

FLEXIROAM

13 April 2022

QUARTERLY UPDATE – March 2022

Flexiroam continues to scale revenue and cash receipts, with significant growth in key travel metrics and the onboarding of new IoT verticals

Flexiroam Limited (ASX:FRX), (“Flexiroam”, “Company” or the “Group”) is pleased to present the following quarterly activities report, together with its Appendix 4C for the period ended 31 March 2022 (Q4FY22).

Key Highlights:

- Cash receipts of A\$1.4m, up 50% on the previous quarter (Q3FY22: A\$963k) and up 131% on the prior corresponding period (Q4FY21: A\$623k)
- Revenue of A\$1.2m, an increase of 96% on the prior corresponding quarter (Q4FY21: A\$631K) and up 11% compared to the previous quarter (Q3FY22: A\$1.1m)
- Exceeded FY22 revenue and EBITDA budgets by 3% and 4% respectively
- Continued growth across key Travel performance metrics, with new subscribers up 28% to 44.1k (Q3FY22: 34.3k), Active Users up 43% to 15.5k (Q3FY22: 10.8k) and Data sold up 35% to 101.7TB (Q3FY22: 75.5TB)
- Growing portfolio of billed solution SIMs with 128k billed SIMs, up 35% on the previous quarter (Q3FY22: 95k)
- Signed first European IoT White-label deal with Netherland-based IoT system integrator Thingsdata
- Bespoke IoT deals signed with Asia Mobiliti Technologies, Nearshore Networks and Cycledios. mPOS deals signed with Pine Labs and Razer Merchant Services
- Strong cash balance of A\$4.2m at 31 March 2022. The Q4 net cash generated by operating activities was -A\$645k, lower by 16% on the previous quarter (Q3FY22: -A\$764k)
- Flexiroam’s Founder Jef Ong, transitioned from CIO and Executive Director to Non-Executive Director, effective 1 April 2022

Commenting on the progress made during the final quarter of FY22, Chief Executive Officer Marc Barnett said: “During the quarter we continued to scale the business, signing multiple long term recurring Solutions deals across new and existing verticals and saw sustained improvement across key metrics in the Travel business. Revenue from new travel users increased 30% relative to Q3 to \$308k, reflecting the success of marketing campaigns and partnerships, expanding the reach of the service and the brand. The December quarter is

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traditionally the largest quarter for the travel sector, so increasing revenue quarter on quarter was a great outcome that sets the business up for a strong start to FY23.”

“During Q4, the sales team focused on commercialising the significant and growing global Solutions pipeline. Having launched the new Plug and Play offering in December, the first white label IoT contract with Thingsdata was signed in January. This was a great starting point for the entry of the Solutions business into Europe. The white labeling business is continuing to gain traction with interest from a range of resellers, who want access to seamless connectivity while building their own consumer facing brand.”

“In line with the strategic objective of scaling and expanding the breadth of the Flexiroam Solutions business to new verticals globally, new deals were signed in the Maritime Communications sector (Nearshore Networks) and the Transportation and Bicycle Systems verticals (Asia Mobiliti technologies and Cycledios). Additional opportunities within the wearable device space and with multi national companies looking to create their own branded network continue to progress.”

“Recently announced deals with Global Wireless, BP Mobile, Nearshore Networks, Pine Labs, Asia Mobiliti and Razer Merchant Services, all progressed through the onboarding phase in Q4 and will go live and start generating growing and recurring revenue in Q1FY23 and beyond. The benefit of working with companies this large, is the ongoing opportunity to grow and expand our relationships over time. The solutions business contributed approximately 12% of total revenue in Q4 and will continue to contribute a larger share of total revenue throughout FY23.”

“I am excited for the opportunities the new financial year will present. The Solutions pipeline continues to expand globally across new and existing verticals, and the team are continuing to explore new partnerships that drive the rapid scale required to be a global connectivity solutions leader. The product and engineering teams remain focused on developing new custom solutions that are applicable across large global markets and strengthening the core platform to prepare for the continually increasing client base and user volume.”

