

**FLEXIROAM**

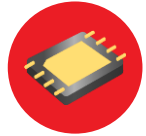
FY22 – Q2 Investor Webinar

November 3<sup>rd</sup>, 2021



# FLEXIROAM

Providing seamless connectivity everywhere for anything



Early adopter of **eSIM** technology



One of the 10 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)

# Leadership Team



**Marc Barnett**

**CEO & Executive Director**

Prior to joining Flexiroam, Marc was the Chief Executive Officer of video-on-demand service iflix, until its acquisition by Tencent in 2020. Marc accelerated iflix's growth to deliver 50 million app downloads, rapidly expanding the business to 32 markets spanning Asia, Middle East & Africa. Marc has also held senior leadership roles at Microsoft, Mi9 and ninemsn and was named the Australian Financial Review Boss Magazine 'Young Executive of the Year' in 2014.



**Joost Cordes**

**Chief Revenue Officer**

Prior to joining Flexiroam, Joost was the regional business head for Tata Communications' connected automotive solutions in Europe. In this role he generated new business with European car manufacturers. Before joining Tata communications, Joost was Manager Global Sales at Truphone, where he led a team of senior international new business account managers and prior to this held senior sales positions at Canon and Xerox.



**Lina Nanik Harjani**

**Chief Financial Officer**

Lina was Regional Head of Finance for DSG (subsidiaries of Unicharm), responsible for Malaysia, Indonesia and Singapore. Prior to that, Lina held senior business partnership roles in some global multinational companies such as Nestle, British American Tobacco, and Fonterra. Her main strength is driving business transformation with strategic and operational focus. Lina has a Masters Degree from IPMI Business School, Indonesia.



**Jef Ong**

**CIO & Executive Director**

Jef Ong is the Founder and Chief Innovation Officer of Flexiroam. During his 15 years in the telecommunications industry, Jef successfully co-founded three different technology-based companies. During his leadership, Flexiroam listed on the Australian Securities Exchange in 2015. With Jef at the helm, Flexiroam netted numerous awards, including the World Travel Award and ASEAN Outstanding Business Award.



**Michael King**

**Chief Technology Officer**

Michael joins 1<sup>st</sup> January 2022 and is currently VP of Engineering at Infobip, a global leader in omnichannel mobile communication. Michael brings a wealth of global product technology leadership experience, having led teams across the US, Europe and Asia. Michael has expertise in high availability cloud platforms and enterprise software products in a variety of verticals, as well as extensive experience leading agile, cloud and cultural transformations.



**Jon Gregory**

**Chief Operating Officer**

Jon was Global Operations Director at iflix, where he successfully built operations across 15 countries in Asia, MENA and Sub-Saharan Africa. During his tenure he managed key commercial partnerships, optimised iflix's cost structure and improved processes to enable the business to scale globally. Jon has more than 10 years of operations, project management, business development and recruitment experience, across multiple industries in Europe and Asia.

## **Overview: Summarising the progress made in Q2 FY22**

### **Strong financial performance**

- Cash receipts of A\$680k, up 84% on the previous quarter (Q1FY22: A\$369k) and up 106% on the prior year (Q2FY21: A\$330k)
- Revenue of A\$793k, up 48% on the previous quarter (Q1FY22: A\$534k) and 60% on the prior corresponding period (Q2FY21: A\$494k), with wallet top-up increase providing strong revenue pipeline
- Strong cash balance at end of September 2021 of A\$1.5 million
- Capital Raise of A\$1.5 million in October brings the total cash balance to A\$3 million

### **Operational success**

- Leadership Team hiring completed and onboard, with new CTO to commence on 1 January 2022
- Significant improvement in key operating metrics including monthly new subscribers (7.4k), active subscribers (7.6k), paying users (3.7k) and data sales (11.2 TB)
- Solutions products continue to be rolled out for key customers, increasing the cumulative billed sims to 56.2k for the quarter, up 121% on the previous quarter (Q1FY22: 25.4k)
- Powered connectivity requirements of international e-conferences: AIDS2021 (2nd year), HIV Pediatrics and the upcoming European and Developing Countries Clinical Trial Partnership (EDCTP)

## **Overview: Summarising the progress made in Q2 FY22**

### **Partnerships**

- Korean Air partnership renewed, continuing to provide connectivity to pilots downloading flight and weather plans
- Mastercard accelerated bank onboarding, adding an additional 9 banks across 5 countries
- New sports associations partnerships entered into with ATP Tour, The Athletics Association
- AirAsia BIG Rewards Indonesia to promote Flexiroam products on its platform to their 24 million users

### **Product**

- Implemented 24/7 shifts for main language and new contact applications (i.e. WhatsApp), improving average first response time from 5 hours to 4 minutes
- Resolution Service Levels increased from 25% to 90% overall in the quarter
- Product roadmap centered around developing automated, scalable, Enterprise-grade solutions for both travel and IoT

# Tech Roadmap | We are only just getting started

## CURRENT

- Support for 520 networks
- Coverage across 200 countries & territories
- iOS eSIM certification
- Optimised for mPOS
- Global, regional and local plan options
- Affiliate partner portal
- Reseller partner portal
- iOS & Android Travel App
- Rest APIs for Developers

## FY22

- Upgraded Travel App
- Onboard additional networks
- Expand coverage in countries
- Additional languages & currency options
- PCI compliance
- Improved partner portal

## FY23

- Enrich IoT monitoring tools
- Enrich IoT diagnostics capability
- Global scaling; regional data centres
- Ability to configure IoT automations
- More support for the developer community

