

31 July 2023

## Flexiroam continues to deliver growth across key metrics

*Interim FY UPDATE – April to June 2023*

**Flexiroam Limited (ASX: FRX)**, (“Flexiroam”, “Company” or the “Group”) is pleased to announce its results and Appendix 4C for the three months interim ended 30 June 2023 (Interim FY23). During the period, FRX changed its financial year-end to 30 June from 31 March.

### Key highlights:

- Total revenue increased 72% on the prior corresponding period (Q1 FY23: A\$1.60M), driven by growth in travel retail and white labelled reseller sales;
- Gross profit jumped 192% to A\$1.45M compared to the prior corresponding period (Q1 FY23: A\$497k). This growth was primarily driven by a significant reduction in data costs;
- Data cost per GB has continued to decline, reducing by 26% in June 2023 compared to March 2023, while declining 51% compared to June 2022;
- Cash receipts for the interim period of Apr-Jun 2023 were A\$2.52M, down 18% from the previous quarter (Q4 FY23: A\$3.06M) which included a one-off payment of A\$748k from Mastercard. Excluding the Mastercard payment, cash receipts for the period increased 9% compared to the prior quarter and 46% compared to the same period last year (Q1 FY23: A\$1.73M);
- Cash burn from Operating Activities of A\$553k, a reduction of A\$214k from Q1 FY23: A\$767k.
- Cash outflows from Investing Activities for the quarter is A\$292k; Cash balance of A\$1.3M as at 30 June 2023;
- Continued strong growth across key Travel metrics in June 2023. Data sold up 63% to 273TB (Q1 FY23: 167TB) and unique transacting users up 84% to 17.2k (Jun 22: 9.4k);
- A new white label reseller agreement was signed with telecommunications provider Japan Communications Inc. (JCI);
- The reversal of impairment loss of A\$3.9M has been recorded in the month of June 2023 in accordance with IAS/AASB/MFRS 136;

### Commenting on the progress achieved over the interim quarter, Chief Executive Officer Marc Barnett said:

“To align the reporting schedule with the standard Australian reporting cycle, the Group decided to change its financial year-end to 30 June. We believe that the transition will eliminate any potential confusion in our reporting cycle and help make Flexiroam more attractive to analysts in the future.”

“We achieved our expected outcomes during the interim FY, setting ourselves up for a strong start to FY24. We have consistently worked on transitioning the business, enhancing our infrastructure, products, and services, thereby enabling us to scale the company to serve billions of devices worldwide. We are well positioned to deliver transformation results in FY24 through the ongoing growth of our travel business and the continued expansion into new and diverse sectors that allow us to showcase the potential of our connectivity solutions.”

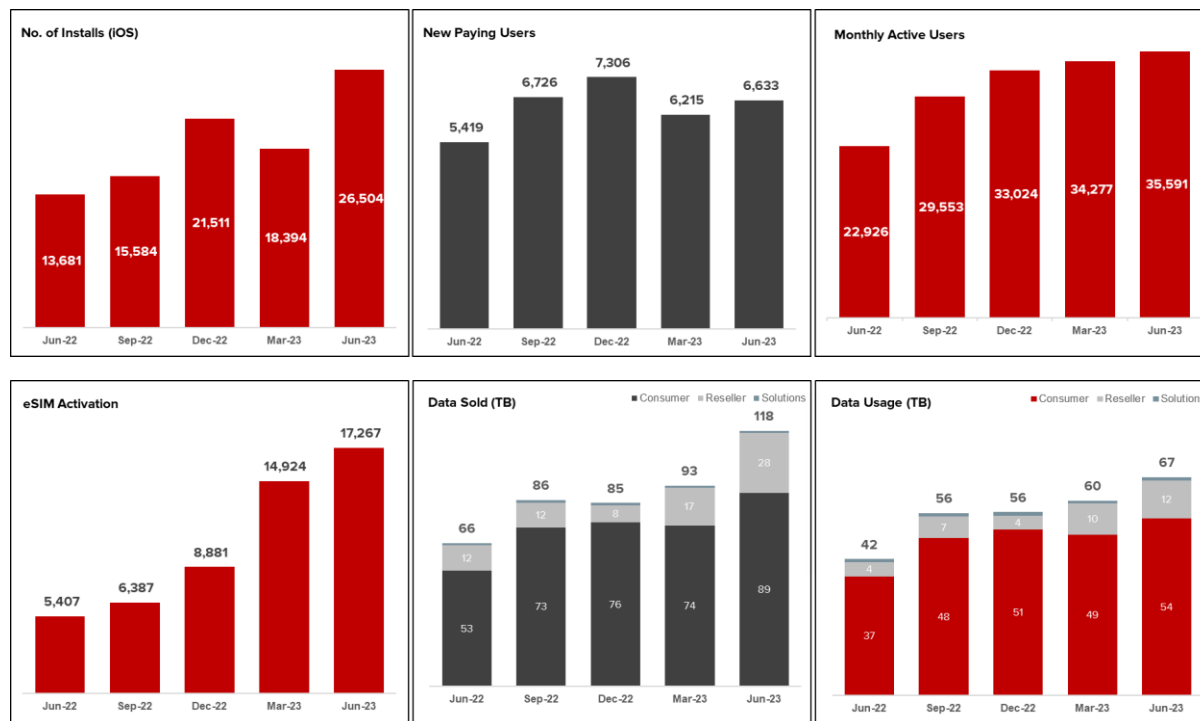
### Travel partnership signed with Japan Communications Inc (JCI)