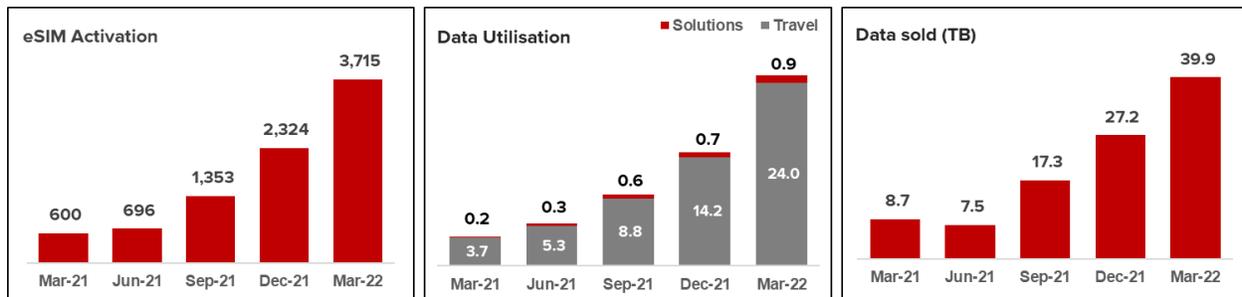
Sustained growth in operational metrics

Flexiroam continues to deliver improved performance across all key operating metrics during Q4. The user base continued to grow, with total installs increasing to 192k (Q3FY22: 161k). New monthly subscribers increased to 15.8k, up 29% on the previous quarter (Q3FY22: 12.3k), while monthly active users increased to 15.5k up 43% from Q3. eSIM activations continued to scale rapidly, up 60% on Q3, to 3.7k.



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Data sold increased to 39.9 TB, up 47% from Q3, while data utilised increased to 24.0 TB up 69% from Q3. The increase in new users and data sold is a forward indicator of revenue, while the increase in data utilisation shows the increase in travel and the adoption of the Flexiroam product whilst roaming. In Q4, Flexiroam serviced active users from 175 countries in 149 destination countries.



Flexiroam Solutions provides connectivity to a range of sectors including mPOS, transportation, maritime communications and other IoT clients. During Q4, the number of cumulative billed IoT devices increased by 36% to 129k (Q3FY22: 95k), as clients signed during Q3 were onboarded. With a number of new IoT customers signing contracts in Q4, Flexiroam expects the volume of billed devices and data utilisation to continue to increase significantly over the coming quarters.

Flexiroam Solutions customer base significantly expanded

In line with its strategic objective, Flexiroam's sales team continues to retain and expand operations with existing customers and grasp the increased market demand for our solution. This is resulting in an increase in the proportion of new customers in a wider range of verticals and geographies. These new partnerships continue to increase consumer visibility of Flexiroam's connectivity solutions offerings and will lead to growth in data consumption, cash receipts and recurring revenue over time, as contracts scale.

Plug and Play Solutions

Following the launch of Flexiroam's new IoT Plug and Play offering in December, Flexiroam signed its first contract with Netherlands based IoT system integrator Thingsdata in January. Flexiroam will provide network connectivity to support their business in IoT hardware, sensors and connectivity across numerous verticals, including Energy data, logistics, payment terminals, parking meters, water monitoring, industrial IoT, and others. The term of the agreement is five years and will provide A\$25k of revenue from the initial purchase of SIM cards and 500mb data packs. In addition to being Flexiroam's first Plug and Play deal, it also marked the Company's entry into the large European IoT market.

mPOS Connectivity

Flexiroam expanded its mPOS customer base during the quarter, securing connectivity deals with major Southeast Asian mPOS companies, increasing monthly recurring revenue and further expanding its mPOS footprint.

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In February, Flexiroam signed a contract with Razer Merchant Services, a leading Southeast Asian fintech company and a subsidiary of Razer Inc., with an extensive portfolio of payment solutions, and merchants including 7-Eleven and Cosway. As a starting point, Flexiroam will provide connectivity to 5,000 mPOS systems in Malaysia.

