

FLEXIROAM

FY23 – Q1 Investor Webinar

August 2nd, 2022



FLEXIROAM

Providing seamless connectivity everywhere for anything



Early adopter of **eSIM** technology



One of the 16 worldwide **Apple certified** Global Service **Providers**



Enterprise grade **IoT** solutions



...with instant access to 520+ mobile networks worldwide



Listed on the Australian Securities Exchange in 2015
(ASX: FRX)

Overview: Summarising the progress made in Q1 FY23

Strong financial performance

- Revenue of A\$1.6M, up 30% on the previous quarter (Q4FY22: A\$1.2M) and up 200% on the prior year (Q1FY22: A\$0.53M)
- Cash receipts of A\$1.7M, up 20% on the previous quarter (Q4FY22: A\$1.4M) and 369% on the prior corresponding period (Q1FY22: A\$0.37M)
- Solutions contributed 10% of total revenue (Q4FY22: 12%)
- Strong cash balance at end of June 2022 of A\$3.6M
- Q1 net cash outflow of A\$0.63M, inclusive of legacy data cost payments from 2020 of A\$0.13M
- Unit Economics remain positive and relatively unchanged. Exponential improvements expected with lower data costs

Operational success

- Significant improvement in key operating metrics including new subscribers (54.2k), monthly active users (22.9k) and data sold (139.2 TB)
- Solutions SIMs continue to be distributed to key customers, increasing the cumulative billed SIMs to 169k for the quarter, up 32% on the previous quarter (Q4FY22: 128k)
- Improvements in the marketing funnel, across both user acquisition and monetisation metrics
- Provided connectivity to users from 178 countries in 147 destinations

Overview: Summarising the progress made in Q1 FY23

Partnerships

- Expanded mPOS connectivity partnership with Pine Labs to include the UAE
- Signed 3-year IoT deal with wearable device manufacturer, Lutikey LLC with a minimum annual commitment of A\$135k
- Secured 2 maritime agreements, Ship to Shore Solutions (superyacht connectivity and IT solutions provider) and Internet 4 Crew (data and sim provider for cruise and working vessel crews)
- Secured whitelabel connectivity agreement with Simly Store, a leading provider of prepaid roaming SIMs in Germany
- Signed a partnership with Gordian Software, a technology solutions provider for airlines and online travel agencies, to provide mobile data services to its customers

Product

- Streamlined and improved overall functionality of customer portals
- Integrated with new connectivity provisioning partners for the Solutions business
- Onboarded 5 new clients
- Continued progress on improving the efficiency, scalability and recoverability of backend services
- Overall product roadmap unchanged, with focus on reducing data cost, improving customer experience and ensuring scalability of services

Q1 FY23 Product Outcomes

With the onboarding of 6 new engineers in Europe, Flexiroam is able to progress product development and improve/migrate legacy portals simultaneously

Improved overall functionality of customer portals

- Improved loading and processing speeds on the Solutions portal
- Fully migrated from the old ACE portal
- Launched beta-phase of usage-based charging model for Solutions customers
- Improved subscription feature options for Reseller customers

Integrated with new connectivity provisioning partners for the Solutions business

- Greater flexibility in pricing based on regions
- Expanded feature set available for customers (e.g data throttling, URL whitelisting & auto-APN)

Improved the stability, recoverability and scalability of backend

- Identified and developed monitoring for legacy backend structures
- Implementation of advanced testing in preparation of future product updates
- Expanded the capacity of the existing database in preparation of exponential growth in usage

Onboarded several key clients

- Onboarded several clients including Lutikey, Ship-to-Shore, Cycledios, Discovery Health and Surfroaming

Q2 FY23 Product Priorities

The Product team will continue to focus on the main pillars identified in Q1, improving the client experience, reducing the cost of data and stabilising the backend for future exponential growth

Provide solutions clients with the required control, visibility and security

- Expand availability of charging models for resellers
- Enhance multi-level account creation for Enterprise and reseller customers
- Implement redemption API to enable integration for new use-cases

Reduce Data Cost

- Implement negotiated outcomes with existing suppliers
- Evolve network selection logic to enhance margins

Improve the stability, recoverability and scalability of our backend services

- Evolve development environments for products to enable advanced testing
- Develop centralized architecture for all Flexiroam products
- Prepare the business for the planned exponential growth in customers and usage

Summary of Key Deals in Q1 FY23



- Signed 3-year contract with Lutikey LLC, manufacturer of wearable devices, to supply IoT connectivity to their smart devices. The agreement contains a minimum annual volume commitment of **A\$135k**



- Signed contract with Simly Store, one of the largest German providers of prepaid SIM cards for international travellers, primarily to provide US connectivity via eSIM
- Simly Store provides customers with global connectivity, with the US being the main destination for their customer base of **80,000 users**



