- Signed an agreement with Etihad Airways to provide connectivity to its loadmasters in the cargo division
- Small initial deal size, with possibility to expand the partnership into other use cases



**RD Travel**

- Signed a white-label reseller agreement with RD Travel, a business travel agency based in Singapore
- RD Travel will utilise Flexiroam's connectivity in the UAE, starting with 6 data plans

## *Emirates deal shows potential as a promising customer acquisition channel*

Currently in negotiations to further expand the partnership to make the service available at the airport lounges and via other sales channels

### In-flight demand:

38% physical SIM

62% eSIM

  
**Emirates**

**35%**

In-app repurchase  
rate

### Renewal Statistics

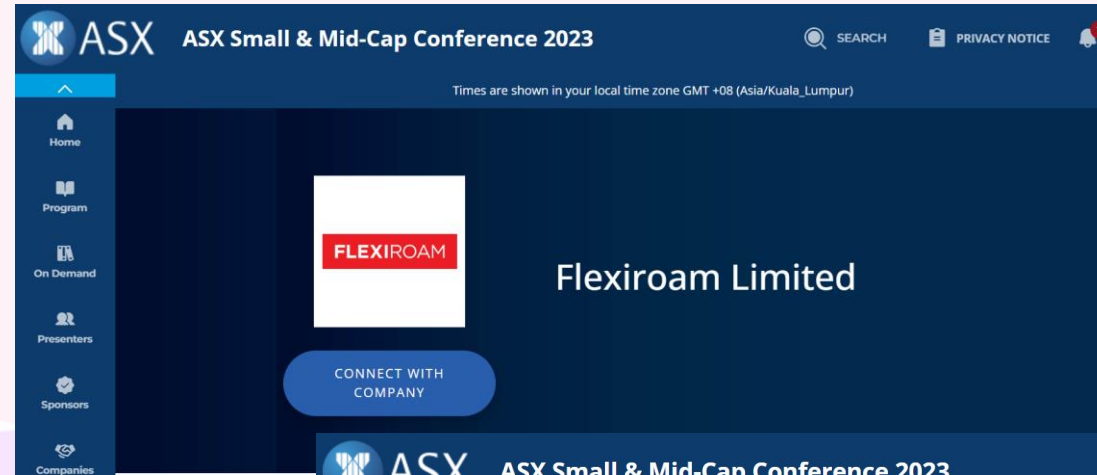
35% of users onboarded through Emirates have made a top-up  
60% of these users have gone on to repurchase more than once, signifying the partnership's potential as a customer acquisition channel

## Presented at the ASX Small & Mid-Cap Conference 2023

Flexiroam was invited to participate as a presenter at the ASX Small & Mid-Cap Conference held virtually on 22 March 2023