Flexiroam also signed an agreement with Pine Labs, a leading merchant commerce business providing a wide range of payment acceptance and merchant commerce solutions to customers. Pine Labs serves prominent large, mid-sized and small merchants across India, the Middle East and Southeast Asia. The agreement will initially see Flexiroam provide coverage to Pine Labs' mPOS devices in Malaysia, and will provide recurring monthly revenue.

In March, Flexiroam secured a 5-year agreement to supply connectivity to Seven7 Perfection, a leading EMV terminal, mobile, and internet digital payment service provider with a wide coverage of payment options based in Singapore. The agreement is Flexiroam's first mPOS contract covering Singapore.

Maritime Communications

Flexiroam secured its first maritime communications agreement with Nearshore Networks, the top independent global maritime connectivity solutions supplier to energy markets. Nearshore will be accessing Flexiroam's network to supply data to client vessels under its services management platform for a range of uses including vessel tracking, vessel systems connectivity, and offshore internet. Data will be accessed by vessels within the US, Brazil and Middle East and the scope is expected to grow over time to cover Nearshore's clients on vessels and shore. The three year agreement contains a data volume commitment of 24TB per annum, which is expected to increase as the partnership evolves.

Transportation Solutions

Flexiroam expanded into the large Transportation Solutions market during the quarter, signing an initial 3-year agreement to provide IoT connectivity to commercial vehicle and public transport telematics supplier Asia Mobiliti Technologies. Flexiroam will provide coverage to IoT devices installed in vehicles within Malaysia, Singapore and Thailand, with projected annual revenue of A\$50k initially, which is expected to increase over time.

Bicycle Systems integration

In March, Flexiroam secured a three year contract with Cycledios, a Smart Recreation Bicycle System Platform provider that services and facilitates the local community in recreational parks, gardens, seaside, and other tourism spots in Malaysia. Flexiroam will provide a data-pool service of secure network connectivity to enable Cycledios's customers to connect and rent their bikes at the rental location.

Travel partnerships

Flexiroam has a long standing relationship with Mastercard since June 2020, where eligible Mastercard holders at participating banks receive Flexiroam data packs. During Q4, Flexiroam received payment of US\$250k from Mastercard APAC, covering purchases for CY2022, with

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revenue to be recognised throughout the year based on the volume of cards issued. Mastercard's cardholders come from various banks and countries across the Asia-Pacific, with the top contributors coming from Hong Kong, Taiwan, Malaysia, Singapore, and Indonesia, providing exposure to approximately 1,000,000 potential users.

Reducing friction and providing the easiest payment methods available, Flexiroam expanded its payment options to include Apple Pay for customers shopping on the Flexiroam Travel website and Flexiroam X mobile apps. Apple Pay is available in 70 countries and allows users to make purchases using any Apple product. The payment option makes Flexiroam Travel more accessible to potential new customers with Apple devices, allowing easier and safer payment methods for IOS users.

Successful A\$2.75 million placement

Flexiroam announced the successful completion of A\$2.75 million placement at A\$0.048 per share, to accelerate growth initiatives as the Company executes on its significant pipeline of Internet of Things (IoT) opportunities, globally. The share placement was undertaken at a 20% premium to the raise completed in October 2022 and a 2% premium to the 20-day volume weighted average share price of A\$0.047 per share. Funds will be deployed to progress growth initiatives, including development of core features for IoT clients in new verticals, engineering resources to support product development, corporate partnership development and closing out deals to deliver highly scalable connectivity solutions, and white label data reseller agreements.

The funds were raised from existing major shareholders and new sophisticated and professional investors, with the management team's participation contributing 40% of the funds raised.

Continued strong financial performance

The Company delivered revenue of A\$1.2 million, a significant increase of 96% on the prior corresponding period (Q4FY21: A\$631k) and up 11.5% compared to the previous quarter (Q3FY22: A\$1.1m). Substantial improvement in revenue was primarily due to the higher active users and data utilisation for the quarter.

