

Results for announcement to market	% Increase / (Decrease)	Year ended 31 Mar 2018 \$	Year ended 31 Mar 2017 \$
Revenue from ordinary activities	46%	2,969,873	2,037,336
(Loss)/profit from after tax from ordinary activities attributable to members	11%	(5,787,643)	(5,208,445)
(Loss)/profit attributable to members	11%	(5,787,643)	(5,208,445)

Dividend Information	Amount per share	Franked Amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

Tangible Asset Backing per Ordinary Share	Shares	Cents
Tangible asset backing per ordinary share – previous reporting period	193,689,501	1.6
Tangible asset backing per ordinary share – current reporting period	193,689,501	0.4

Commentary on the Results for the Period

Reclassification

A reclassification has been made to prior period's financial statements for the year ended 31 March 2017 in order to conform to the current year's presentation. Specifically, a total of \$400,613 related to network costs which was included in cost of sales had been reclassified to be included in marketing expenses. The network costs of \$400,613 were incurred as a result of free data promotion distributed for customer acquisition activities effort through various marketing campaigns. The reclassification had no impact on results of operations previously reported.

Restatement

During the year ended 31 March 2018, the management reviewed the classification of X-Microchip as an item of property, plant and equipment in the statement of financial position. Based on the review, the management concluded that it would be more appropriate to classify X-Microchips as inventory to be expensed when the X-Microchips were distributed. Accordingly, the year ended 31 March 2017 accounts were restated to reflect the reclassification. The impact of the restatement was an increase of net loss for year ended 31 March 2017 by \$73,100.

	YEAR ENDED 31 MARCH 2017 \$	(INCREASE) / DECREASE \$	YEAR ENDED 31 MARCH 2017 \$
	(Previous Policy)		(Restated)
Loss for the period	(5,135,345)	(73,100)	(5,208,445)

For more details please refer to the consolidated statement of profit or loss, the consolidated statement of financial position, consolidated statement of cash flow, Note 3 and Note 5.

Financial Performance Review

Throughout FY2018, Flexiroam has been actively carrying out its strategy to create an international network of local wholesale distributors. This strategy has succeeded in increasing the geographical spread of Flexiroam to 243 partners and sub-partners from 45 countries. These partnerships increase Flexiroam's physical exposure and accessibility and establish a strong foothold in other countries.

Flexiroam has also increased its exposure to frequent travellers through partnerships with airlines such as KLM Royal Dutch Airlines, Korean Air, and Scoot Airlines thus widening its user base.

Apart from increasing geographical reach, Flexiroam also focused on developing Flexiroam X with innovations and updates. Flexiroam continues its effort to expand its service coverage to over 130 countries. Flexiroam's official mobile application has also evolved throughout the year to provide the best user experience. The Flexiroam X App is available in 4 different languages making it user friendly for its diversified international user base.

These strategies have successfully expanded Flexiroam's user base and created a favourable effect on the total revenue which shows an overall increase of 46%. The growth is largely driven by high recurring transactions from the consumer segment which constitute 71% of total sales with a growth of 408% as compared with the prior year.

Increase in user base results in an overall increase in total direct cost by 109% with network cost being the major contributing factor which comprises 74% of the total direct cost and an increase of 94% over the previous year. This results from the organic increase in the number of active users. Other direct costs such as x-microchip cost and commissions have increased by 345% and 101%, respectively as a result of partnerships described above.

Total operating cost fell by 7% as a result of optimization of sales and marketing strategy and streamlining of research and development activities focusing on a more effective and efficient way of achieving best results. Marketing cost and research and development cost decreased by 9% and 41% respectively, as compared with the previous year.

The loss for the period has slightly increased by 11% over the prior year primarily due to non-operating factors such as an increase in finance expenses and foreign exchange losses and decrease in other income.

Audit

This Preliminary Final Report is based on the Annual Financial Report which is in the process of being audited.



