

### **APPENDIX 4E**

#### **RESULTS FOR ANNOUNCEMENT TO THE MARKET**

	% INCREASE / (DECREASE)	3 MONTHS ENDED 30 JUN 2023 \$	12 MONTHS ENDED 31 MAR 2023 \$
Revenue from ordinary activities	(69.0)	2,763,534	8,904,626
Profit/(loss) after tax from ordinary activities attributable to members	213.6	2,995,460	(2,637,526)
Net profit/(loss) for the period attributable to members	213.6	2,995,460	(2,637,526)

#### **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

	ISSUED CAPITAL (NUMBER)	CENTS
Tangible asset backing per ordinary share – previous reporting period	629,439,047	(0.79)
Tangible asset backing per ordinary share – current reporting period	651,210,683	(0.93)





Consolidated Annual Financial Report for the Year Ended 30 June 2023

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## MESSAGE FOR SHAREHOLDERS FROM CHAIRMAN

Dear Shareholders.

On behalf of the Board of Directors of Flexiroam, I am pleased to present to you the interim report for the period April – June 2023. During the period, Flexiroam changed its financial year-end from 31 March to 30 June hence this is a transitional three-month reporting period.

We continue to exceed our budget expectations in both sales and earnings growth during the interim period. The Board believes that there is a significant addressable market with growth opportunities for our core travel business and in the provisioning of seamless mobile connectivity everywhere for everything. We are increasingly turning our focus to the adjacent solutions markets where we can build on our assets with further product differentiation to meet the specific needs of each segment application. To capture these exciting opportunities, we will continue to invest in building innovative products, service offerings and technology infrastructure to scale our business which will enable us to drive significant long-term value for shareholders.

#### **EXECUTIVE TEAM**

On 30 March 2023, the Board extended the employment agreement for CEO and Executive Director, Mr. Marc Barnett, providing Flexiroam with executive leadership continuity. The Board considers this renewal agreement to be of material benefit to the Company, enabling the ongoing execution of the Company's growth strategy.

The Board remains committed to ensuring the ongoing alignment between the executive team and that of our shareholders' long-term interest. As such, the Board proposed an employee share option plan, which was duly approved at our Annual General Meeting in June 2023. Options have been granted to employees and directors in tranches and are subject to the following exercise prices and vesting conditions:

EXERCISE PRICE PER OPTION	VESTING CONDITION	EXPIRY DATE
\$0.035	1 year vesting	5 years from date of issue
\$0.075	2 year vesting	5 years from date of issue
\$0.115	3 year vesting	5 years from date of issue

#### STRATEGY AND OUTLOOK

We started FY24 as a much stronger business than we have ever been and are forecasting exponential growth over the coming years. We are experiencing strong momentum across our key business economics which is reflected in our increased sales pipeline and significant data cost reductions which in turn has resulted in improved margins.

Our global travel revenue continues to perform well, dominating a significant percentage of total sales. The Board notes that the global non-travel revenue is equally important and we will continue to invest to maximise its future growth.

I take this opportunity to quote our CEO's remark made in July 2023:

"We have consistently worked on transitioning our business, enhancing our infrastructure, products, and services, thereby enabling us to scale the company to serve billions of devices worldwide. We are well positioned to deliver transformational results in FY24 through the ongoing growth in our travel business and the continued expansion into new and diverse sectors that allow us to showcase the potential of our connectivity solutions."

#### **SUMMARY**

I would like to express my sincere appreciation to fellow Board members for your support and strategic counsel and to the Leadership Team and staff for your dedication and commitment. Your hard work has been instrumental in navigating us through our challenges and will undoubtedly help us achieve our ambitious goals in FY24 and in the years to come.

Finally, on behalf of the Board, I would like to thank our shareholders, business partners and customers for your support and commitment to Flexiroam. With the strong foundations that we have in place, the Board remains confident in the prospects of the business and will do our best to deliver value.