- Signed 1-year white-label deal with Internet 4 Crew, a leading data and sim provider for cruise and vessel crews
- Internet 4 Crew provides its customers with global connectivity while working at sea
- US, UK, Mexico and Europe are its key markets

Summary of Key Deals in Q1 FY23



- Provision of pre-loaded data SIMs for Aids Conference 2022 delegates worldwide
- The partnership represents Flexiroam's 3rd consecutive year in providing international roaming data for the conference
- Total contract value of **US\$60k**

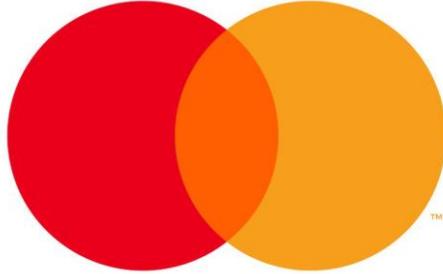


- Signed agreement with Ship to Shore Solutions, a superyacht connectivity and IT solutions provider, to provide maritime connectivity for its customers in UK, France, Spain, Cyprus, Greece, Croatia, Malta, Montenegro and Turkey for the 4-month summer (June-Sept)



- Signed a 1-year deal with Washington-based Gordian Software, a leading B2B technology platform providing a solution for airlines and online travel agencies to sell ancillary services to travel customers, via API integration, to provide mobile data as an ancillary product to Gordian's customers

Mastercard expands APAC partnership into a global agreement



Flexiroam signed a partnership agreement with Mastercard Asia Pacific in 2019 to issue eligible Mastercard holders with Flexiroam data packs and preferred discounts.

Since launching the partnership in June 2020, the program has expanded to 33 banks across Taiwan, Vietnam, India, Indonesia, Thailand, Hong Kong, Singapore, Malaysia and mainland China.

On 28 July 2022, the partnership has been expanded globally, allowing all Mastercard credit card issuers around the world to participate in the program.

Under the expanded agreement, Mastercard has a minimum commitment of US\$500k annually for Asia Pacific for 2022 onward, which included the US\$250k already paid.

The current run rate for 2022 has Mastercard revenue on track for US\$800k for the full year, prior to the addition of the expanded regions. The forecast for **2023** is in excess of **US\$1M** as participation from additional regions ramp up.

The expansion demonstrates the strength of the relationship built over the past 3 years and the value Mastercard sees in the Flexiroam product for their cardholders.