Jefrey Ong
Managing Director
Signed at Kuala Lumpur on this 30th day of May 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$ (Restated)
Revenue	2	2,969,873	2,037,336
Cost of sales	3	(2,211,516)	(1,059,203)
Gross profit / (loss)		758,357	978,133
Interest received		29,928	91,964
Foreign exchange gains / (losses)		(81,123)	445,140
Gain from disposal of AFS shares		63,854	-
Other income		3,971	14,881
Administration and operating expenses	4	(879,722)	(778,303)
Marketing expenses		(2,218,688)	(2,447,001)
Research and development		(377,894)	(641,820)
Staff costs		(918,514)	(843,219)
Depreciation and amortisation		(1,933,410)	(1,961,224)
Allowance for doubtful debtors		(8,943)	(33,252)
Finance expenses		(225,909)	(37,613)
Loss before income tax		(5,787,643)	(5,212,314)
Income tax expense		-	3,869
Loss for the year/period		(5,787,643)	(5,208,445)
Other comprehensive loss <i>Items that may be re-classified to profit or loss:</i>			
Foreign exchange translation		2,056,692	(2,579,357)
Revaluation of available-for-sale assets		(72,636)	72,636
Total other comprehensive loss, net of tax		1,984,056	(2,506,721)
Total comprehensive loss for the year/period		(3,803,587)	(7,715,166)
Loss per share (basic and diluted)		\$(0.03)	\$(0.03)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	NOTES	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$ (Restated)
CURRENT ASSETS			
Cash and cash equivalents		792,446	3,145,770
Trade and other receivables		63,918	68,537
Inventory	5	13,644	201,048
Available-for-sale financial assets		-	82,836
Other assets		63,551	75,852
Total current assets		933,559	3,574,043
NON-CURRENT ASSETS			
Intellectual property	6	14,663,251	14,631,983
Plant and equipment	7	217,522	240,931
Total non-current assets		14,880,773	14,872,914
Total Assets		15,814,332	18,446,957
CURRENT LIABILITIES			
Trade and other payables		1,053,516	276,992
Deferred revenue	8	791,917	389,959
Borrowings		15,117	12,666
Total current liabilities		1,860,550	679,617
NON-CURRENT LIABILITIES			
Borrowings		26,692	36,663
Deferred tax		-	-
Total non-current liabilities		26,692	36,663
Total Liabilities		1,887,242	716,280
Net Assets		13,927,090	17,730,677
EQUITY			
Issued capital	9	36,268,139	36,268,139
Reserves		(1,883,752)	(3,867,808)
Accumulated losses		(20,457,297)	(14,669,654)
Total equity		13,927,090	17,730,677

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	ISSUED CAPITAL \$	OPTION AND PERFORMANCE RIGHTS RESERVE \$	FOREX TRANSLATION RESERVE \$	AVAILABLE- FOR-SALE RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
Balance at 1 April 2016	35,863,139	704,993	(1,661,080)	-	(9,461,209)	25,445,843
Loss for the year	-	-	-	-	(5,208,445)	(5,208,445)
Other comprehensive loss for the year	-	-	(2,579,357)	72,636	-	(2,506,721)
Total comprehensive loss for the year	-	-	(2,579,357)	72,636	(5,208,445)	(7,715,166)
Share-based payments	405,000	(405,000)	-	-	-	-
Balance at 31 March 2017 (Restated)	36,268,139	299,993	(4,240,437)	72,636	(14,669,654)	17,730,677
Balance at 1 April 2017	36,268,139	299,993	(4,240,437)	72,636	(14,669,654)	17,730,677
Loss for the year	-	-	-	-	(5,787,643)	(5,787,643)
Other comprehensive loss for the year	-	-	2,056,692	(72,636)	-	1,984,056
Total comprehensive loss for the year	-	-	2,056,692	(72,636)	(5,787,643)	(3,803,587)
Balance at 31 March 2018	36,268,139	299,993	(2,183,745)	-	(20,457,297)	13,927,090