#### Tat Seng Koh

#### Chairman

### **MESSAGE FOR SHAREHOLDERS FROM CEO**

Dear Shareholders,

It is my pleasure to present Flexiroam's Interim Report for the 3 months ended 30 June 2023. During the reporting period, in order to align the reporting schedule with the standard Australian reporting cycle, the Group changed its financial year-end to 30 June. Accordingly, the results show the 3-month period from 1 April 2023 to 30 June 2023. The previously reported FY23 results are for the 12 month-period from 1 April 2022 to 31 March 2023, the statutory comparative period in this report.

#### **FINANCIAL PERFORMANCE**

For the 3 month period, the Company's revenue reached A\$2.76M, a 2% increase from Q4 FY23: A\$2.71M and a 72% rise compared to the same period last year (Q1 FY23: A\$1.60M). This increase is attributed by the significant growth in the travel sector and white labelled reseller sales.

The Company experienced a remarkable improvement in gross profit by 192% to A\$1.45M, in contrast to the same period last year (Q1 FY23: A\$497k). This growth was underwritten by a substantial reduction in data costs. Notably, the data cost per GB exhibited a consistent decline, with a 26% reduction in June 2023 compared to March 2023, and an impressive 51% decline compared to June 2022.

In accordance with AASB 136 Impairment of Assets guidelines, Flexiroam conducted an evaluation at the end of each reporting period to determine if there are any indications that previously recognised impairment losses for assets had diminished. In response to these indications, Flexiroam engaged an independent valuer to assess the carrying value of their Intangible Assets. As a result of this assessment, a notable recovery of A\$4.0M was recorded in June 2023 as the determined recoverable amount.

Cash receipts for the interim period of Apr-June 2023 were A\$2.52M, up 9% from the normalised cash receipts for the previous quarter (Q4 FY23: A\$2.31M). The normalised cash receipts exclude a one-off payment of A\$748k from Mastercard in Q4 FY23. Cash burn from Operating Activities of A\$553k was A\$214k lower compared to the same period last year (Q1 FY23: A\$767k). Cash outflows from Investing Activities for the quarter was A\$292k.

#### **DELIVERING ON TRANSFORMATIONAL OUTCOMES AND OUTLOOK**

We believe that the transitional period will be a pivotal period for Flexiroam, providing the company with a valuable opportunity to establish a more robust foundation and align with the standard Australian reporting period. Throughout the transitional fiscal period, we have successfully achieved the expected outcomes, setting ourselves up for a strong and promising start to FY24. We have consistently worked on transitioning the business, enhancing our infrastructure, products, and services, thereby enabling us to scale the company to serve millions of devices worldwide. We are well positioned to deliver transformation results in FY24 through the ongoing growth of our travel business and the continued expansion into new and diverse sectors that allow us to showcase the potential of our connectivity solutions.

I would like to thank the Board, Leadership Team and all the members of the Flexiroam business for their efforts during the period and for their commitment to our success. On behalf of the Board, I would like to thank our investors for supporting our business. Our company is well positioned for success and we look forward to delivering another year of strong performance in FY24 and beyond.

**Marc Barnett** 

**CEO and Executive Director** 

### **DIRECTOR'S REPORT**

The Directors of Flexiroam Limited ('the Company') and its controlled entities submit herewith their report together with the financial statements of the company ('the Group') for the period ended 30 June 2023.

#### 1. DIRECTORS

The names and particulars of the directors of the Company during or since the end of the period 30 June 2023 are:

#### **TAT SENG KOH**

#### **Non-Executive Chairman**

Tat Seng Koh has extensive experience in investment banking and corporate finance. He has successfully listed many companies on stock exchanges and raised funds in the debt and equity market.