Flexiroam signed a white label reseller agreement with Japan Communications Inc. (JCI), a global mobile telecommunications service provider, to offer its eSIM technology to JCI's extensive Japanese customer network. JCI is a leading communications service provider that provides value-added wireless data communication services by leveraging mobile carrier infrastructure and software systems. The

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agreement is for a one-year minimum term with a 30-day notice period. JCI will sell Flexiroam's eSIMs as a branded product via its eSIM Consumer Platform. The agreement allows Flexiroam to expand its global presence and collaborate with a leading telecommunications provider.

## Strong growth in operational metrics



Flexiroam saw consistent growth across key operating metrics during the interim quarter FY23. The focus on iOS installs continued to deliver lower total, but higher quality installs.

- iOS installs YoY increased 94% to 26.5k (Jun 22: 13.7k)
- Monthly active users increased to 35.6k up 55% (Jun 22: 22.9k)
- eSIM activations continued to rapidly scale, up 219% to 17.2k (Jun 22: 5.4k)

## Financial performance

During the interim quarter, the Company reported a revenue increase of 2% to A\$2.76M compared to Q4 FY23: A\$2.71M and up 72% on Q1 FY23: A\$1.60M.

Travel revenue continued to perform strongly during the quarter, increasing 12% to A\$1.90M compared to the previous quarter (Q4 FY23: A\$1.69M) and 82% on the prior corresponding period (Q1 FY23: A\$1.04M). Revenue from the Corporate Rewards Partners segment increased 117% to A\$416k compared to the prior corresponding period (Q1 FY23: A\$192k).

Wholesale Partner revenue jumped strongly in the quarter, increasing 95% to A\$165k compared to the previous quarter (Q4 FY23: A\$85k) and 161% in the prior corresponding period (Q1 FY23: A\$63k).

The previous Solutions line of business, which now includes the segments of Aviation Services, Terminal Enablement Solutions, Enterprises, Incubator and Maritime Services also performed well. Although revenue slightly declined 7% to A\$198k compared to the previous quarter (Q4 FY23: A\$213k) due largely to lower Terminal Enablement Solutions and Incubator revenue, it jumped 28% on the prior corresponding period (Q1 FY23: A\$155k).

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Gross profit jumped 192% Year on Year to A\$1.45M (Q1 FY23: A\$497k). This growth was primarily driven by a significant reduction in data costs which per GB has continued to decline. Data per GB fell by 26% in June 2023 compared to March 2023, and dropped by 51% compared to June 2022.

The total cash out for staff costs increased 41% from the March quarter to A\$1.2M, which included A\$167.5k in one off staff bonus payments and A\$90k of salary increases, plus A\$92k of new hires. Normalised cash out excluding the above mentioned is A\$845k, slightly lower compared to the March quarter.

Cash receipts for the interim period of Apr-June 2023 were A\$2.52M, up 9% from the normalised cash receipts for previous quarter (Q4 FY23: A\$2.31M). The normalised cash receipts exclusive of a one-off payment of A\$748k from Mastercard in Q4 FY23. Cash burn from Operating Activities of A\$553k was A\$214k lower compared to the same period last year (Q1 FY23: A\$767k). Cash outflows from Investing Activities for the quarter was A\$292k.

