

25 January 2018

Company Announcements Office  
ASX Limited

## Key Performance Highlights

CURRENT QUARTER 31 DECEMBER 2017 VERSUS PREVIOUS QUARTER 30 SEPTEMBER 2017	% CHANGE INCREASE / (DECREASE)
Receipts from consumer business	120%
Receipts from corporate business	(47%)
Total receipts from customers	70%
Research and development	28%
Product manufacturing and operating costs	75%
Advertising and marketing	29%
Staff costs	5%
Administration and corporate costs	(30%)

CURRENT QUARTER 31 DECEMBER 2017 VERSUS PREVIOUS QUARTER 31 DECEMBER 2016	% CHANGE INCREASE / (DECREASE)
Receipts from consumer business	412%
Receipts from corporate business	183%
Total receipts from customers	376%
Research and development	10%
Product manufacturing and operating costs	37%
Advertising and marketing	258%
Staff costs	10%
Administration and corporate costs	9%

# FLEXIROAM

## Receipts from customers

Sale receipts from consumer business increased by 120% from the previous quarter ended 30 September 2017 as our artificial intelligence (AI) powered in-app-marketing tools helped to stoke repeat sales; and increased 412% compared to the quarter ended 31 December 2016 on the back of a larger customer base.

Our Partner 2.0 Program had enabled our corporate business to thrive where receipts from sales of X-Licences (for the right to use X-Microchip) increased by 183% compared to the quarter ended 31 December 2016. To date, we have 187 partners in 41 countries and Flexiroam-X are sold in airport retail stores in 29 airports worldwide.

Overall sales increased by 70% from the quarter ended 30 September 2017 and 376% from the quarter ended 31 December 2016.

## Payment for operating expenses

Payment for operating expenses increased by 23% compared to the quarter ended 30 September 2017 due primarily to increase in product manufacturing and operating costs comprising mainly network costs that had increased in tandem with a much enlarged active customer base.

Research & development expenditure increased by 28% with new hiring that focuses on enhancing Flexiroam Tracking System (FTS) with artificial intelligence (AI) capabilities. New algorithms continued to be developed and tested for in-app-marketing tools, network optimisation, personalised data plans, customer relationship management and security.

## Net cash outflow

The increase in payment for operating expenses was offset by an increase in receipts from customers. As a result, net cash outflow improved by 25% and 37% compared to the previous quarters ended 30 September 2017 and 31 December 2016 respectively.

# FLEXIROAM

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## ABOUT FLEXIROAM

FLEXIROAM (ASX:FRX) is a new breed telecommunication company that enables travellers to bypass roaming charges around the world. FLEXIROAM is a telecommunication company that does not own physical infrastructure but connects its users to 580 network operations around the globe making its services available in over 100 countries and territories. The Company was listed on the Australian Securities Exchange ("ASX") in June 2015 under the code FRX, and is today one of the fastest growing global virtual mobile operator in Asia Pacific.

**For more information, please contact:**

### **Flexiroam Limited**

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### **Investor Relations**

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## Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**Flexiroam Limited**

**ABN**

27 143 777 397

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

31 December 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,252	2,476
1.2 Payments for		
(a) research and development	(100)	(266)
(b) product manufacturing and operating costs	(517)	(1,356)
(c) advertising and marketing	(623)	(1,122)
(d) leased assets	-	-
(e) staff costs	(223)	(657)
(f) administration and corporate costs	(187)	(607)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	27
1.5 Interest and other costs of finance paid	(83)	(140)
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>(474)</b>	<b>(1,645)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(2)	(16)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
	Other - Cash acquired from Flexiroam Asia Limited	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(2)</b>	<b>(16)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3)	(10)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(3)</b>	<b>(10)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,963	3,146
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(474)	(1,644)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(16)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(10)
4.5	Effect of movement in exchange rates on cash held	50	58
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,534</b>	<b>1,534</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,534	1,963
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,534</b>	<b>1,963</b>

**6. Payments to directors of the entity and their associates**

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	77
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees, consultancy fees and salary.

**7. Payments to related entities of the entity and their associates**

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	(116)
9.2 Product manufacturing and operating costs	(793)
9.3 Advertising and marketing	(150)
9.4 Leased assets	-
9.5 Staff costs	(271)
9.6 Administration and corporate costs	(90)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,420)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

**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.



Sign here: .....  
(Director/Company secretary)

Date: ..... 25 January 2018 .....

Print name: ..... Jeffrey Ong .....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.