## FUTURE

- Vertical optimisations
  - Fleet management
  - Telehealth
  - Electric vehicles
  - Smart cities
  - Smart logistics
  - Smart buildings
- Narrowband IoT

# Flexiroam architectural pillars



## PERFORMANCE EFFICIENCY

We focus on using IT and computing resources efficiently



## OPERATIONAL EXCELLENCE

We focus on running and monitoring systems to deliver business value, and continually improving processes and procedures



## RELIABILITY

We focus on ensuring a workload performs its intended function correctly and consistently when it's expected to. A resilient workload quickly recovers from failures to meet business & customer demand



## SECURITY

We focus on protecting information and systems



## COST OPTIMISATION

We focus on avoiding unnecessary costs

We follow industry leading architectural best practices for designing and running a cloud platform

## Q3 Product Priorities | Travel

### Improve travel app end-user conversion rates

- Increase ratio of new app installs to registered users
- Increase ratio of registered users to paying users
- All ad campaigns can be attributed to in-app conversion events

### Automate process of partner onboarding at scale

- Automated Account Setup
- Transition onboarding workload from Product Development to the Operations team

### Deliver new version of travel partner portal to support many reseller models

- Zero dependencies on previous commission models
- 4 key attributes are configurable
- 100% of partner accounts are using the new version



## Q3 Product Priorities | Solutions

### Launch new IoT offering to support long device life cycles

- Develop webshop for direct purchases <500 devices
- Implement public launch of plan offering

### Deliver new version of the solutions portal to support enterprise bundling

- Implement multiple features such as whitelisting, reset and data allocations
- Partners can create new bundles with zero help from Flexiroam

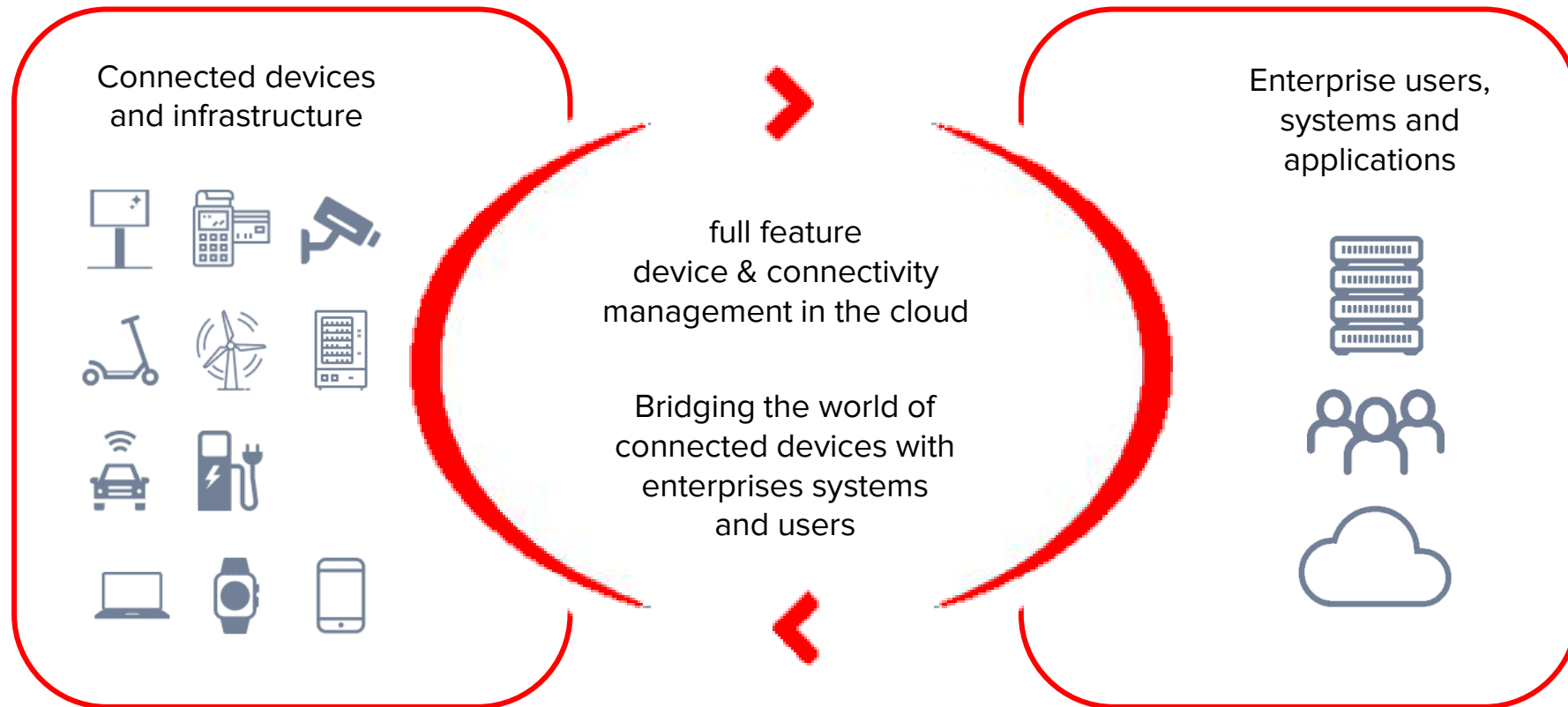
### Deliver a new white-labelled service for brands to resell connectivity

- Complete build of APIs
- Build onboard tools and documentation
- Develop webstore templates for reseller brands and white labeling tools

# Flexiroam Solutions | Building the platform for the future

We are building the foundations for IoT & B2B use-cases, on top of the connectivity that is already in place

In order to meet the requirements, we will develop the required features. In the meantime, we are launching a simple and price-aggressive IoT solution – the Plug & Play Model



## Flexiroam Solutions | The IoT plug & play, fixed-fee offering

The Plug & Play solution will be trackable, easily upgraded with a rich suite of capabilities. This will provide an automated end-to-end solution for generic use-cases and a dedicated account manager for larger and more complex problems.