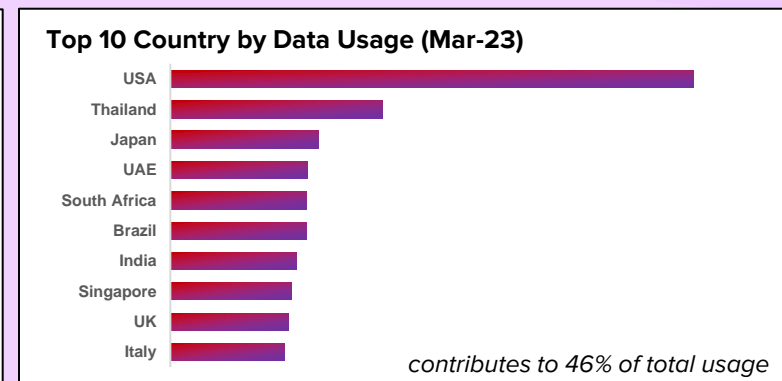
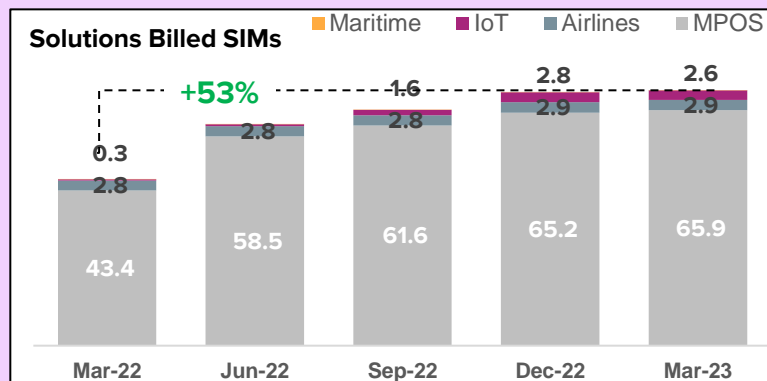
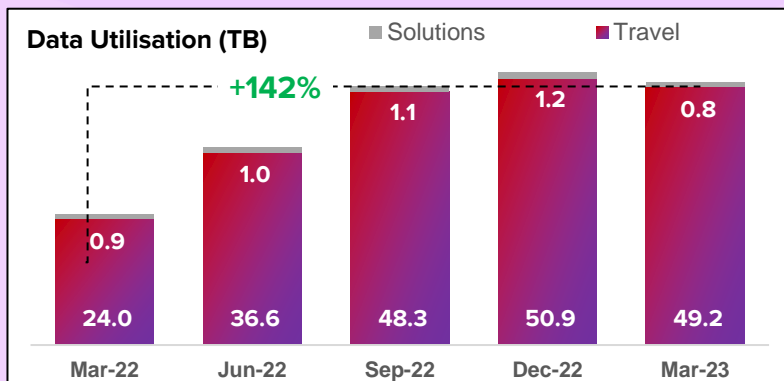
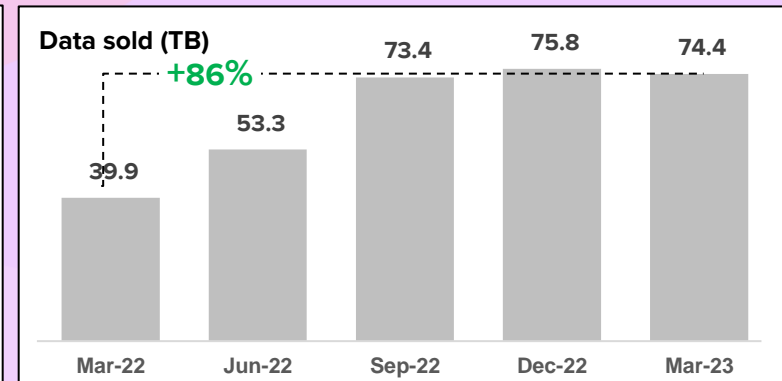
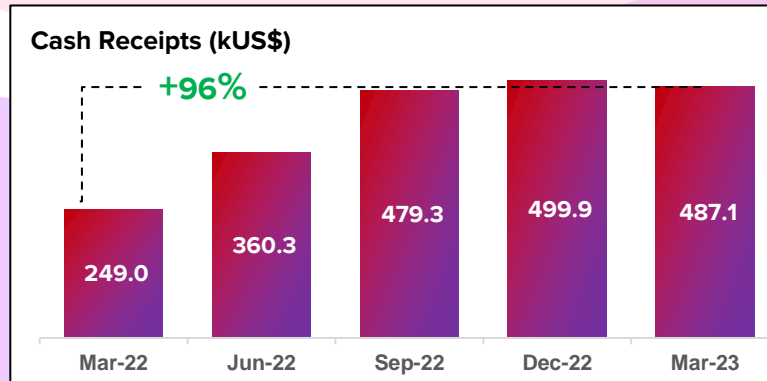
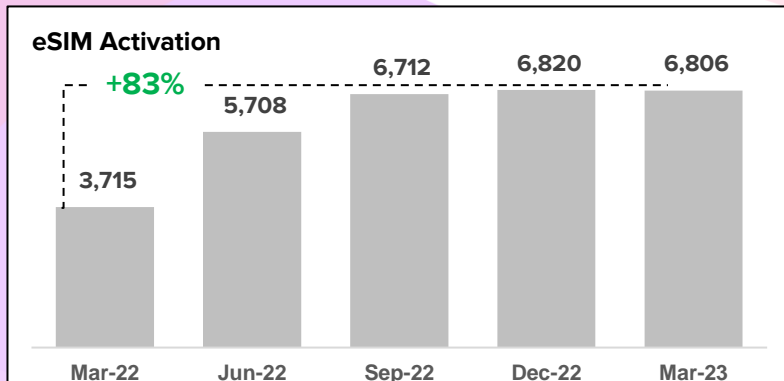
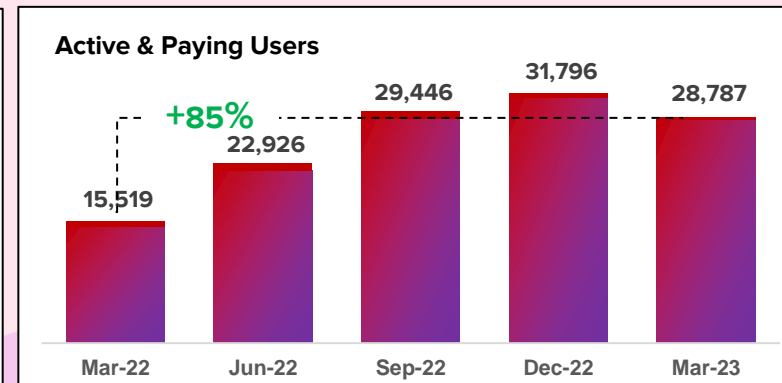
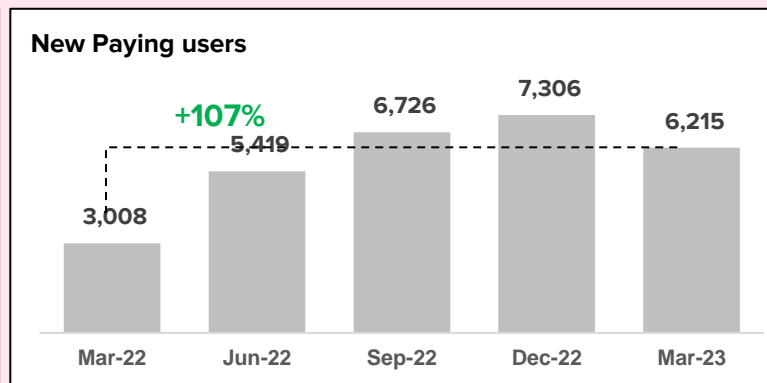
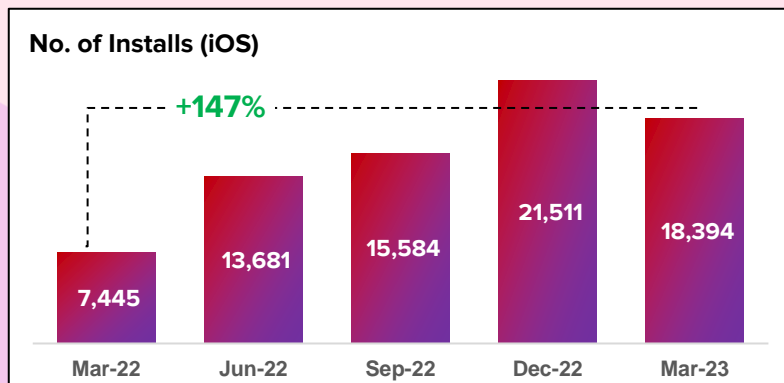
The presentation gave new and interested audiences an introduction to the Flexiroam business, its key business drivers and its performance to date

