

Foundations in place to underpin Flexiroam's growth

Flexiroam Limited (ASX: FRX) is pleased to announce its results for the 12 months ended 31 March 2021 (FY21). Throughout FY21, Flexiroam responded to the COVID-19 impact by realigning the cost base and positioning the business for a travel recovery. The Company also prioritised evolving the business to be an Internet of Things (IoT) connectivity solutions provider.

Flexiroam achieved several milestones and put in place the foundations to underpin its growth:

- Delivered normalised EBITDA¹ profit of \$1.0 million (FY20: loss of \$3.02 million)
 - 30% decline in cost base, including significantly lower network costs
- Positive operating cash flow during Q4
- Agreements signed with new partners to underpin future growth
- Received initial revenue from Flexiroam Solutions business
- Successfully raised \$3.0 million (before costs) via a Placement and an Entitlement Offer
- Enhanced Board to drive commercialisation

Commenting on the FY21 result, Flexiroam Chief Executive Officer Marc Barnett said: "We generated our first positive normalised EBITDA¹, which is a significant milestone and demonstrates our efforts to carefully manage costs, while demand from travel customers declined. Cash preservation strategies and efficiencies were maintained throughout the year, which underpinned the generation of positive operating cash flow in Q4.

"During the year, Flexiroam focused on positioning the travel business for a recovery once restrictions are lifted, signing a number of key partnerships to underpin future growth. Our Flexiroam Solutions business also gained significant momentum with the signing of commercial agreements with two major mPOS companies in Malaysia, which are rapidly expanding their footprint."

Partnerships position Flexiroam for a rebound in international travel

During FY21, Flexiroam signed a number of key partnership agreements focused on customer acquisition to position the Travel business for a recovery once international travel restrictions are progressively lifted.

Following the success of its landmark partnership with Mastercard formed in June 2020, the Company signed an extension to the Master Supply Agreement providing for minimum revenue commitments for Calendar Year 2021, with US\$250,000 received as an advance payment for data purchases in the final quarter of FY21. The program has been well received by Mastercard's bank partners, with 11 banks enrolled for the program across Taiwan, Vietnam and Hong Kong, offering exposure to more than 100k potential users.

¹ Statutory EBITDA of (\$2.4 million) includes one-off extraordinary provision of \$3.1 million, relating to a commitment with a telecommunications provider for data purchases, and impact of Forex translation (refer to the 2021 Annual Report for full details)

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Flexiroam further laid the groundwork to scale globally, launching eSIM support for iPhone on its network. The launch is a key milestone as it allows Flexiroam to significantly improve its user experience, allowing an instant connection without depending on logistics. The move from a physical sim card to a fully digital product reduces the time and cost to scale growth.

Flexiroam strategically entered the buy-now-pay-later space (**BNPL**), signing an agreement with Split, a leading Singapore and Malaysian FinTech, offering Split as a Flexiroam Wallet payment option to purchase Flexiroam products. The agreement further increases the potential scale of Flexiroam's customer base in South East Asia, where there is a large population of unbanked consumers.

Another significant milestone was the partnership with Travala.com, the world's leading blockchain-based travel booking platform. The partnership further positions Flexiroam to benefit from a rebound in international travel as vaccination programs are rolled out, and provides access to consumers utilising major cryptocurrencies.

Flexiroam Solutions agreements signed to underpin future growth

In line with its strategy of unlocking opportunities in the IoT connectivity space, the Company launched its Flexiroam Solutions platform during the September quarter and significantly progressed commercialisation of the platform during the second half of the year.

Flexiroam's technology allows payment service providers to have a high level of connectivity for mobile Point of Sale (**mPOS**) terminals and the Company successfully secured commercial agreements with two major mPOS companies in Malaysia, controlling 600k terminals. Flexiroam demonstrated positive momentum with a rapid growth in new connections over the second half of the year and expects the mPOS market to be a key source of long-term global growth.

The Company also demonstrated momentum in its eSIM vertical, providing a Flight Management System for a major Asia based airline, enabling approximately 3,000 pilots to download immediate flight plans, including electronic charting and eText capabilities. Flexiroam plans to leverage its success to implement similar solutions to other airlines.

Capital raising and enhanced Board to drive commercialisation

In August 2020, Flexiroam successfully raised \$1.02 million via a fully underwritten Rights Offer, followed by an additional \$2 million in November, via a share placement. The fund raisings reflected strong support for Flexiroam's growth plans and provided additional resources to accelerate the development and commercialisation of its Flexiroam Solutions platform in key strategic verticals.

Flexiroam's Board was enhanced to ensure it has the expertise needed as it expands its Flexiroam Solutions business globally, with Marc Barnett joining as non-executive Director in February 2021. Following the end of the financial year, Marc Barnett was appointed Chief Executive Officer and Executive Director in April, to lead the Company through its next stage of growth, with Jef Ong transitioning to the newly created position of Chief Innovation Officer and Executive Director. The changes allow Jef to focus on his passion of innovation, while Marc drives the Company's growth and global scaling.

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Positive outlook for FY22

Commenting on the outlook for FY22, Mr Barnett said: “Flexiroam is on the verge of substantial growth, with exciting opportunities to become a truly global business with a growing pipeline of opportunities to deploy our IoT connectivity solution capabilities. During FY22 we will continue to lay the groundwork for global growth, by enhancing our infrastructure, to ensure that we have the ability to scale to billions of devices globally and allow various IoT verticals to embed connectivity into their applications.

“With a strong set of global growth opportunities, we will make key additions to our global team and focus on developing key eSIM solutions, as we evolve our product suite to further improve our business proposition. We aim to close strategic deals to drive revenue expansion in FY23, by continuing to focus on highly scalable eSIM opportunities and accelerating our mPOS penetration into South East Asia.

“Having successfully stabilised the business and pivoted towards the IoT and eSIM fields, we are well positioned to secure major commercial deals during FY22, as we drive the business into new markets, increase our market share and capitalise on the expanding need for global connectivity over the long term.”

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AUTHORISED BY THE BOARD OF DIRECTORS

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ABOUT FLEXIROAM

FLEXIROAM LIMITED (ASX: FRX) is a super connector providing vital links between touchpoints and information repositories. By leveraging on its global connectivity in more than 100 countries, Flexiroam brings together the lines of communication to facilitate information gathering. Its innovative technology can be used expansively by consumers requiring connectivity to stay in touch with people and enterprises seeking data links to enhance business processes. Flexiroam’s core capabilities are in research and development, scalable consumer app development, Big Data and Artificial Intelligence.