### THE IDEAL DEVICE FOR PLUG & PLAY SOLUTIONS

- Low-data usage
- Long Life-Cycle
- Dispersed Geographical Usage
- Requires usage tracking
- Portable
- Simplistic Functions

### PLUG & PLAY

Pricing Model(s)	\$10 one-off global flat-rate
Accessibility	151 Countries
Key Features	<ul style="list-style-type: none"><li>- 500 MB included</li><li>- 10 years validity</li><li>- Multi network</li><li>- No contract</li><li>- Enhanced Mgt. Platform</li></ul>
Expected Launch	Nov-2021

### KEY HIGHLIGHTS

- Creates awareness of Flexiroam in the IoT market
- Aggressive IoT flat-rate model
- Upfront cash collection
- Generates leads with more mature needs that aligns with our product vision

# Flexiroam Solutions | Servicing the Enterprise demand for private connectivity

*Driven by the growing utility of eSim-enabled devices, connectivity services to enterprises will expand beyond cross-selling partnership opportunities*

## Powering the workforce with global and secured connectivity



Full control  
and visibility



Provides  
E-2-E security

By creating client specific roaming solutions, enterprises will have the option to provide their workforce with **reliable, controlled, visible and secured** connections globally wherever they go and wherever they are.

## Creating an additional product for Enterprises to offer their clients



Build your own  
connectivity brand



Global  
customer service

With the growing adoption of eSim, Enterprises are able to offer and sell whitelabelled connectivity to their existing customer base. This will develop significant ancillary **revenue opportunities**, through **value-added service with little upfront cost**

## Summary of Key Deals in Q2



IAS 2021



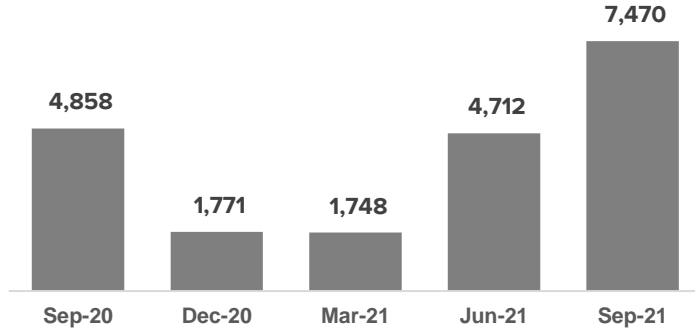
EDCTP



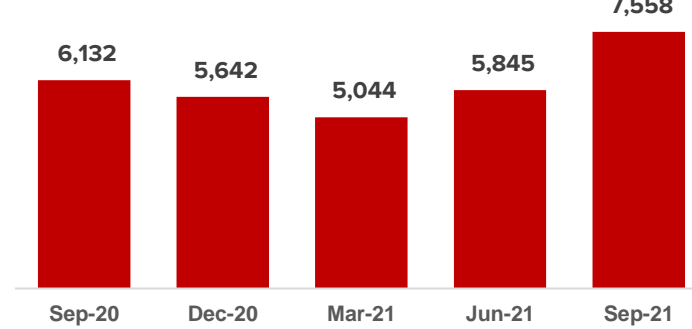
- Signed a partnership with The Athletics Association (“**TAA**”) and Association of Tennis Professionals (“**ATP**”) to provide global roaming data for its athletes, coaches and members
- Expanding social presence through support of numerous Olympic athletes with substantial social media presence, positioning Flexiroam for further partnership opportunities with sports associations
  - Members are incentivised to refer Flexiroam’s Global Data Plans to family, friends and followers
- Inclusion into the **AirAsia BIG Rewards** Program as a Merchant Partner in Indonesia
  - AirAsia BIG Rewards Indonesia will promote Flexiroam products on its platform with 2.5 million active users and 24 million users across the ASEAN region
- Renewed international connectivity agreement with **Korean Air**, providing guaranteed connectivity to download flight plans, weather forecasts and other critical updates, and provides a staff communication platform
- Provided connectivity to all attending delegates of the AIDS2021 & HIV Pediatrics 2021 International Conference
- Secured a partnership with European and Developing Countries Clinical Trial Partnership (EDCTP) Conference
- Conference connectivity is an ideal opportunity to showcase Flexiroam’s technology, as stable connections and strong network coverage are provided to any part of the world
- Partnership with GHL expanded from only **Malaysia** to include Philippines and Thailand