He was instrumental in the listing of MayAir Group plc and PureCircle Ltd on the AIM Market, London Stock Exchange in 2015 and 2007 respectively. He held the position of Executive Director/Group Chief Financial Officer of MayAir Group plc and was the Group Chief Financial Officer of PureCircle Ltd. Prior to joining PureCircle Ltd, Tat Seng was Head of Corporate Finance at Avenue Securities Sdn Bhd (a member of the ECM Libra Avenue Group) and Associate Director of Corporate Finance of CIMB Investment Bank Berhad, a leading investment bank in Malaysia. He started his career at Coopers & Lybrand (now known as PWC) upon obtaining his bachelor's degree in accounting from University of Malaya in 1990. He is a member of the Malaysian Institute of Accountants and was a member of the Listing Committee of the Labuan International Financial Exchange, a wholly owned subsidiary of Bursa Malaysia Berhad.

Tat Seng has not held directorships in any other Australian listed companies during the past three financial years.

#### **MARC BARNETT**

#### **Executive Director and CEO**

Marc Barnett has extensive experience in sales, commercial operations, finance and change management, and brings over 12 years' experience in C-suite roles across the Asia-Pacific region, with multinational corporations and high growth start-ups.

Marc Barnett was most recently Chief Executive Officer of video-on-demand service iflix, until its acquisition by Tencent in June 2020, having joined as Chief Operating Officer in 2016. He accelerated iflix's growth to deliver 50 million app downloads with 25 million monthly active users, rapidly expanding the business to 32 markets spanning Asia, the Middle East and Africa.

Marc Barnett held senior leadership roles at Microsoft and nineMSN. As part of the Microsoft Asia-Pacific Executive Leadership Team, he developed the go-to- market strategy for over 100 sales staff across 13 markets in the region. He represented the interests of Nine Entertainment Co and Microsoft in Joint Ventures.

Marc Barnett has not held directorships in any other Australian listed companies during the past three financial years.

#### **JEFREY ONG**

#### **Non-Executive Director**

Jefrey Ong is a highly experienced entrepreneur and business leader in the telecommunications and technology sectors. He founded Flexiroam in 2012 and listed the company on ASX in 2015 raising more than A\$10m via IPO. Under his leadership, Flexiroam launched various innovative solutions to the travel and IoT market through the use of eSim technology.

Prior to the transition to Non-Executive role, Jefrey Ong has led the experienced team to establish key partnerships with some of the most reputable global brands including Apple, Mastercard, Tripadvisor and Korean Air. These partnerships have helped Flexiroam reach a wider audience and provide its services to travellers all around the world.

He is currently serving as an advisor to several fast-growing tech startups in e-commerce, cloud and Web3 space.

Jefrey Ong graduated from Champlain College, United States, with a Bachelor of Science, Degree in Software Engineering. Jef also completed the Innovation & Entrepreneurship Program in Stanford University, United States.

Jefrey Ong has not held directorships in any other Australian listed companies during the past three financial years.

Mr. Ong is the Chair of the Nomination and Remuneration Committee.

#### 1. DIRECTORS - CONTINUED

#### STEPHEN FRANK PICTON

#### **Non-Executive Director**

Steve Picton is a highly experienced and seasoned executive, with over 35 years' of technology and telecommunications leadership experience, spanning sales, marketing and strategy, including 20 years as a Chief Executive Officer.

Steve is currently a Director of management consultancy Richmond Bridge, where he focuses on business development and technology investments. He also sits on the Boards of Echo IQ Limited (ASX:EIQ), Cognian Technologies Pty Ltd and Richmond Bridge Pty Ltd.

Steve was the Chief Executive Officer of Super Fast Broadband business LBNCo, from June 2015 until January 2021, investing in and leading the business during a period of explosive growth and structural change. Prior to this, Steve worked as a Management Consultant at Richmond Bridge and founded the Gotalk business in Australia for 13 years through to an exit. While Chief Executive Officer of Gotalk, Steve built the largest calling card business in Australia and New Zealand, growing the business to become profitable with solid cash flow. His initial career was with British Telecom in the UK and Asia Pacific where he held senior executive roles within Sales & Marketing and also Corporate Development where he led several substantial M&A activities.