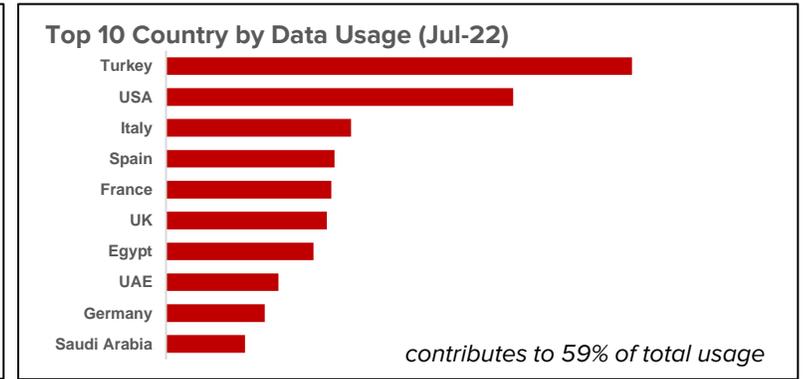
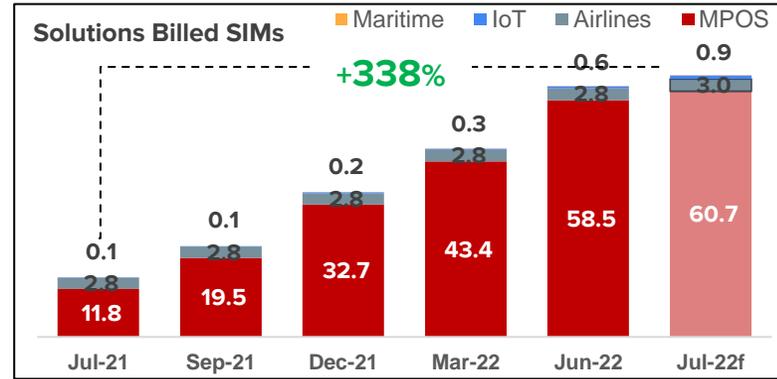
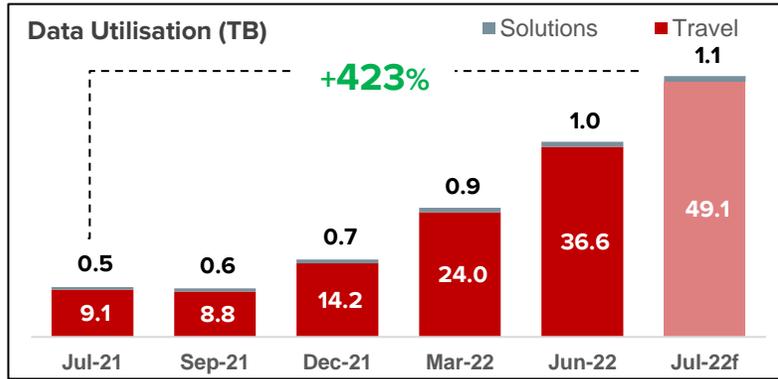
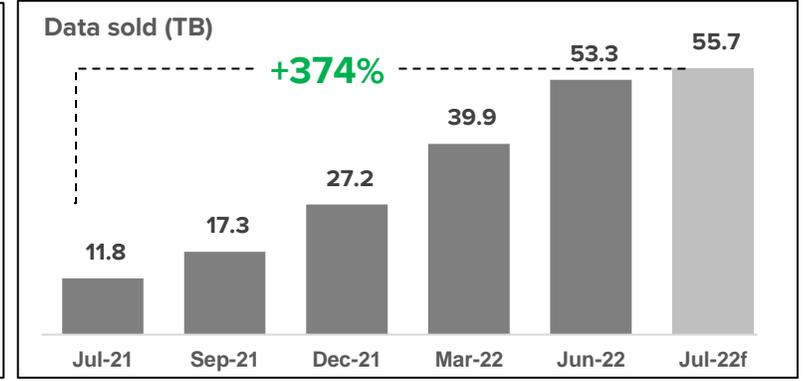
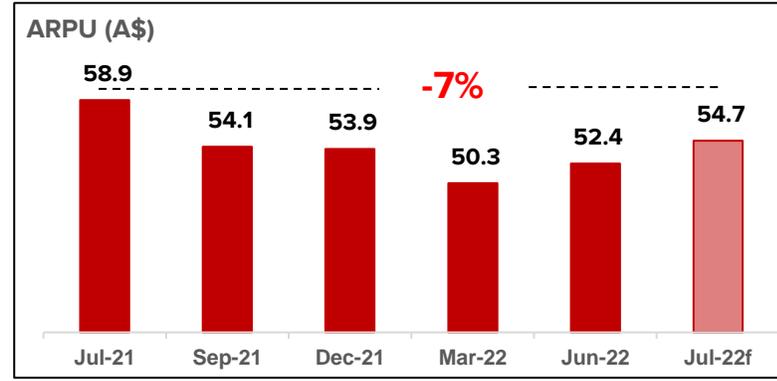