# Flexiroam Travel | Conversion funnel continues to show improvement. Significant increase in Data Sold

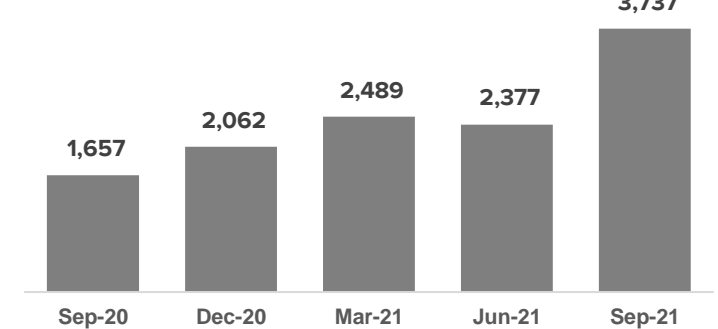
New Subscribers



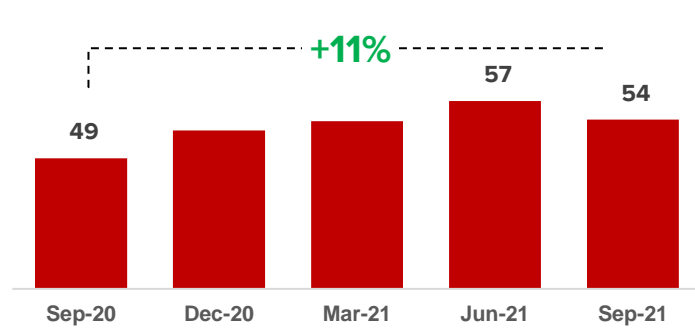
Active Users



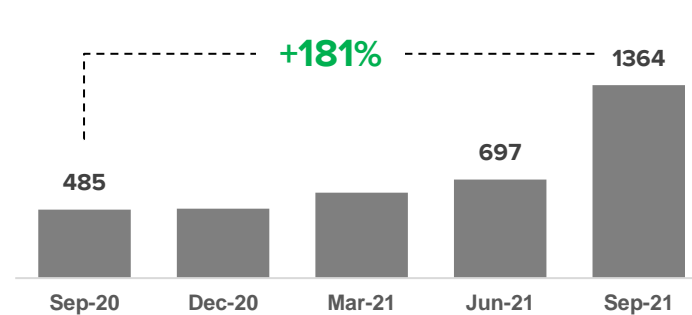
Paying Users



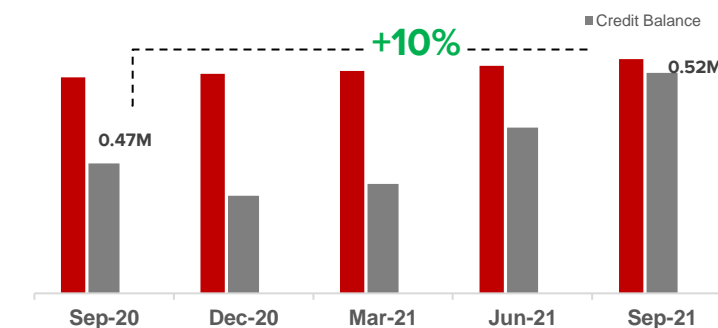
ARPU (A\$)



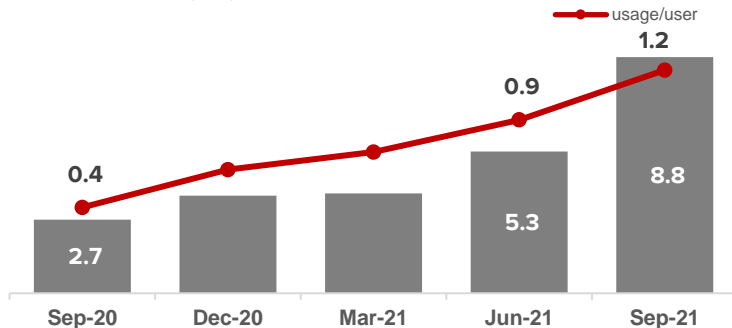
eSIM Activation



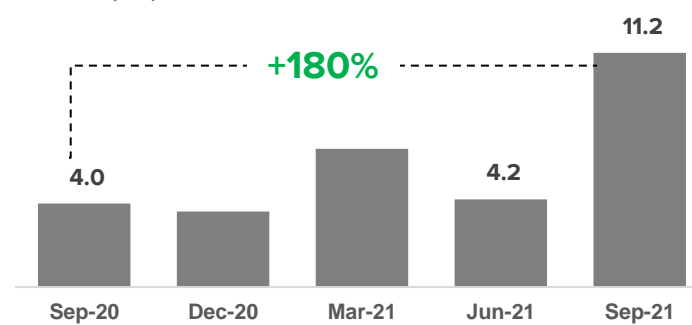
Wallet Credit (A \$m)



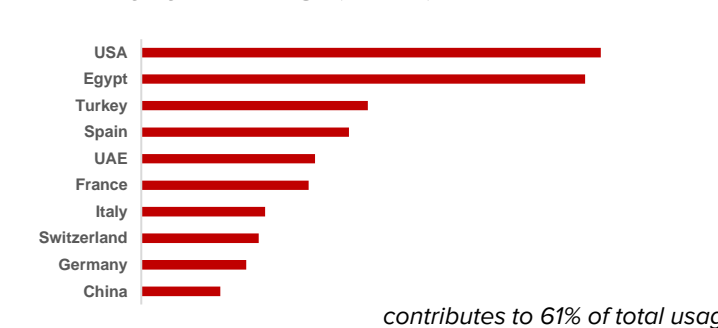
Data Utilisation (TB)



Data Sold (TB)