As of 30 June 2023, Payments to Related Parties and their associates during interim quarter FY23 were comprised of executive director salaries and fees and non-executive director fees of approximately A\$172k. Flexiroam ended the interim quarter with a cash balance of A\$1.3m, which supports the Company's strategic growth plans.

In accordance with IAS/AASB/MFRS 136, Flexiroam assesses at the end of each reporting period whether there is any indication that an impairment loss recognised in prior periods for an asset has decreased. For the Interim FY23 review, Flexiroam appointed an independent valuator to assess Intangible Assets, which resulted in a A\$3.9M recoverable amount recorded in June 2023.

## **Appointment of new Chief Financial Officer**

The Company is pleased to announce the appointment of Mr Aik Kuang (AK) Heng as Chief Financial Officer (CFO), effective on 1 October 2023.

Aik Kuang is a senior executive with 7 years' experience in the technology industry and has previously held divisional and regional leadership positions in Accenture, iflix and WeTV (TenCent), and most recently Fave Malaysia. Aik Kuang has been responsible for finance and treasury functions in his previous roles and led the Finance related aspects of the iflix sale to TenCent in 2020.

Flexiroam Chief Executive Officer Marc Barnett said: "We are very excited to have AK join Flexiroam. His knowledge and relationships across finance, M&A and broader commercial areas will unlock further value for the Company as we progress our long-term growth objectives. Having worked closely with AK for 5 years, I am confident that his experience and broader skill set will play a key role in the future success of the Company.

"AK will be supported by our Finance team, including our current CFO, Lina Nanik Harjani, who will transition to a consulting role on 1 September 2023 due to personal commitments that involve relocating overseas.

"AK will have the opportunity to work alongside Lina to ensure that there is a smooth transition. On behalf of the Board, I would also like to thank Lina for her contributions and leadership since joining Flexiroam in 2019."

## **Departure of Chief Revenue Officer**

The Company further advises that Joost Cordes stepped down from his position as Chief Revenue Officer on 30 June 2023. The Company thanks Joost for his commitment during his tenure and wishes him well in his future endeavours.

CEO Marc Barnett has worked closely with key clients and established strong relationships with the Company's customers, resellers, and partners globally and will work directly with the company's Sales Directors to maintaining those relationships and build a strong pipeline of new opportunities.

-END-

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## AUTHORISED BY THE BOARD OF DIRECTORS

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## ABOUT FLEXIROAM

*Founded in 2011 by Jeffrey Ong, Non-Executive Director, Flexiroam Limited (ASX: FRX) started with a mission to push the boundaries of communications. What began as a solution for travellers needing seamless mobile data at competitive rates, has evolved beyond the consumer travel market.*

*Flexiroam 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.*

*For further information, please visit <https://www.flexiroam.com/>*

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

FLEXIROAM LIMITED

**ABN**

ACN 143 777 397

**Quarter ended ("current quarter")**

30 JUNE 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,519	2,519
1.2 Payments for		
(a) research and development	(218)	(218)
(b) product manufacturing and operating costs	(1,266)	(1,266)
(c) advertising and marketing	(402)	(402)
(d) leased assets	-	-
(e) staff costs	(780)	(780)
(f) administration and corporate costs	(296)	(296)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(110)	(110)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(553)</b>	<b>(553)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(33)	(33)
(d) investments	-	-
(e) intellectual property	-	-

1) These numbers exclude expenditure directly attributable to software development activities that are capitalised as an intangible asset under Australian Accounting Standards. These capitalised costs are shown below in section 2.1(f).

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(f) other non-current assets	(259)	(259)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(292)</b>	<b>(292)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,096	2,096
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(553)	(553)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(292)	(292)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	48	48
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,299</b>	<b>1,299</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,299	2,096
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,299</b>	<b>2,096</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	172
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Director fees, consultancy fees, and salaries</p>		

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> <p>Not applicable</p> </div>	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(553)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,299
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,299
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.35
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer: N/A</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer: N/A</p>	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<p>Answer: N/A</p>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023  
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Authorised by: The Board of Flexiroam Limited

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.