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Cash flows from operating activities			(Restated)
Receipts from customers		3,379,875	2,438,762
Payments to suppliers and employees		(5,638,052)	(5,916,119)
Interest paid		(225,909)	(37,613)
Interest received		29,928	91,964
Net cash flows (used in)/provided by operating activities	10	(2,454,158)	(3,423,006)
Cash flows from investing activities			
Purchase of plant and equipment		(17,594)	(34,401)
Proceeds from disposal of AFS shares		74,054	-
Net cash flows (used in)/provided by investing activities		56,460	(34,401)
Cash flows from financing activities			
Repayment of advances		-	(12,485)
Borrowings - payments		(13,358)	(12,678)
Net cash flows (used in)/provided by financing activities		(13,358)	(25,163)
Net (decrease)/increase in cash and cash equivalents		(2,411,056)	(3,482,570)
Cash and cash equivalents at the beginning of the year		3,145,770	6,709,288
Foreign exchange fluctuations on opening cash balances		57,732	(80,948)
Cash and cash equivalents at the end of the year		792,446	3,145,770

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PREPARATION

These financial statements include the financial statements of Flexiroam Limited (“the Company”) and its subsidiaries Flexiroam Sdn Bhd and Flexiroam Asia Limited (“the Group”). These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Australian Accounting Standards are equivalent to International Financial Reporting Standards (“IFRS”). Compliance with Australian Accounting Standards ensures that these financial statements comply with International Financial Reporting Standards.

Except for the cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected financial assets and financial liabilities.

NOTE 2 REVENUE

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Corporate sales ¹	874,482	1,625,093
Consumer sales ²	2,095,391	412,243
	2,969,873	2,037,336

¹ Corporate sales consist of business to business transactions involving local and foreign travel agencies.

² Consumer sales consist of business to consumer transactions involving local and foreign travellers.

NOTE 3 COST OF SALES

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
		(Restated)
Network costs	1,627,257	^[a] 840,138
X-Microchip costs	433,713	97,512
Material costs	5,459	49,203
Commissions	145,087	72,350
	2,211,516	1,059,203

^a The amount of \$400,613 which was related to costs of acquiring subscribers had been reclassified as marketing expenses to be reflected as an element of indirect costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 ADMINISTRATION AND OPERATING EXPENSES

	YEAR ENDED 31 MARCH 2018 \$	YEAR ENDED 31 MARCH 2017 \$
Office equipment and general maintenance	9,035	8,656
Others costs	97,053	33,130
Professional fees	418,775	416,155
Rental	185,217	197,001
Software and stationery	52,791	32,582
Talent and recruitment	46,681	21,261
Travelling and transportation	28,490	44,623
Utilities	41,680	24,895
	879,722	778,303

NOTE 5 INVENTORY

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
		(Restated)
Opening balance	201,048	-
Purchases	246,309	298,560
Distribution	(433,713)	(97,512)
Closing balance	13,644	201,048

NOTE 6 INTELLECTUAL PROPERTY

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Carrying value opening balance	14,631,983	18,494,452
Amortisation	(1,863,138)	(1,895,854)
Foreign exchange translation effects	1,894,406	(1,966,615)
Carrying value closing balance	14,663,251	14,631,983

The intellectual property asset is known as Flexiroam Malaysia, an international roaming service for travellers who travel overseas to gain access to high speed cellular data without having to change SIM card. It operates on a sophisticated integrated network of services, forming a unified system now known as Flexiroam X.

Flexiroam intellectual property is an intangible asset with a finite life of 10 years and stated at cost. It comprises of patent filings on its core technology and brand trademarks across 5 countries.

Due to sustained reported operating losses which constitute an indicator of impairment, the management has undertaken impairment test in intellectual property. The recoverable amount, which is based upon five-year cash flow forecasts at a discount rate of 10% per annum, is in excess of the carrying value of the assets. No allowance for impairment loss on assets is therefore required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 PROPERTY, PLANT AND EQUIPMENT