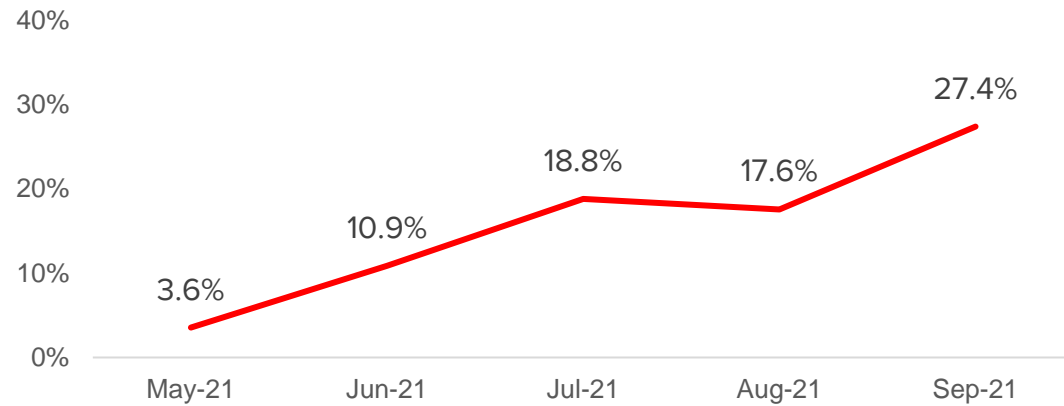
T10 Country by Data Usage (Sep-21)



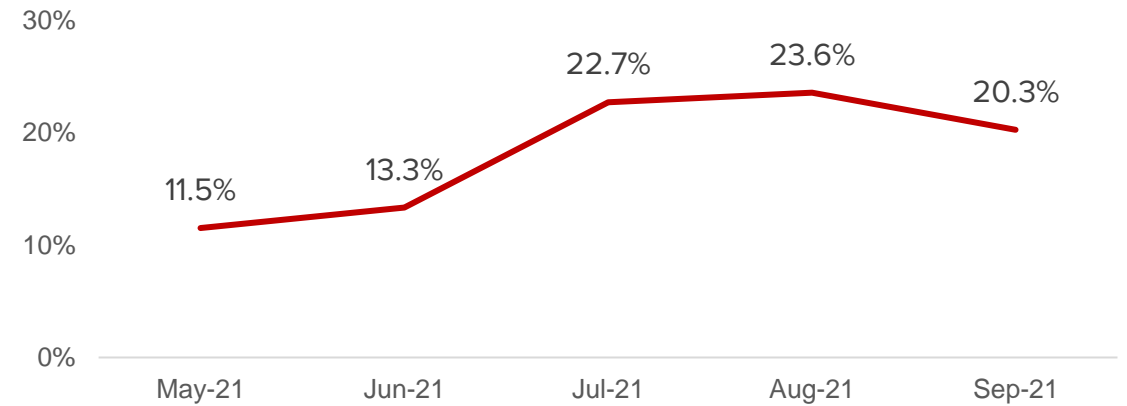
Note: All graphs above reflect monthly data

