

FLEXIROAM

25 January 2022

QUARTERLY UPDATE – December 2021

Revenue increased 40% QoQ and IoT business gains traction across key 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 December 2021 (Q3FY22).

Key Highlights:

- Cash receipts of A\$963k, increased by 42% compared to the previous quarter (Q2FY22: A\$680k) and up 166% on the prior corresponding period (Q3FY21: A\$363k)
- Revenue of A\$1.1m, a significant increase of 116% on the prior corresponding quarter (Q3FY21: A\$514k) and up 40% compared to the previous quarter (Q2FY22: A\$793k)
- CTO onboarded in January, completing the Leadership Team. Additional appointments included Sales Director EMEA (Netherlands), Sales Director APAC (Singapore) and Head of Engineering (Poland)
- Key performance metrics continued to improve with many of the core metrics up 40-80% between September and December
- Signed white label agreements to data resellers Wave Rewards, BP Mobile and Global Wireless Telecom, totaling A\$1.7m of annualised revenue
- Marketing partnerships developed with key travel businesses, including expanding the BIG Rewards Program and initiating an AirAsia co-branding campaign, and partnering with Tune Protect
- The Mastercard partnership was extended for a third year for A\$340k and Korean Air A\$60k of annualised revenue
- Cash balance at the end of December 2021 of A\$2.25 million, including a capital raise completed in October 2021 of A\$1.5 million

Commenting on the progress made during the third quarter of FY22, Chief Executive Officer Marc Barnett said: “In the previous two quarters we built out our Leadership Team and made infrastructure improvements, laying the foundation for growth. In Q3 we focused on increasing monetisation through the launch of new products and the expansion of the business. We continued to build our brand and customer base via marketing initiatives and partnerships, including with AirAsia and Tune Protect, and we executed commercial deals to drive future revenue growth.

“The creation of a set of white-labelled services for brands to resell connectivity has been a key priority and we successfully signed several key customers in mPOS and other IoT verticals. We are developing tools that facilitate white labelling, allowing resellers to seamlessly utilise our global network of 520 operators. We also launched a new Plug and Play IoT offering in December,

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which is already gaining traction, with our first European IoT customer Thingsdata signing in January 2022.

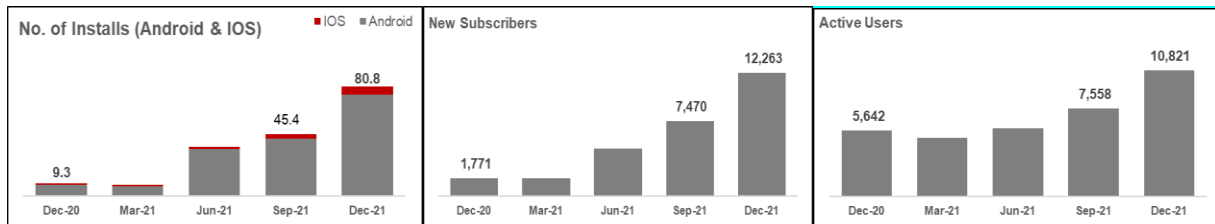
"As we continue to execute on our plan and increase monetisation we have made several key hires including Sales Directors in Europe and Asia in December and a Head of Engineering in January, supporting our Chief Revenue Officer and Chief Technology Officer respectively.

"During Q3, we continued to see significant improvement in revenue growth to A\$1.1 million, an increase of 40% on the previous quarter (Q2FY22: A\$793k), underpinned by substantially higher data consumption of 38.8 terrabytes, up 47% on the prior quarter (Q2FY22: 26.4TB). Active users also increased significantly by 37% to 29.2k (Q2FY22: 21.3k)."

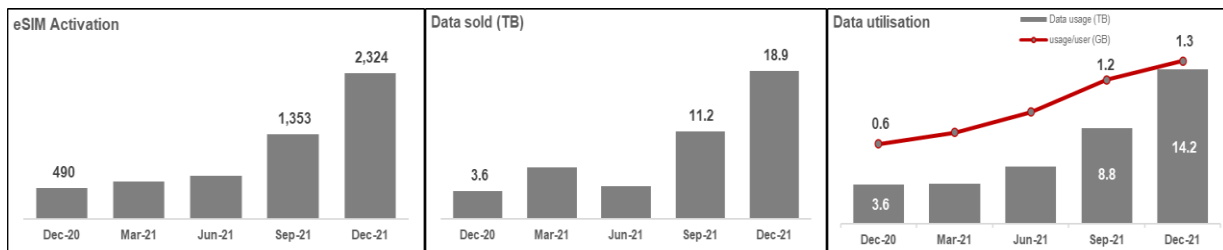
"Solutions products continued to be rolled out to key customers, with 95k cumulative devices billed across Q3, up 69% on Q2. The pipeline of IoT opportunities continues to build across multiple verticals, with additional deals to be executed and announced during Q4."

