

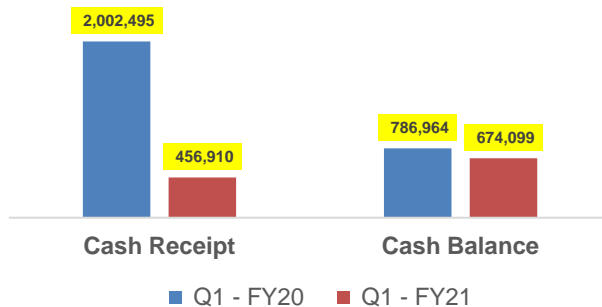
## QUARTERLY UPDATE – JUNE 2020

### *Flexiroam's Pivoting Strategy Finds Breakthroughs*

**Flexiroam Limited (ASX:FRX)**, (“Flexiroam”, “Company” or the “Group”) is pleased to present its quarterly cash report for the period ended 30 June 2020 and advises:

#### Key Highlights:

- Q1FY21 cash receipts from sales stand at A\$456,910 despite ongoing impact of the pandemic, a decrease of 77% compared to Q1FY20 (Q1FY20: A\$2,002,495).
- Effective and efficient cost-cutting strategy in place, resulted in lower cash burn of A\$675,244 - lower by 73% compared to Q1FY20 (Q1FY20: A\$2,511,043), and lower by 68% compared to previous quarter (Q4FY20: A\$2,143,204).
- Cash end balance at A\$674,099 as of end June 2020
- Flexiroam is the connectivity partner for the 23<sup>rd</sup> International AIDS Conference



#### Defensive cash position

Cash receipts were lower by 77% in Q1FY21 compared to Q1FY20. Total cash sales receipts in Q1FY21 was A\$456,910 (Q1FY20: A\$2,002,495).

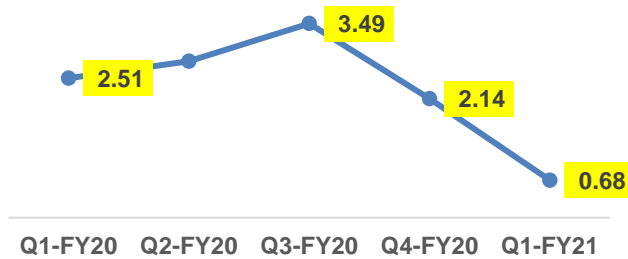
There is no definitive end in sight yet for the COVID-19 crisis. With the slowdown, the Group continued to maintain enhanced efficiencies and preservation of cash. A lean but strong core team continues to service our existing partners and subscribers, while ensuring that Flexiroam stand ready to catch the first wave of travelers when the world opens its doors again. The Company has taken on prudent measures to manage creditors and operational efficiencies. At the same time, the Group has managed to secure cash advances from the Board of Directors on an unsecured and interest-free basis for working capital purposes, resulting in a cash balance of A\$674,099 at quarter end. This is marginally lower by 15% compared to the same period last year (Q1FY20: A\$786,964).

During the quarter, payments to Related Parties of the Company and their associates comprised of executive director fees of approx. A\$19K.

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# FLEXIROAM

## Cash Out - Operating Activities (in \$A million)



## Efficient cost-cutting measures

The Company efficiently managed the impacts of the ongoing COVID-19 pandemic through the implementation of a crisis and recovery plan. The cost-reduction measures taken by the Company, as disclosed in an ASX announcement dated 14<sup>th</sup> May 2020, remain in place, with key measures listed as follows:

1. Longer credit terms with key network suppliers
2. Discounts negotiated with vendors
3. Payroll, Executive and Board remuneration reductions

The above measures resulted in low operating cash at A\$675,244 - lower by 73% compare to Q1FY20 (Q1FY20: A\$2,511,043), and lower by 68% compare to previous quarter (Q4FY20: A\$2,143,204).

## Internet of Things (IoT) Applications

The Company, at this stage, is in the final phase of development of its IoT connectivity platform. The platform has been specifically developed for Mobile Point of Sales systems and can be used for payment related solutions and services for various industries, including banks, merchants, telcos, billers, and other e-Commerce players. The platform is currently undergoing a beta trial and expected to be launched in Q2FY2021.

## Remaining relevant in the new world of COVID-19

Flexiroam was selected to be the connectivity partner for the 23<sup>rd</sup> International AIDS Conference. The Company continues to find relevance for its superconnector platform by providing data to conference delegates in Africa to participate in the international virtual conference.

## AUTHORISED BY THE BOARD OF DIRECTORS

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# FLEXIROAM

## Investor Inquiries

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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. The company is listed on the Australian Securities Exchange (ASX).*

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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")**

30 JUNE 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	457	457
1.2 Payments for		
(a) research and development	(84)	(84)
(b) product manufacturing and operating costs	(263)	(263)
(c) advertising and marketing	(169)	(169)
(d) leased assets	-	-
(e) staff costs	(109)	(109)
(f) administration and corporate costs	(41)	(41)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(9)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(218)</b>	<b>(218)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	2	2
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>2</b>	<b>2</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	298	298
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>298</b>	<b>298</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	616	616
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(218)	(218)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	2	2
4.4	Net cash from / (used in) financing activities (item 3.10 above)	298	298

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

4.5	Effect of movement in exchange rates on cash held	(24)	(24)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>674</b>	<b>674</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	674	616
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>674</b>	<b>616</b>

**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**

19

-

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(218)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	674
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	674
8.5	<b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	3.09

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: Refer to ASX announcement dated 14 July 2020.

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:

### Compliance statement

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

Date: 31 July 2020

Authorised by: The Board of Flexiroam Limited

### Notes

1. 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.
2. 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.
3. 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.
4. 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".
5. 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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