# Flexiroam Travel | Conversion metrics continue to improve

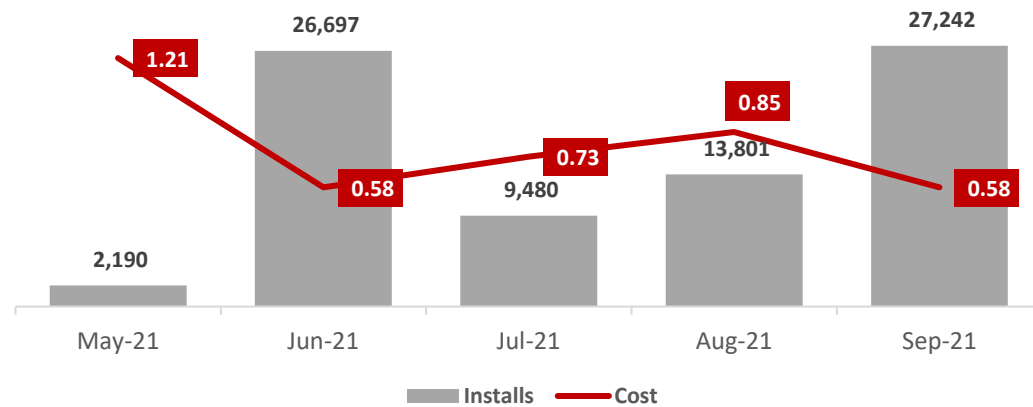
### Install-Registration %



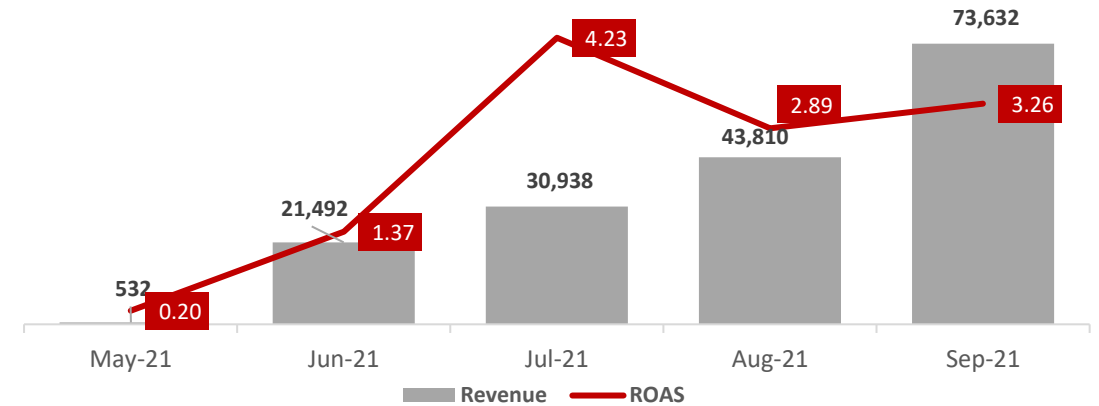
### Registration-Payment%



### Installs vs CPI (in AUD)



### New User Revenue (in AUD) vs ROAS



## Flexiroam Travel | Unit Economics (App)

Unit Economics (App Users)		YTD	Jun-21	Jul-21	Aug-21	Sep-21
CAC (Blended)	\$ per trx	<b>\$2.07</b>	\$3.69	\$1.22	\$2.08	\$2.47
Revenue per Customer	USD	<b>\$27.5</b>	<b>\$25.7</b>	<b>\$29.5</b>	<b>\$28.9</b>	<b>\$26.1</b>
<b>Variable Costs</b>	USD	<b>\$23.2</b>	<b>\$20.2</b>	<b>\$27.6</b>	<b>\$24.1</b>	<b>\$18.8</b>
Average free credit usage per transaction	USD	<b>\$1.2</b>	\$1.2	\$2.3	\$1.4	\$0.4
Estimated Data Cost	USD	<b>\$18.7</b>	\$15.2	\$21.5	\$19.6	\$16.0
Payment Gateway Cost	USD	<b>\$1.4</b>	\$1.4	\$1.4	\$1.5	\$1.3
Sim & Delivery Cost	USD	<b>\$0.5</b>	\$0.9	\$0.7	\$0.3	\$0.5
Referral / Partner Rev Share	USD	<b>\$1.3</b>	\$1.4	\$1.6	\$1.4	\$0.6
Contribution Margin per Transaction	USD	<b>\$4.3</b>	<b>\$5.5</b>	<b>\$2.0</b>	<b>\$4.8</b>	<b>\$7.3</b>
Average Lifetime Transactions	#	<b>1.32x</b>	1.28x	1.32x	1.33x	1.31x
Lifetime Value of Customer (LTV)	USD	<b>\$5.6</b>	\$7.1	\$2.6	\$6.3	\$9.6
LTV/CAC	x	<b>2.72x</b>	1.93x	2.14x	3.04x	3.88x