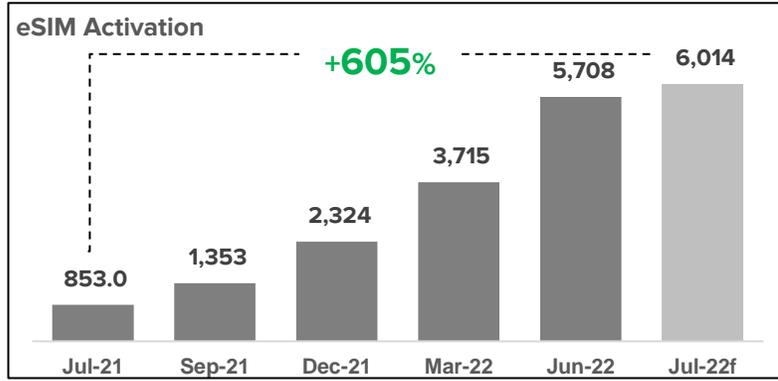
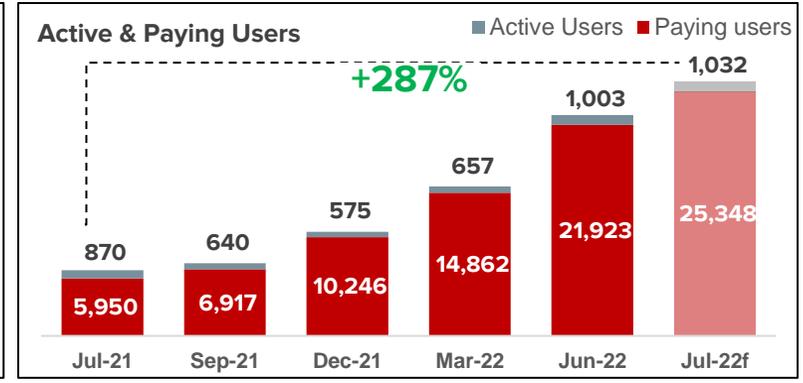
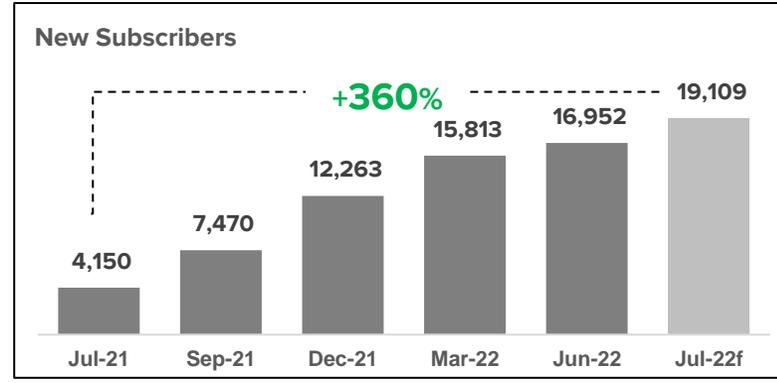
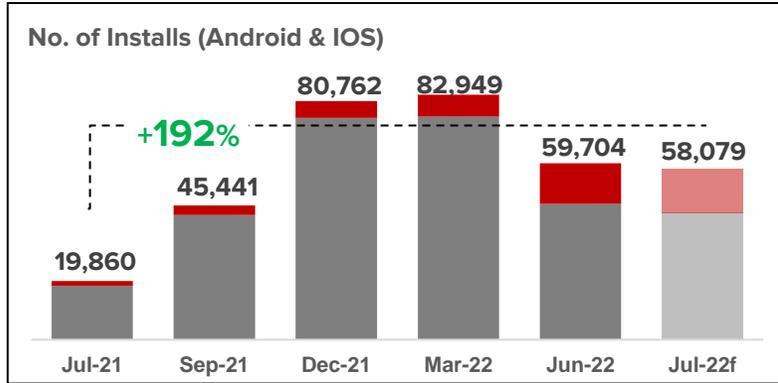
Flexiroam at the Future Travel Experience Ancillary Event in Dublin, Ireland