Flexiroam received Cash receipts of A\$1.4m million up 50% on the previous quarter (Q3FY22: A\$963k) and up 131% on the prior corresponding period (Q4FY21: A\$623k). Furthermore, cash receipts from travel retail increased by 57% from A\$861k in the previous quarter to A\$1.3 million in Q4FY22 bringing the total annual cash receipt to A\$3.2 million. The significant increase in Q4 cash receipts was underpinned by new paying users, resulting from digital marketing initiatives initiated in May 2021.

Total operating cash outflows of A\$2.1m were 20.7% higher than the previous quarter (Q3FY22: A\$1.7m), reflecting the build out of the global team and higher operating costs as data consumption increases. The Q4 burn rate amounted to A\$645k, 16% lower when compared to the previous quarter (Q3FY22; A\$764k).

Payments to Related Parties and their associates during Q4FY22 were comprised of executive director salaries and non-executive director fees of approximately A\$142k. To further the

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Company's growth, Flexiroam has A\$4.2 million allocated between cash balance and deposit for research and development, marketing, sales and strategic plans.

Investor Webinar

Flexiroam CEO Marc Barnett will host an investor webinar regarding the Company's quarterly update on **Tuesday, 19 April 2022 at 2:00pm AEST**. The presentation will be followed by a Q&A session.

For those wishing to join the webinar, pre-registration is required by following the link below:

https://us02web.zoom.us/webinar/register/WN_VsJ4MjlZT-mJsJ4aixZX0w

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AUTHORISED BY THE BOARD OF DIRECTORS

Corporate Inquiries

Marc Barnett, CEO & Executive Director
Telephone: +61 2 8188 3919
Email: investor@flexiroam.com

Investor Inquiries

Market Eye
Justin Foord
Telephone: +61 2 8097 1200
Email: justin.foord@marketeye.com.au

ABOUT FLEXIROAM

Founded in 2011 by Jeffrey Ong, 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/>

Disclaimer

This announcement contains "forward-looking statements" concerning Flexiroam and its operations, economic performance, plans and expectations. Without limiting the foregoing, statements including the words "believes", "anticipates", "plans", "expects", and similar expressions are also forward-looking statements.

Forward-looking statements reflect, among other things, Flexiroam's plans and objectives for future operations, current views with respect to future events and future economic performance and projections of various financial items. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ from those expressed or implied by forward-looking statements. Factors that may cause actual results to differ materially include, among other factors, general economic conditions in Australia and globally, competition in the markets in which Flexiroam does and will operate, technological innovation and business and operational risk management.

The forward-looking statements contained in this announcement should not be taken as implying the assumptions on which the projections have been prepared are considered correct or exhaustive. Readers are cautioned not to unduly rely on these forward-looking statements and the Company undertakes no obligation to update or revise the forward-looking statements except as required by law.

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")

31 MARCH 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,441	3,453
1.2 Payments for		
(a) research and development	(110)	(393)
(b) product manufacturing and operating costs	(837)	(1,836)
(c) advertising and marketing	(305)	(894)
(d) leased assets	-	-
(e) staff costs	(565)	(1,658)
(f) administration and corporate costs	(210)	(1,069)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(57)	(167)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(643)	(2,564)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4)	(52)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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

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)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(52)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,750	4,250
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	-	(4)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,750	4,246

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,252	2,810
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(643)	(2,564)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,750	4,246

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

4.5	Effect of movement in exchange rates on cash held	(144)	(229)
4.6	Cash and cash equivalents at end of period	4,211	4,211

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	4,211	2,252
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,211	2,252

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	142
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

Director fees, consultancy fees, and salaries

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-

7.5	Unused financing facilities available at quarter end	-
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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.

Not applicable

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(643)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	4,211
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	4,211
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	6.55

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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?

Answer: N/A

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?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

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

Date: 13 April 2022

Authorised by: The Board of Flexiroam Limited

Notes

- 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.
- 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.
- 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.
- 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".
- 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.