## Flexiroam Travel | Significant opportunity in Social Media dominance

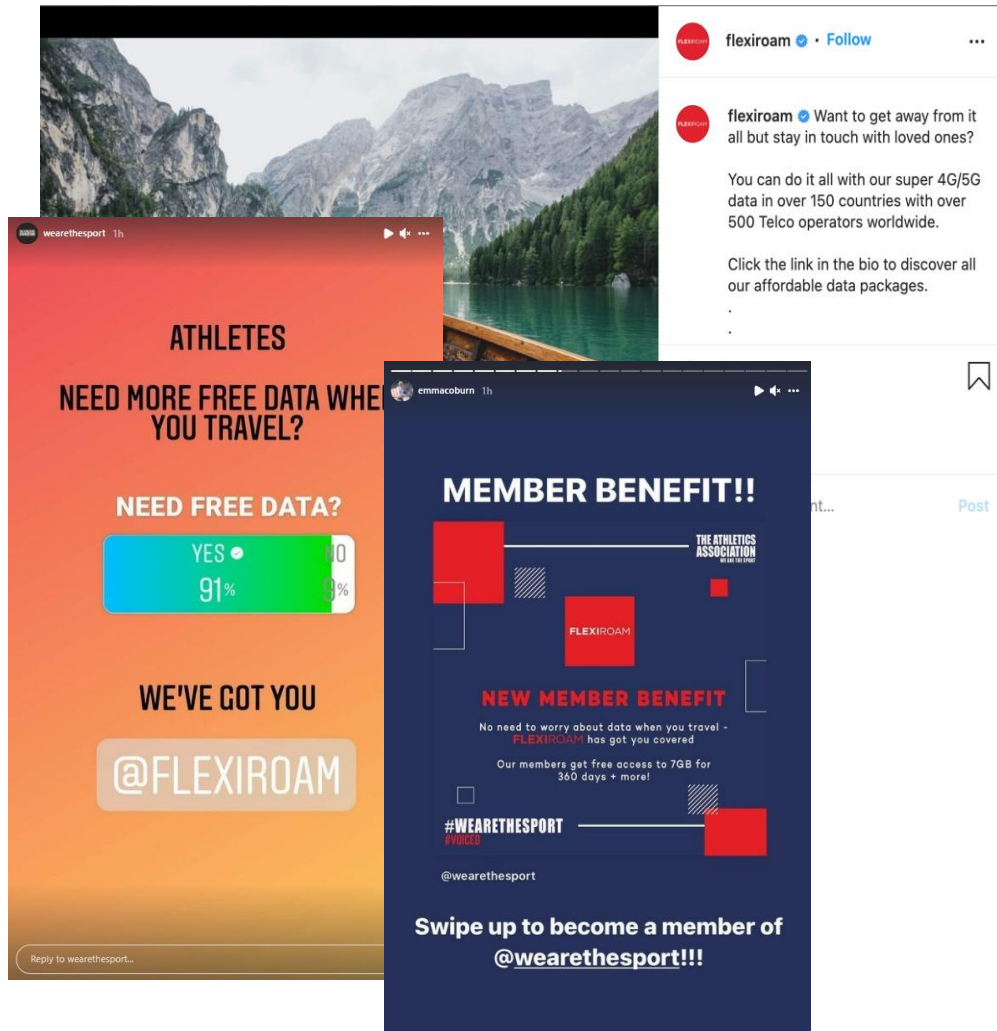
FLEXIROAM



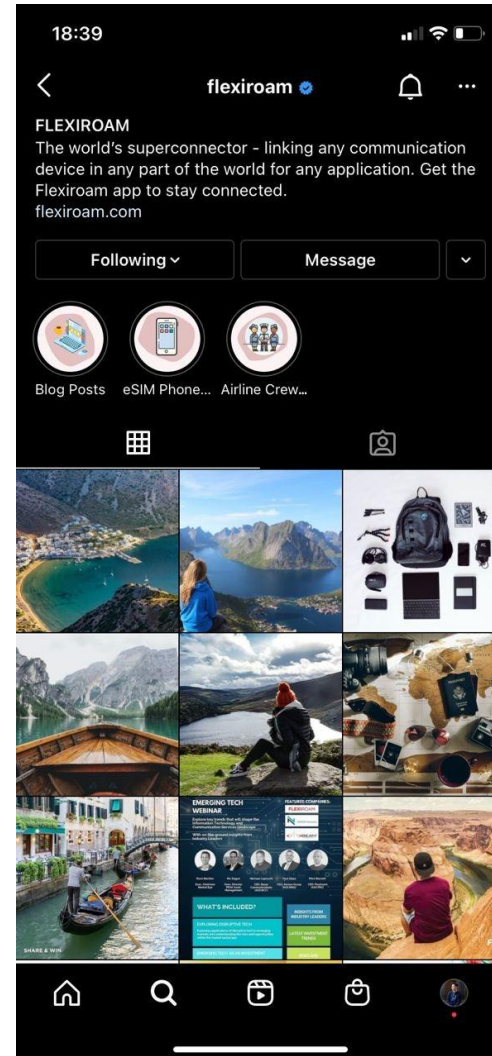
App	Flexiroam	Airalo	Surfroam	KeepGo	Dent	Numero eSim
Facebook	45,214	7,521	5,963	1,574	648	2,852
Instagram	2,621	4,476	229	n.a	4,103	4,920
Twitter	9,131	823	79	n.a	1,086	375

There are no exceptionally known international eSim players on social media at the moment.  
Being at the forefront of an industry in its infancy, we are well positioned to build a solid brand on social platforms

# Flexiroam Travel | Developing initiatives around Social Media



*Flexiroam shoutouts by Affiliate members, with some members having over 500k followers*



*New creative direction with daily postings*





















- Daily Postings on Social Media starting October
- Focused on three key pillars; business travel, holiday travel and promotions
- Includes news on reopening borders and travelling SOPs
- Continue to test and learn with different language, creatives and promotions to target different audience segments to see how we can better engage with our community
- Primary focus on Instagram for consumer facing content and LinkedIn for corporate content and reposting/sharing all content on Facebook
- Leveraging on affiliate promotions to increase reach

## Financials | Q2-FY22 Key Highlights

**Revenue Q2FY21 incl. one-off adjustment of A\$558k, OPEX FY22 incl. STI/LTI provision of A\$608k and one-off cost of A\$459k**

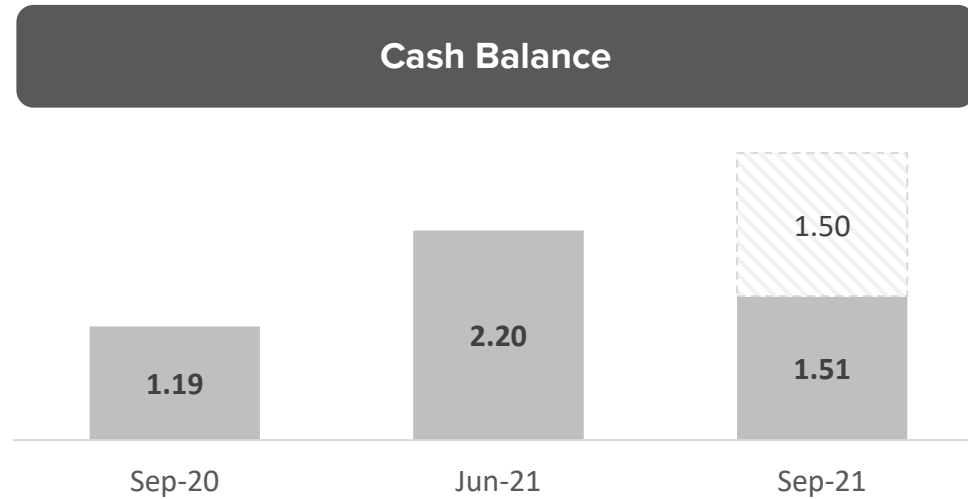
The Company has been investing in infrastructure and additional resources to position the business for long term global growth. The infrastructure expense in Q1FY21 was A\$0.4m to improve user experience for Travel customers, build the affiliate and reseller portal, solutions portal to centralise account management and the CORE Operating system to be able to scale globally with customised products and services.

Operational expenses (“OPEX”) in Q2 FY21 are inclusive of one-off cost of A\$0.5m and provision of non-cash performance shares incentive of A\$0.6m