In June, Our Chief Revenue Officer and European Sales Director participated in the Future Travel Experience (“FTE”) Ancillary Event in Dublin, demonstrating our enterprise solution and reseller model.

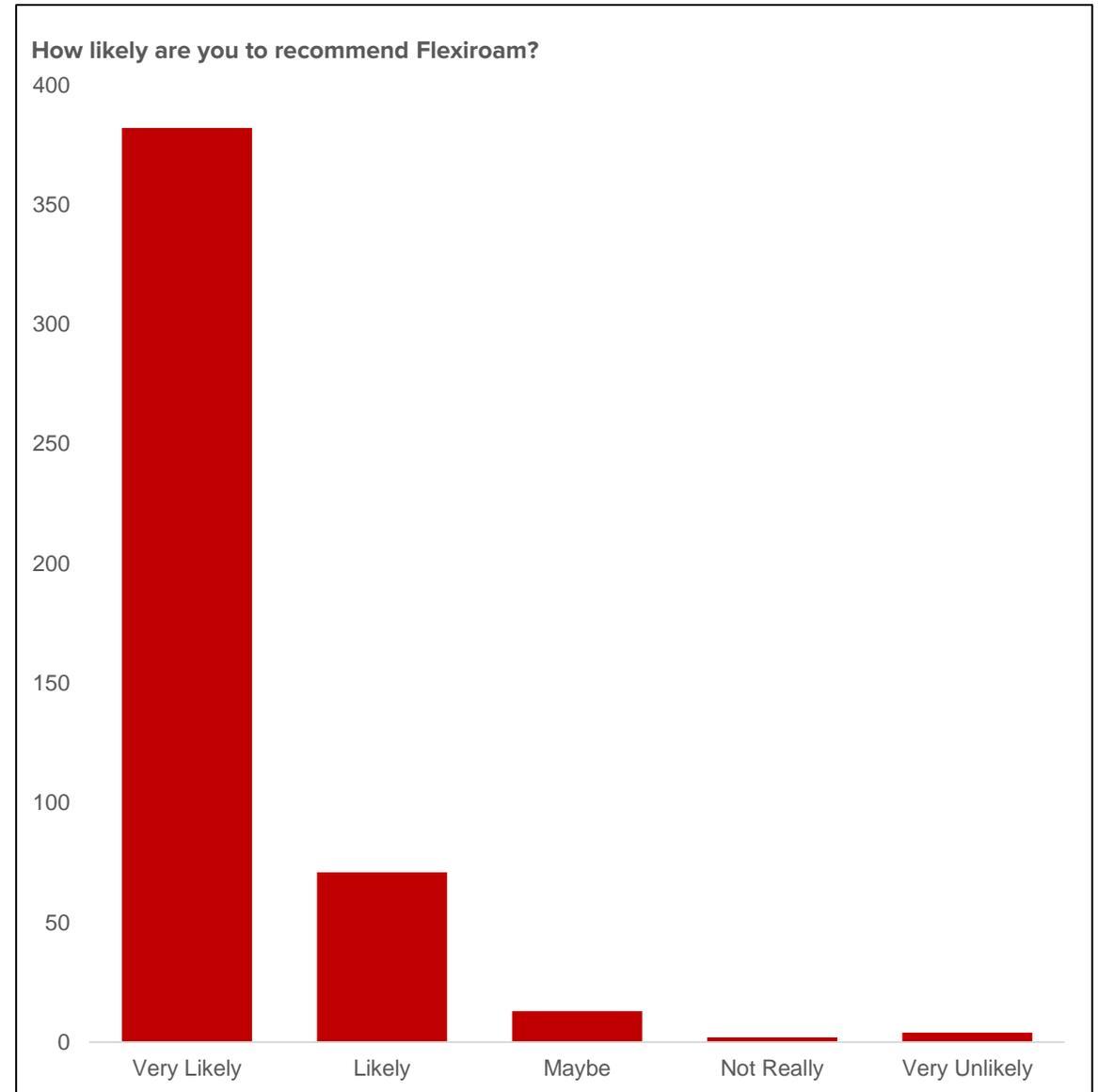
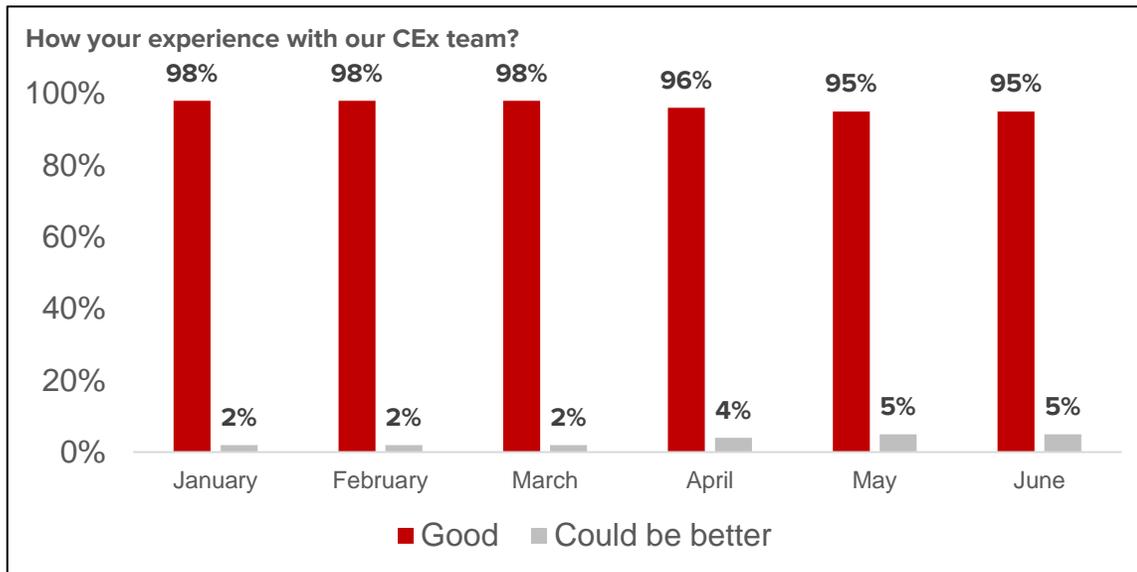
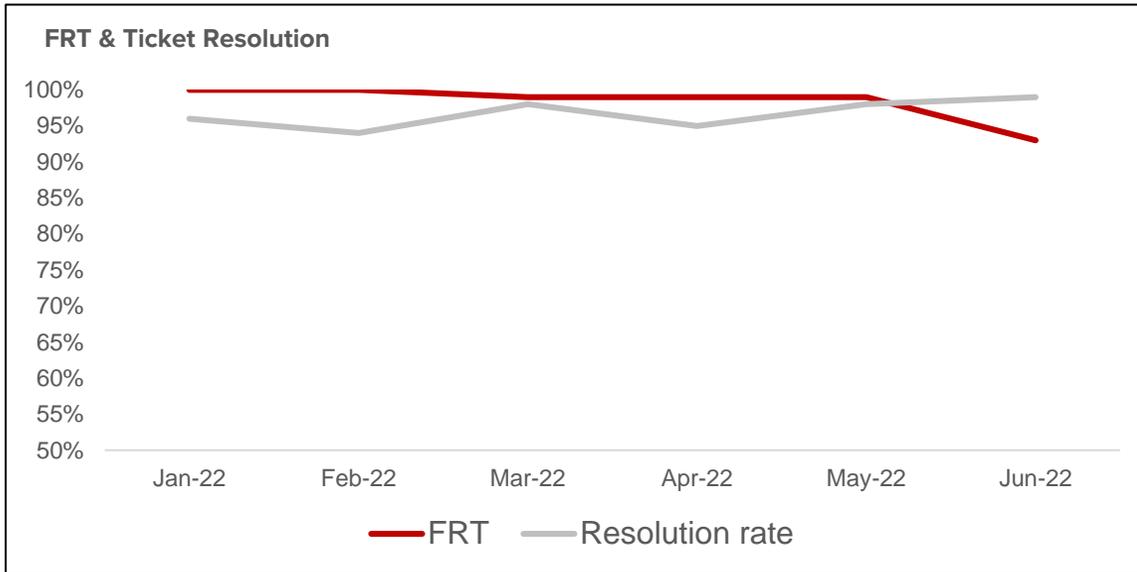
The FTE Ancillary Event had over 200 participants spanning across airlines, airports and other travel businesses including **Milano Airport, British Airways, Heathrow Airport, Scoot, Emirates, Easyjet, Lufthansa, Air Baltic, Prague Airport** and others