Strong operational performance

Flexiroam continued to deliver exceptional improvement across all operating metrics during Q3 irrespective of the current status of the global travel industry. The user funnel continues to be refined and improved with total installs increasing to 80.8k, up 78% from Q2, new monthly subscribers increased to 12.2k, up 64% from Q2, while monthly active users increased to 10.8k, up 43% from Q2. The 72% increase in eSIM activations highlights the future of the business.



Data sold increased to 18.9 TB, up 69% from Q2, while data utilised increased to 14.2 TB up 61 from Q2. 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 Q3, Flexiroam serviced users from 154 countries in 137 destination countries.



Flexiroam currently provides Flexiroam Solutions connectivity to mPOS clients GHY Systems Bhd, Revenue Group Berhad and Wave Rewards, and connectivity to Korean Air pilots. During Q3, the number of cumulative billed IoT devices increased by 69% to 95k, compared to Q2. The Company anticipates a significant increase of billed devices and data utilisation over the coming quarters as Flexiroam begins to onboard Solutions clients signed during Q3.

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White label connectivity solutions

Flexiroam has launched a white label offering, where resellers can offer data to their customers, which they market using their own brand. This new initiative is expected to drive a substantial increase in data consumption over time, via third party channels. The three clients signed during Q3, will start to generate cash and revenue on a monthly basis once onboarded late in Q4.

Wave Rewards

In November, Flexiroam signed its first white label data agreement with leading Southeast Asian mPOS service provider Wave Rewards, to provide connectivity across Malaysia, Thailand, Indonesia and China for an initial 5-year term. Wave Rewards will pay Flexiroam a monthly fee for each terminal connected to Flexiroam's network and the contract is projected to provide A\$800k of annualised revenue to Flexiroam, once all committed SIMs are rolled out and activated.

BP Mobile

Flexiroam signed a white label eSIM agreement with leading mobile app developer BP Mobile, who will provide data in a bundled offering via their Second Phone Number app, which has 100k monthly active users. Flexiroam will initially provide connectivity for plans that cover the USA, Europe and the Americas and the agreement is expected to provide annual revenue of A\$275k, based on BP Mobile's monthly sales forecasts.

Global Wireless Telecom

In December, the Company signed a data reseller agreement to New York based Global Wireless Telecom, who will be reselling data to its customers travelling internationally, from January, with a focus on the China business market. The contract has an initial term of five years, provides exposure to 30k customers based in New York, with one-third traveling to China annually, and is expected to provide up to A\$600k of revenue to Flexiroam during FY23.

Travel partnerships to drive customer acquisition

Flexiroam has entered new partnerships and renewed existing partnerships, increasing consumer visibility of Flexiroam Travel products, and driving growth in data consumption.

BIG Rewards

During November, Flexiroam expanded its merchant partnership with AirAsia's BIG Rewards Program to include the Philippines. Flexiroam users across the ASEAN region will receive one BIG Point for every \$1 USD spent on Flexiroam products, redeemable at more than 300 merchants. Big Rewards is the region's leading points platform, and the merchant partnership covers 6.7 million active users, across Thailand, the Philippines and Indonesia.

In December, Flexiroam initiated a co-branding campaign with AirAsia Card Indonesia and Thailand, which will see Flexiroam actively promoted to 600k potential travel customers. The initiative will provide Flexiroam members who purchase data using an AirAsia credit or debit card issued by Permata Bank or Bangkok Bank with 20% additional loyalty points as a bonus. The offer will commence on 1 February 2022, and will be jointly promoted by BIG Rewards, Permata Bank and Bangkok Bank to ensure it receives significant market exposure.

Tune Protect

Flexiroam formed its inaugural partnership in the Middle East with Tune Protect EMEIA in November, providing free starter packs for Tune Protect EMEIA's partners & their customers, to be offered within their travel insurance packages. Tune Protect EMEIA is an online digital facilitator of travel and lifestyle products across the middle east region, reaching over 1,000 travel

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partners facilitating more than 500,000 travel products per annum. The partnership adds another important distribution channel for Flexiroam Travel roaming data packs.

Following the quarter end, Flexiroam formed a partnership with Tune Protect Malaysia, where Flexiroam will provide free e-SIMs and 3-day 500MB Global Data Plans to travel insurance customers who purchase the Covid Travel Pass+.