The presentation is available on-demand on the ASX conference website



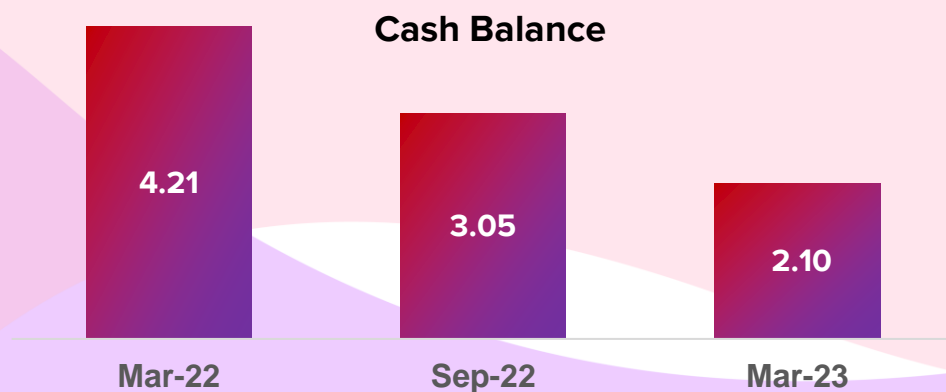
# Key metrics in-line with expectations

## Cash receipts ahead of expectations relative to marketing expenditure



## Financials | Q4-FY23 Key Highlights

**Q4 net operating outflows of A\$204k, an improvement of 58% from A\$488k in Q3**



- Cash receipts of A\$3.06M, up 4% on the previous quarter (Q3 FY23: A\$2.94M) and up 112% year on year (Q4 FY22: A\$1.44M);
- Cash burn from Operating Activities down 58% quarter on quarter to A\$204k (Q3 FY23: A\$488k) and 68% down year on year (Q4 FY22: A\$645k);
- Cash outflows from Investing Activities for the quarter was A\$180k;
- Strong cash balance of A\$2.1M as of 31 March 2023