Key Metrics | Growth across key metrics in Q1 and on track to continue in Q2



Operations | Feedback from Travel customers continues to be positive



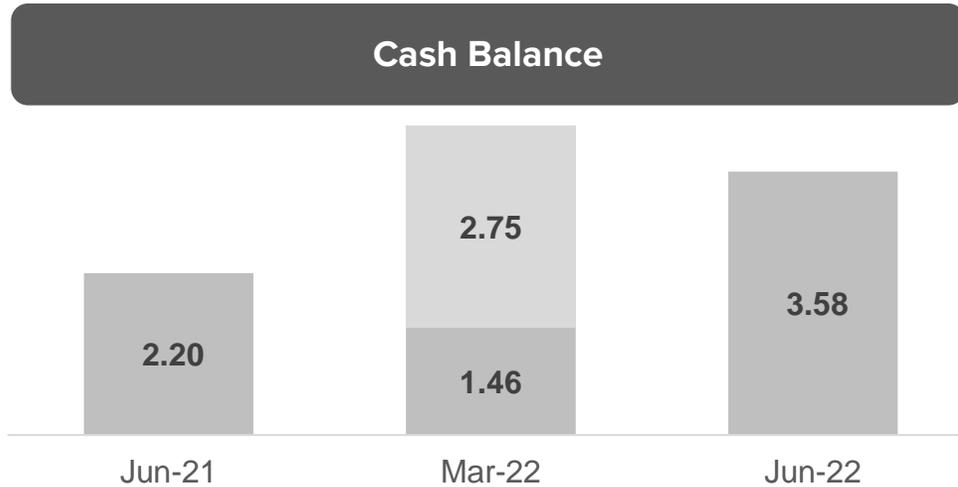
Financials | Q1-FY23 Key Highlights

Solid growth in Revenue and Cash Receipts, +13% improvement in EBITDA

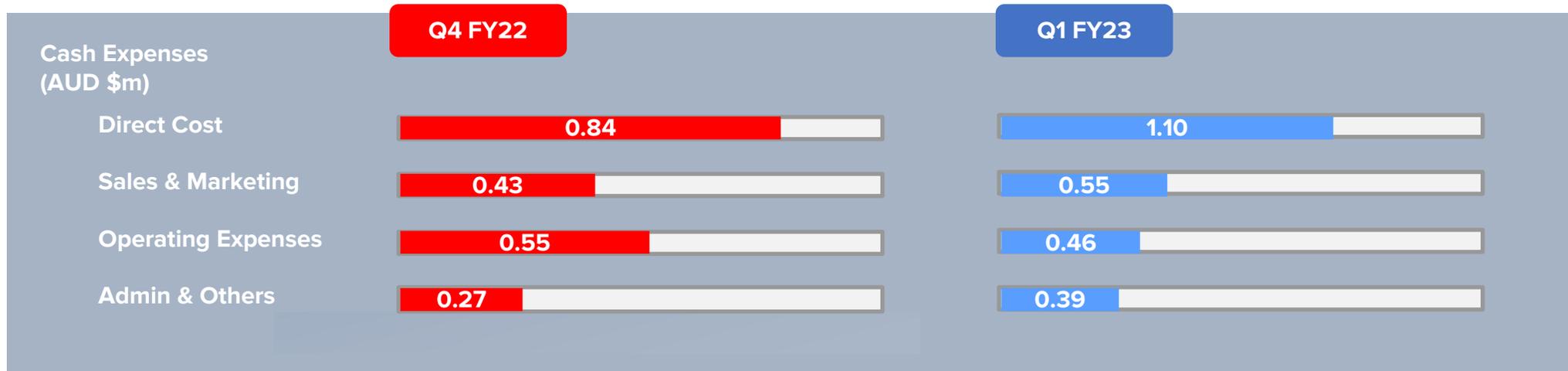
Q1-FY23 P&L Actual							
in AUD	Q1 FY22	Q4 FY22	Q1 FY23	vs. Q1FY22 (YoY)		vs. Q4FY22 (QoQ)	
Revenue – Travel	499,018	1,080,589	1,444,153	189%		34%	
Revenue – Solutions	35,237	152,816	158,439	350%		4%	
Revenue – Other	6,335	5,420	8,898	40%		64%	
Revenue	540,590	1,238,825	1,611,490	198%		30%	
Cash Receipt – Travel	351,373	1,336,521	1,552,457	342%		16%	
Cash Receipt – Solutions	10,509	95,220	162,953	1451%		71%	
Cash Receipt – Other	7,193	8,798	14,180	97%		61%	
Cash Receipt	369,075	1,440,539	1,729,590	369%		20%	
Direct Cost	143,369	835,546	1,105,793	671%		32%	
OPEX	697,038	1,650,499	1,596,238	129%		-3%	
EBITDA (exclude FOREX translation)	-299,816	-1,247,220	-1,090,541	264%		13%	