Mastercard

In December, Flexiroam announced that the Global Data Plan partnership with Mastercard has been extended to cover Calendar Year 2022. Under the extended agreement, Flexiroam will receive A\$340k upfront for data purchases in February 2022, which are offered to cardholders as a reward. Eligible Mastercard holders at participating Asian banks will continue to be rewarded with data packs from Mastercard, and be eligible to receive a 15% discount on Flexiroam data plan purchases. The program is active in Taiwan, Vietnam, India, Indonesia, Thailand and Hong Kong, with a total of 20 banks added to the program to date.

Korean Air

During the quarter, Korean Air renewed its IoT partnership for a further six months, providing connectivity to 2,840 pilots via eSIM to download flight and weather plans in the cockpit. The renewal provides annualized recurring revenue of A\$60k and demonstrates Flexiroam's ability to provide stable connectivity in any part of the world.

First European Internet of Things white label contract signed

In December, Flexiroam launched a new IoT Plug and Play offering, which provides customers with up to 10 years' of connectivity services for a one-time payment. Plug and Play offers 500MB of data for a flat fee of USD \$11.50 and is suited to low consumption use cases.

Flexiroam successfully signed its first Plug and Play contract with Netherlands based IoT system integrator Thingsdata in January 2022, with the first purchase of bundled SIM cards and data packs providing A\$25k. The deal is Flexiroam's entry into the large European IoT market and helps to showcase the breadth of IoT connectivity applications Flexiroam can power.

World's Best Travel Communication Provider 2021

Flexiroam was awarded the World's Best Travel Communications Provider 2021 in December, at the inaugural World Travel Tech Awards, which recognise, reward and celebrate excellence in travel technology through an annual awards programme.

Successful A\$1.5 million capital raising

Flexiroam raised a total of \$1.5 million at A\$0.04 per share in October, to accelerate growth initiatives, including:

- Developing new eSIM solutions to capture IoT demand;
- Executing on the growing pipeline of Flexiroam Solutions opportunities;
- Hiring sales & engineering resources across Europe; and
- Driving global penetration and substantial revenue expansion in FY23.

The funds were raised from existing major shareholders and sophisticated investors, at an 18% premium to the stock's closing price preceding the raise.

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Continued strong financial performance

The Company delivered revenue of A\$1.1 million, a significant increase of 116% on the prior corresponding period (Q3FY21: A\$514k) and up 40% compared to the previous quarter (Q3FY22: A\$793k). The Q3 revenue result was 6% above the budget of A\$1.04 million.

Flexiroam received cash receipts of A\$963k, up 166% on the prior corresponding period (Q3FY21: A\$363k) and up 42% on the previous quarter (Q2FY22: A\$680k), primarily driven by travel retail reflecting ongoing improvements in Digital Marketing.

Total operating cash outflows of A\$1.7 million, inclusive of A\$100k of one-off costs, were 26% higher than the previous quarter (Q2FY22: A\$1.4 million), reflecting the build out of the global team and higher operating costs, as data consumption increased. The Q3 burn rate excluding one off costs amounted to A\$613k, which is 11% below the previous quarter (Q2FY22; A\$692k).

Payments to Related Parties and their associates during Q3FY22 were comprised of executive director salaries and fees and non-executive director fees of approximately A\$141k.

Flexiroam ended the quarter with a strong cash balance of A\$2.25 million.

Investor Webinar

Flexiroam CEO Marc Barnett will host an investor webinar regarding the Company's quarterly update on **Monday 31st January 2022 at 3:00pm AEDT**. 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_eOLPmiNCQcyAcStrOjYEVQ

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AUTHORISED BY THE BOARD OF DIRECTORS

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ABOUT FLEXIROAM

Founded in 2011 by Jeffrey Ong, CIO and Executive Director, 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.

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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 DECEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	963	2,012
1.2 Payments for		
(a) research and development	(103)	(283)
(b) product manufacturing and operating costs	(530)	(999)
(c) advertising and marketing	(276)	(594)
(d) leased assets	-	-
(e) staff costs	(437)	(1,094)
(f) administration and corporate costs	(331)	(851)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(50)	(110)
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	(764)	(1,919)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(16)	(48)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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	(16)	(48)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,500	1,500
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	1,500	1,496

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,511	2,810
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(764)	(1,919)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(48)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,500	1,496

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

4.5	Effect of movement in exchange rates on cash held	21	(87)
4.6	Cash and cash equivalents at end of period	2,252	2,252

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	2,252	1,511
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)	2,252	1,511

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

141

-

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

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.

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 Total financing facilities

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

-

-

7.5 Unused financing facilities available at quarter end

-

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

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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(764)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	2,252
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	2,252
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.95

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: 25 January 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.

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