Mr Picton is the chair of the Audit and Risk Committee.

#### 2. COMPANY SECRETARY

#### **NATALIE TEO**

Natalie Teo graduated with a Masters degree in Accounting from Curtin University in Western Australia and holds a Graduate Diploma in Applied Corporate Governance with the Governance Institute of Australia. Ms Teo is a Chartered Secretary and an Associate of the Governance Institute of Australia.

She is currently the secretary to several ASX-listed entities and is working with a firm which provides company secretarial and accounting services to both listed and unlisted entities.

#### 3. PRINCIPAL ACTIVITIES

The Group is involved in telecommunications and Internet of Things (IoT) connectivity. There have been no significant changes in the nature of the activities during the year.

#### 4. REVIEW OF OPERATIONS

The information and analysis about the Group's financial performance in the transitional financial period to June 2023 are detailed in the Financial Performance section beginning on page 13 of this interim report.

To focus on growth, the Corporate Travel and Solutions lines of business are redefined into seven distinct vertical segments. These segments are Corporate Rewards and Sponsorship, Wholesale Partners, Reseller Partners, Aviation Services, Terminal Enablement Solutions, Enterprise Solutions, and Maritime Services. The business maintains an "Incubator" segment focused on capturing further growth opportunities in singular solutions that deliver attractive returns.

This shift allows the Company to streamline resources to these specific segments, accelerating the Company's value proposition and specialised expertise in each area. This redefinition of the Corporate Travel and Solutions lines of business reflects Flexiroam's commitment to growth and innovation.

#### 5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Effective 1st April 2023, the employment agreement of CEO and Executive Director, Marc Barnett was renewed and his annual remuneration increased to A\$500,000 per annum. The duration of the employment contract has been amended from 3 years commencing 27 April 2021 to ongoing with no fixed term.

On 11th May 2023, the Company decided to align the Company's reporting timetable with the standard Australian reporting cycle and all fully owned subsidiaries will also change to a 30 June year end. The Company has made the change in accordance with section 323D(2A) of the Corporations Act 2001 (Cth). Flexiroam's most recent financial year ended on 31 March 2023 (FY2023) and the Company will have a three-month transitional financial reporting period beginning 1 April 2023 and ending on 30 June 2023.

The Company issued a total of 78,490,000 options in June 2023 under its Employee Share Option Plan in three separate tranches. The plan was approved by shareholders on 19 June 2023 and the options form three new classes of unquoted securities with the following exercise and vesting conditions. Eligible participants (being employees and consultants of the Company) have accepted the offer of 26,490,000 options and 52,000,000 options to Directors.

NUMBER	EXERCISE PRICE PER OPTION	VESTING CONDITION	EXPIRY DATE
26,163,332	\$0.035	1 year vesting	5 years from date of issue
26,163,332	\$0.075	2 year vesting	5 years from date of issue
26,163,336	\$0.115	3 year vesting	5 years from date of issue

In the interim quarter, the Company advises that 21,771,636 fully paid ordinary shares under its Employee Incentive Plan with nil monetary value have been released from a 12-month voluntary escrow. The 21,771,636 shares consist of 10,000,000 CEO's vested performance rights and 2,250,000 Executive performance rights exercised and converted to fully paid ordinary shares at a deemed issue price of \$0.027 and \$0.035 respectively, no cash was received. The remaining balance of 9,521,636 vested employee incentive shares issued at a deemed issue price of A\$0.034 and A\$0.035.

Flexiroam has decided to reinstate the Intangible Assets that were impaired in FY18, demonstrating our strong belief in their revenue-generating potential. After careful evaluation and rigorous assessment, we have determined that these assets hold significant value and can make substantial contributions to our revenue streams. By reinstating them, we increased our asset value which can positively impact financial statements, balance sheets and enhance the company's financial position. This move enables the company to deliver a good message of how our IP is able to generate future revenue streams. An independent valuer was appointed to assess our Intangible Assets, resulting in an impairment reversal amount of A\$4.0M in June 2023.