### Cash Expenses (AUD \$m)

#### Direct Cost

**Q3 FY23**

1.88

**Q4 FY23**

1.64

#### Sales & Marketing

0.64

0.75

#### Operating Expenses

0.49

0.47

#### Admin & Others

0.42

0.40

#### R&D

0.09\*

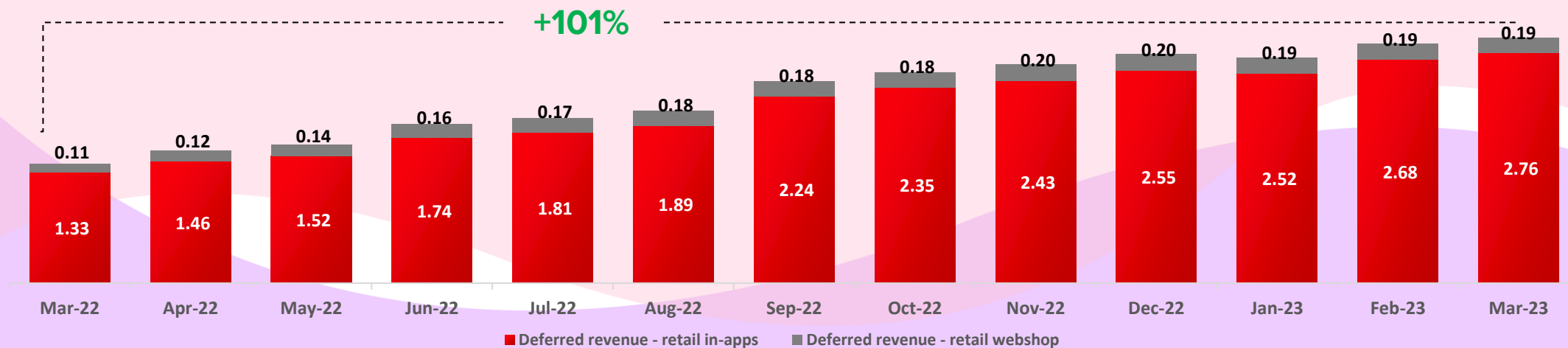
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• Excluding Software Development activities of A\$383k, which has been capitalised as intangible assets under Australian Accounting Standards

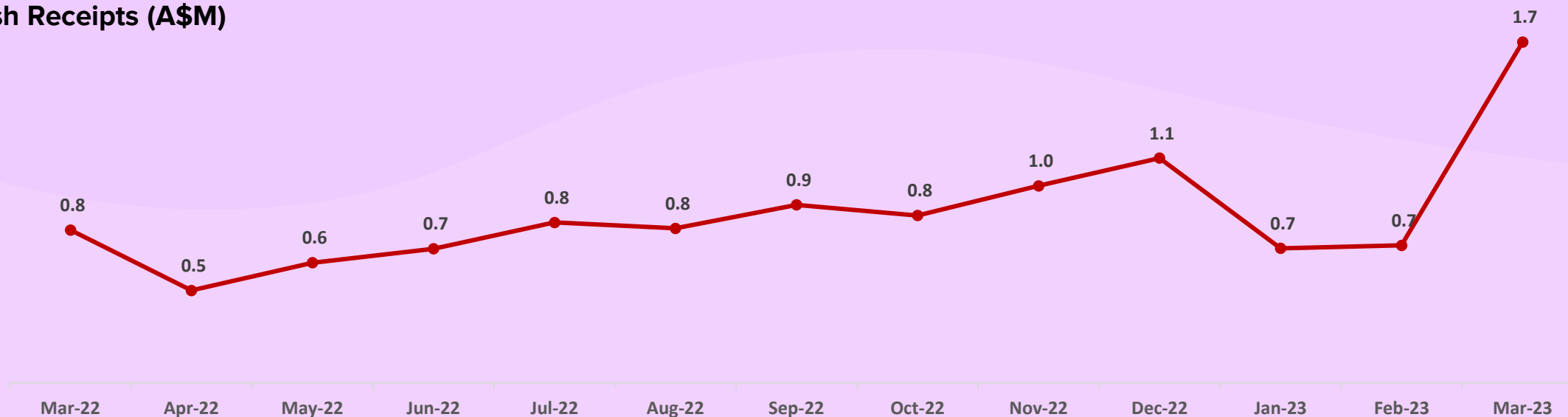


# Financials | Deferred Revenue and Cash Receipts Evolution

Deferred Revenue (A\$M)



















Cash Receipts (A\$M)



## Financials | Q4-FY23 Key Highlights

Gross margin improvements achieved through increasing revenue whilst reducing costs.