Financials | Q1-FY23 Key Highlights

The Q1 net cash outflow of A\$0.63 (inclusive of legacy data payments from 2020 of A\$0.13M)



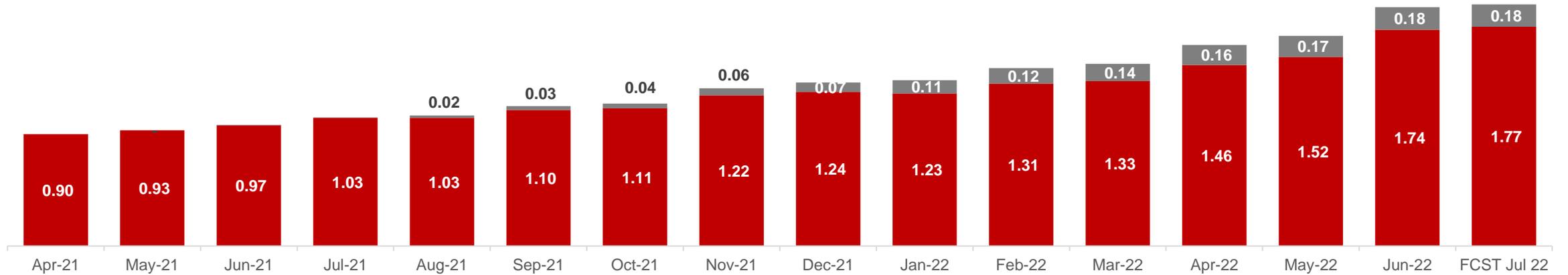
- Q1 Cash receipts of A\$1.73M, up 20% on the previous quarter (Q4FY22: A\$1.44M) and up 369% on the prior corresponding period (Q1FY22: A\$0.37M)
- Q1 net cash outflow of A\$0.63M (inclusive of legacy data cost payments from 2020 of A\$0.13M), 21% lower compared to previous quarter excluding capital raising (Q4FY22: A\$0.79M*)
- Cash receipts from Solutions increased 1,451% on the prior corresponding period to A\$163K, to now make up 9% of total cash receipts



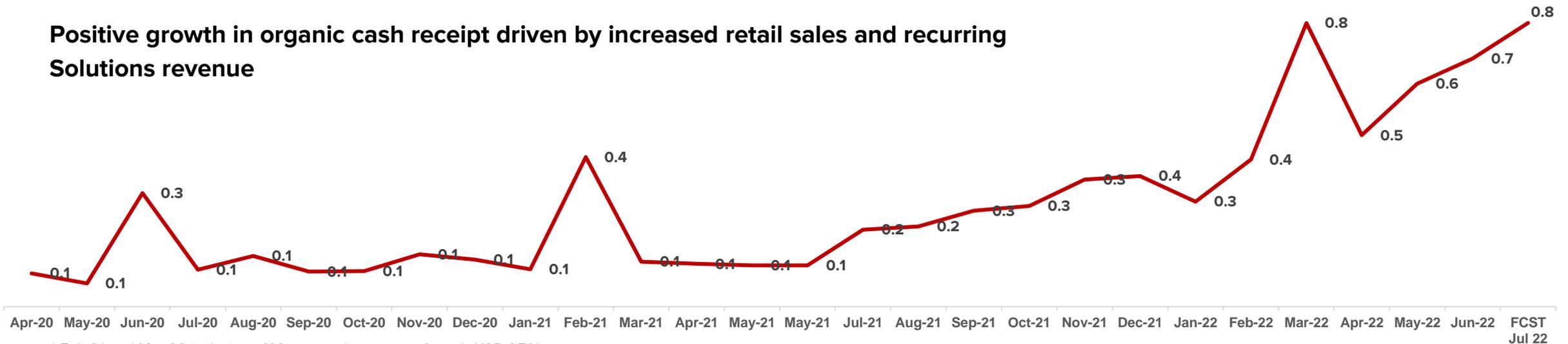
*Excludes A\$2.75million raised in Q4FY22