#### **6. SIGNIFICANT EVENTS AFTER BALANCE DATE**

There are no significant events after the balance date.

#### 7. LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company has seen data sold and data usage from Travel users significantly increase during FY23 and in the interim quarter and expects the strong growth in usage to continue into FY24. Flexiroam continued to deliver on its growth strategy, which includes white label solutions to increase global presence across key industries and geographies. Ongoing improvements in operational efficiency have led to an increase in gross profit, driven by increased revenue and significant reductions in data costs.

Flexiroam has a pipeline of existing and potential partnerships, and our team will continue to seek out new opportunities to expand market share and increase brand recognition across key verticals.

The potential risks associated with the Group's business are outlined below.

#### Competitive market

The industry in which the Company operates in is a highly dynamic and competitive market and is subject to both domestic and global competition, including telecommunication companies and resellers of travel SIMs. Some of the Company's competitors are telecommunication companies that are large organisations with greater financial, technical and human resources.

While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors, whose activities or actions may negatively impact the operating and financial performance of the Company. Notwithstanding stiff competition, the Company continues to respond with a customer-focused strategy, constant research and development into technology, high quality products and services, and improvements in operating costs.

#### Cyber security

A cyber-security breach on the FlexiroamX App could render the FlexiroamX App unavailable for use by customers or customers' personal information could be compromised. An attack may happen without warning and would range in severity.

The Company has in place necessary cyber security measures to minimise and manage such attacks, however there can be no assurance that such security strategies will be effective. Unavailability of the FlexiroamX App could harm the Company's reputation and lead to a loss of revenue, while a compromise on customers' information could hinder the Company's ability to retain existing customers or attract new customers, which could have a material adverse impact on the Company's business.

#### Dependence on third party network providers

The Company's business model is reliant upon third party network providers and the performance of those networks. The Company has support measures in place in the event of any network downtime or disruption, aiming to provide customers with the best possible solution and user experience. However, any network downtime or disruption could materially impact connectivity, and this may affect customer confidence and impact sales of the Company.

#### **Currency risk**

The Company derives the majority of its revenue in US dollars and has cost exposure mainly in US dollars, Australian dollars and Malaysian Ringgit. Accordingly, changes in the exchange rate between US dollars, Australian dollars and Malaysian Ringgit will have a direct effect on the performance of the Company.

#### Government policy changes and legal risk

The Company's customers are situated globally and the Company's network covers over 200 countries. The Company's operations in the countries in which it operates will be governed by the applicable laws and regulations in those countries. Breaches or non-compliance with these laws and regulations could result in penalties and other liabilities. These may have a material adverse impact on the assets, operations, performance, growth prospects and share price of the Company. Any governmental action or policy changes in relation to aspects such as access to customers, intellectual property protection, trade restrictions and taxation may also adversely affect the Company. In addition, there is a commercial risk that legal action may be taken against the Company in relation to commercial matters.

#### 8. ENVIRONMENTAL LEGISLATION

The entity is not subject to any significant environmental legislation.

#### 9. MEETINGS OF DIRECTORS

The number of monthly business review meetings of the company's Board of Directors attended by each Director during the period ended 30 June 2023 was:

DIRECTOR	MEETINGS HELD WHILE IN OFFICE	MEETINGS ATTENDED
Marc Barnett	3	3
Jefrey Ong	3	3
Tat Seng Koh	3	3
Stephen Frank Picton	3	3

The number of meetings of the company's Audit and Risk Committee attended by each committee during the period ended 30 June 2023 was:

DIRECTOR	MEETINGS HELD WHILE IN OFFICE	MEETINGS ATTENDED
Jefrey Ong	1	1
Tat Seng Koh	1	1
Stephen Frank Picton	1	1

In addition, The Board of Directors approved 3 circular resolutions during the period ended 30 June 2023 which were signed by all Directors of the Company.