Q4 FY23 delivered a positive EBITDA of A\$117k

| in AUD                                | Q4 FY22    | Q3 FY23   | Q4 FY23   | % Year-on-Year |   | % Qtr-on-Qtr |   |
|---------------------------------------|------------|-----------|-----------|----------------|---|--------------|---|
| Revenue – Travel                      | 1,083,748  | 2,322,623 | 2,496,070 | 130%           |    | 7%           |    |
| Revenue – Solutions                   | 149,657    | 187,944   | 212,520   | 42%            |    | 13%          |    |
| Revenue                               | 1,238,825  | 2,521,272 | 2,711,632 | 119%           |    | 8%           |    |
| Cash Receipts – Travel                | 1,336,520  | 2,711,163 | 2,875,795 | 115%           |    | 6%           |    |
| Cash Receipts – Solutions             | 95,220     | 204,860   | 178,557   | 88%            |    | -13%         |    |
| Cash Receipts                         | 963,316    | 963,316   | 963,316   | 0%             |    | 0%           |    |
| Direct Cost                           | 835,546    | 1,263,545 | 1,061,734 | 27%            |   | -16%         |   |
| OPEX                                  | 1,650,499  | 1,666,628 | 1,532,590 | -7%            |  | -8%          |  |
| EBITDA<br>(exclude FOREX translation) | -1,247,220 | -408,901  | 117,307   |                |   |              |   |

# Key Takeaways

- ✓ Ongoing improvements in data costs and marketing efficiency has led to positive unit economics and Flexiroam is expected to achieve cashflow breakeven and EBITDA positive in the next 9 months
- ✓ Deals that have been signed and in the implementation phase for multiple quarters have just gone or are about to go live and start generating substantial revenue (e.g. Discovery, Simlocal, Bikago)
- ✓ Mastercard global partnership is progressing ahead of expectations and is well positioned to accelerate further with the addition of new regions and co-branded marketing opportunities
- ✓ Launched a new help center with updated guides and FAQs, improving the available information, streamlining the customer experience and simplifying the onboarding journey
- ✓ Constant ongoing growth in key business metrics and improving customer experience has led to consistent achievement of quarterly expectations with Flexiroam





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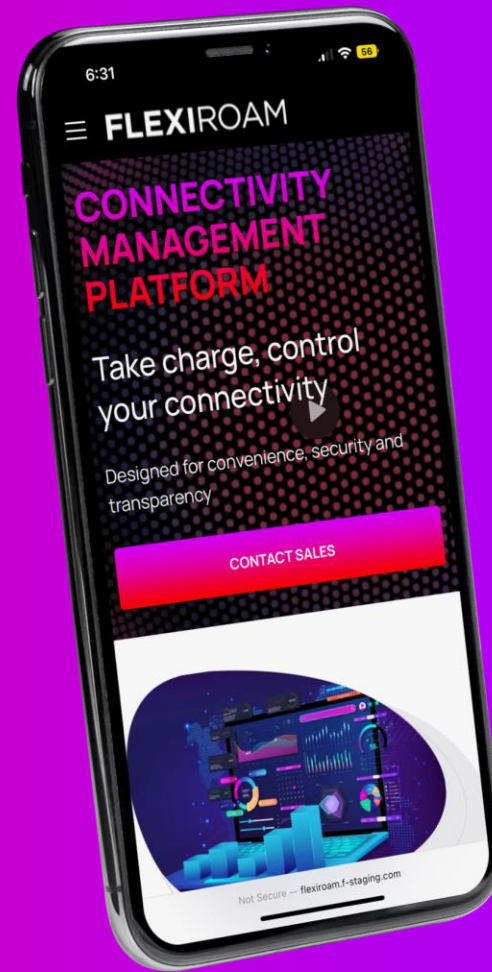
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✉ [investor@flexiroam.com](mailto:investor@flexiroam.com)

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