	FURNITURE & FITTINGS \$	OFFICE EQUIPMENT \$	COMPUTER \$	RENOVATION \$	MOTOR VEHICLE ¹ \$	BEAMER ² \$	TOTAL \$
AT COST							
As at 1 April 2016	10,169	28,032	12,465	157,170	96,116	42,987	346,939
Additions	-	8,610	14,368	11,422	-	-	34,400
Foreign exchange effects	(1,149)	(3,690)	(2,282)	(18,447)	(10,856)	(4,855)	(41,279)
As at 31 March 2017	9,020	32,952	24,551	150,145	85,260	38,132	340,060
Additions	-	214	9,762	7,617	-	-	17,593
Adjustments	(6)	167	(94)	-	-	-	67
Foreign exchange effects	1,267	4,658	4,243	21,702	11,967	5,352	49,189
As at 31 March 2018	10,281	37,991	38,462	179,464	97,227	43,484	406,909
ACCUMULATED DEPRECIATION							
As at 1 April 2016	1,397	8,891	1,714	22,339	8,009	358	42,708
Depreciation expense	1,924	6,650	3,880	30,645	18,201	4,070	65,370
Foreign exchange effects	(279)	(1,424)	(439)	(4,457)	(2,053)	(297)	(8,949)
As at 31 March 2017	3,042	14,117	5,155	48,527	24,157	4,131	99,129
Depreciation expense	1,889	6,969	6,548	32,943	17,916	4,006	70,271
Adjustments	(6)	107	(34)	-	-	-	67
Foreign exchange effects	588	2,586	1,281	9,623	4,920	922	19,920
As at 31 March 2018	5,513	23,779	12,950	91,093	46,993	9,059	189,387
CARRYING AMOUNT							
As at 31 March 2017	5,978	18,835	19,396	101,618	61,103	34,001	240,931
As at 31 March 2018	4,768	14,212	25,512	88,371	50,234	34,425	217,522

¹Motor vehicle is used as security for the borrowings.

²Beamer is a wireless router device which acts as a WiFi hotspot that can be connected to a cellular network and provide internet access to other devices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 DEFERRED REVENUE

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
Corporate sales	7,561	153,108
Consumer sales	784,356	236,851
	791,917	389,959
Reconciliation		
Opening balance	389,959	754
Net additions	397,785	389,293
Foreign exchange translation effects	4,173	(88)
Closing balance	791,917	389,959

Advance billing to customers that give rise to provisions for unearned revenue in respect of services which have not been rendered as at the end of the reporting period.

NOTE 9 ISSUED CAPITAL

	Number	\$
Ordinary shares issued (net of share issue costs)	193,689,501	36,268,139
Reconciliation		
Balance at 1 April 2016	190,989,501	35,863,139
Share issue – 5 April 2016 ¹	2,700,000	405,000
Balance at 31 March 2017	193,689,501	36,268,139
Balance at 1 April 2017	193,689,501	36,268,139
Movements for the period	-	-
Balance at 31 March 2018	193,689,501	36,268,139

¹ On 5 April 2016, following Shareholder approval obtained on 30 March 2016, 2,700,000 fully paid ordinary shares were issued to Jeffrey Ong (and/or his nominees) for his contribution to the Company's achievement of a \$6 million revenue milestone.

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Dividends

No dividends were paid or proposed during the year ended 31 March 2018 (31 March 2017: \$nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 10 CASH FLOW INFORMATION

Reconciliation of loss for the year/period to net cash flows from operating activities

	AS AT 31 MARCH 2018 \$	AS AT 31 MARCH 2017 \$
		(Restated)
Loss for the period	(5,787,642)	(5,208,446)
Depreciation and amortisation	1,933,410	1,961,224
Forex movements	81,125	(494,025)
Gain from disposal of AFS shares	(63,854)	-
Decrease in trade and other receivables	4,619	28,813
Increase in inventory	187,403	(201,047)
(Increase)/Decrease in other assets	12,300	(69,645)
Increase/(Decrease) in trade and other payables	776,524	175,276
Increase in deferred revenue	401,957	389,205
Increase/(Decrease) in deferred tax	-	(4,361)
Net cash from operating activities	(2,454,158)	(3,423,006)

NOTE 11 SEGMENT REPORTING

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about the components of the group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

The Group's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Group, the Board as a whole has been determined as the Chief Operating Decision Maker.

As at 31 March 2018, the Group operated in one business segment being the telecommunication business segment and three geographical market segments, namely the telecommunications market in Malaysia, Singapore and other countries where each country have contributed less than 10% to total sales for the current period.

During the current year, the Chief Decision Maker has been reviewing operations and making decisions based on the supply and provision of telecommunications as a single operating unit. Internal management accounts are consequently prepared on this basis.