Financials | Deferred Revenue and Cash Receipts Evolution

Deferred revenue doubled YoY, with June increasing 14% MoM



Positive growth in organic cash receipt driven by increased retail sales and recurring Solutions revenue



* Feb 21 and Mar 22 inclusive of Mastercard payment of each USD 250k

Wrapping Up...

Key Takeaways

- 1 New solution deals have longer than expected onboarding cycles and require time to scale
- 2 Encouraging feedback on mPOS, Telematics and ancillary-opportunity use-cases
- 3 Data usage from Travel has increased significantly over the last quarter, eclipsing the 2019 peaks
- 4 Product development resources continue to be focused on reducing overall data costs and backend stability while onboarding clients
- 5 Developing new features and solutions based on market demands will continue to be a priority as the business remains committed to expanding across multiple verticals and use cases
- 6 Based on on-going negotiations and performance improvements, the management team has grown increasingly confident of overachieving against the FY2023 budget



APPENDICES

Attractive Business Model



Global network of partners and customers

Spanning over 520 network operators, 200 countries and territories worldwide



Asset-light

No upstream mobile network infrastructure ownership



Long-term recurring revenue

Connectivity solutions yield recurring revenue streams



Digital value chain

Ability to scale rapidly with high cost efficiencies

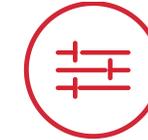
...with a world class tech engine

A centralised engine that aggregates all mobile network providers (MNOs), to provide seamless and telco-agnostic connectivity, to any consumer & IoT verticals globally.



ROBUST INFRASTRUCTURE

Ability to scale up to billions of devices & high availability connection to mission critical applications.



EMBEDDED CONNECTIVITY

Allowing various consumer & IoT verticals to embed connectivity into their applications with a few lines of code.



MULTI NETWORK CAPABILITY

Agnostic to different types of consumer & IoT connectivity - 3G/4G/5G to provide global coverage.

CoRE

Connectivity Revolution Engine



INDUSTRY AGNOSTIC BILLING

Highly customisable subscription plans catered towards various consumer & IoT business model need.

Early adopter of eSIM technology

One of the 13 worldwide Apple certified Global Service Providers



No physical SIM cards required



Faster connectivity and more secure encryption

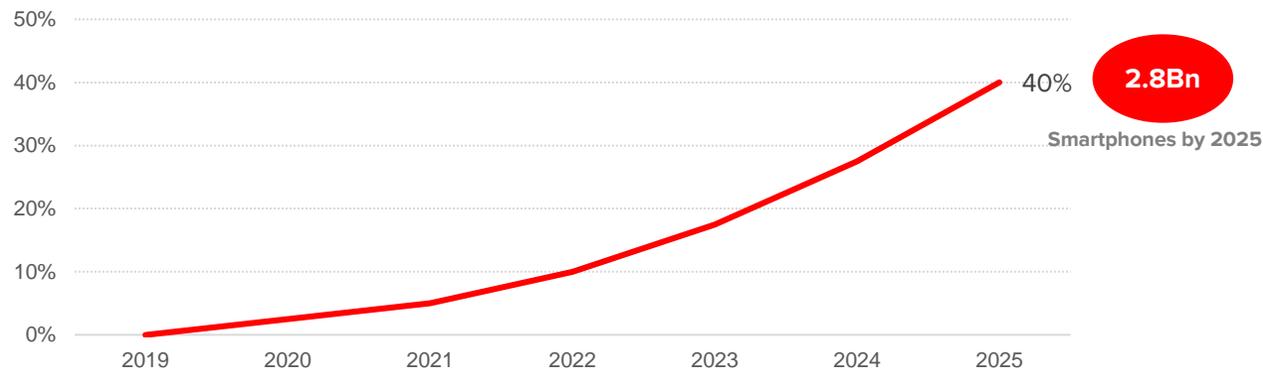


Easy one-time setup at your fingertips with Flexiroam X app



Get instant access to 520 telecommunication network providers worldwide

eSIM Smartphone Connections by 2025



Percentage of total smartphone connections (install based) globally



The Flexiroam Revenue Model



REVENUE MODEL

- Fully digital supply chain. Reduced inventory and distribution cost
- Receive cash upfront, pay for usage only when customers utilise data
- Certified provision into devices via manufacturers
- Recurring revenue from enterprise customers with low churn rate (machine lifetime > 10 yrs)

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