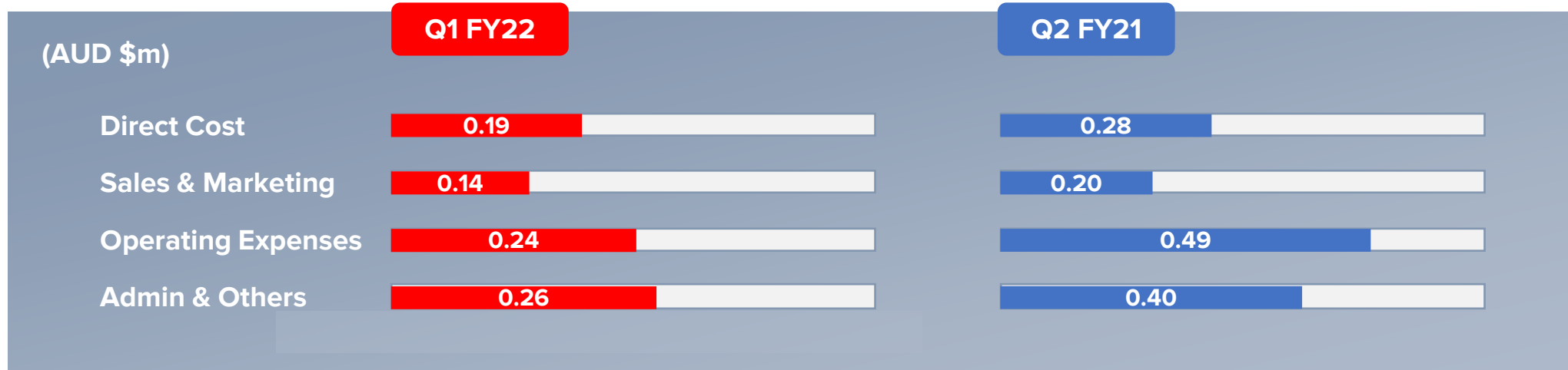
Q2-FY22 P&L Actual <i>(unaudited)</i>							
in AUD	Q2 FY21	Q1 FY22	Q2 FY22	vs. LY		vs. Q1	
Revenue - Travel	1,052,788	499,018	749,338	-29%		50%	
Revenue - Solutions	0	35,237	43,474	N.A		23%	
Revenue	1,052,788	534,255	792,812	-25%		48%	
Cash Receipt - Travel	304,862	352,532	627,754	106%		78%	
Cash Receipt - Solutions	497	9,350	48,301	9609%		417%	
Cash Receipt - Others	24,778	7,193	4,142	-83%		-42%	
Cash Receipt	330,137	369,075	680,197	106%		84%	
Direct Cost	84,310	143,369	405,560	381%		183%	
OPEX	252,935	697,038	2,011,202	695%		189%	
EBITDA (exclude FOREX translation)	715,543	-306,152	-1,623,950	-327%		-430%	

## Financials | Q2-FY22 Key Highlights

Cash burn of A\$0.23/month in line with expectations. Additional A\$1.5M raised in Oct-21 bringing total cash balance to A\$3.0M



- Cash balance of A\$1.5M at the end of Q2 FY22. Additional A\$1.5M raised in Oct-21 to support the strategic growth plans
- Cash burn of A\$0.23M/month including significant investments in people, accounting for 70% of the increase in operating expenses
- Direct and Marketing Costs increased 50%, in line with increase in revenue







# 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

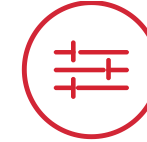
## ...with a world class tech engine

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.



### **INDUSTRY AGNOSTIC BILLING**

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

# Early adopter of eSIM technology

One of the 10 worldwide Apple certified Global Service Providers



No physical SIM cards required



Faster connectivity and more secure encryption

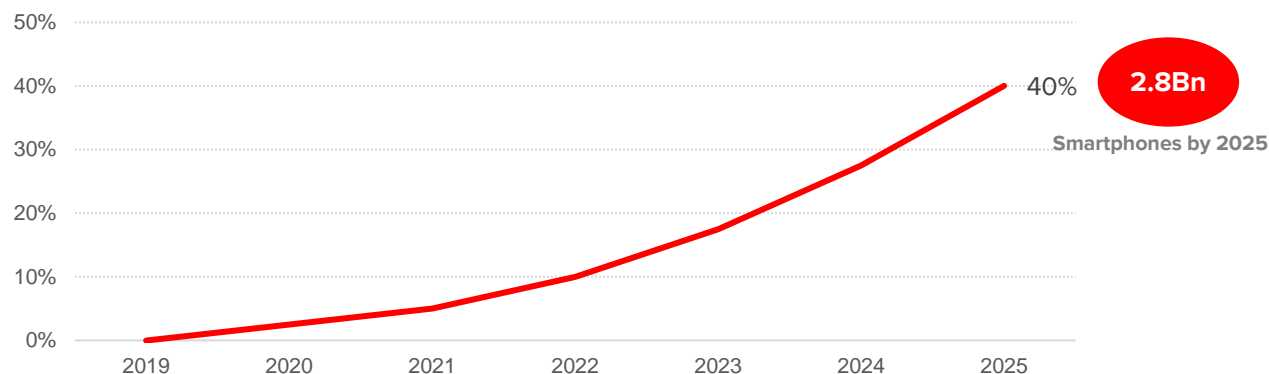


Easy one-time setup at your fingertips with Flexiroam X app



Get instant access to 580 telecommunication network providers worldwide

## eSIM Smartphone Connections by 2025



Percentage of total smartphone connections (install based) globally





# Operating in rapidly growing markets



## FLEXIROAM SOLUTIONS

The global Internet of Things (IoT) market is expected to reach **USD 1.6 trillion\*** by 2025



### M2M

350m devices



### CONNECTED CARS

166m devices



### SMART HOMES

1.2b devices

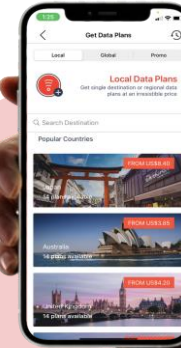


### WEARABLES

1.1b devices

## FLEXIROAM TRAVEL

The global roaming market is expected to reach **USD 88.9 billion\*** by 2027 growing with a **CAGR of 4.5%**



\*Sources:  
<https://www.grandviewresearch.com/industry-analysis/global-roaming-tariff-market>  
<https://www.statista.com/statistics/976313/global-iot-market-size/>

# 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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# FLEXIROAM

**Get in touch with us**

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