#### 10. REMUNERATION REPORT (AUDITED)

This report outlines the remuneration arrangements in place for Directors and other Key Management Personnel of the Group.

#### 10.1 KEY MANAGEMENT PERSONNEL DISCLOSED IN THIS REPORT

- i. Marc Barnett (Executive Director and Chief Executive Officer effective from 27 April 2021);
- ii. Jefrey Ong (Non-Executive Director, effective from 1 April 2022);
- iii. Tat Seng Koh (Non-Executive Chairman, effective 1 February 2023);
- iv. Stephen Frank Picton (Non-Executive Director, effective from 1 June 2022).

#### 10.2 REMUNERATION GOVERNANCE

The number of meetings of the company's Nomination and Remuneration Committee attended by each Committee member during the period ended 30 June 2023 was:

DIRECTOR	MEETINGS HELD WHILE IN OFFICE	MEETINGS ATTENDED		
Jefrey Ong	1	1		
Tat Seng Koh	1	1		
Stephen Frank Picton	1	1		

#### 10. REMUNERATION REPORT (AUDITED) - CONTINUED

#### 10.3 NON-EXECUTIVE DIRECTOR REMUNERATION

The Board seeks to set remuneration of Non-Executive Directors at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is appropriate at this stage of the Company's development.

The Board had resolved that Non-Executive Directors' fees range up to \$60,000 per annum for each Non-Executive Director.

In addition, Non-Executive Directors are entitled to be paid reasonable travelling, accommodation and other expenses incurred as a consequence of their attendance at meetings of Directors and otherwise in the execution of their duties as Directors.

Total remuneration for all non-executive directors, last voted upon by shareholders at a meeting held on 30 November 2011, is not to exceed \$250,000 per annum.

#### **10.4 EXECUTIVE REMUNERATION**

The following table discloses the contractual arrangements with the Group's Key Management Personnel.

#### a. Key Terms of Remuneration

COMPONENT	CEO DESCRIPTION
Fixed remuneration	\$500,000 per annum
Contract duration	Ongoing with no fixed term
Notice by the individual/company	6 months
Other entitlements	Annual and personal leave, Incentive benefit

#### 10.5 EXECUTIVE REMUNERATION

a. Summary of amounts paid to key management personnel

The table below discloses the compensation of the Key Management Personnel of the Group during the period ended 30 June 2023.

3 MONTHS ENDED 30 JUNE 2023	SHORT-TERM EMPLOYEE BENEFITS SALARY & FEES	BONUS	POST- EMPLOYMENT SUPERANNUATION	SHARE-BASED PAYMENTS	TOTAL	PERCENTAGE OF TOTAL REMUNERATION FOR THE YEAR LINKED TO PERFORMANCE
	\$	\$	\$	\$	\$	%
Directors — Flexiro	am Limited					
Jefrey Ong	15,000	-	-	-	15,000	-
Tat Seng Koh	15,000	-	-	-	15,000	-
Marc Barnett	126,553	-	-	348,750	475,303	73.4
Stephen Frank Picton	13,575	-	1,425	-	15,000	-
2023 Total	170,128	-	1,425	348,750	520,303	67.0

#### 10. REMUNERATION REPORT (AUDITED) - CONTINUED

12 MONTHS ENDED 31 MAR 2023	SHORT-TER M EMPLOYEE BENEFITS SALARY & FEES	BONUS	POST- EMPLOYMENT SUPERANNUATION	SHARE-BASED PAYMENTS	TOTAL	PERCENTAGE OF TOTAL REMUNERATION FOR THE YEAR LINKED TO PERFORMANCE
	\$	\$	\$	\$	\$	%
Directors — Flexiroan	n Limited					
Jefrey Ong	60,000	-	-	30,000	90,000	33.3
Tat Seng Koh	60,000	-	-	-	60,000	-
Thian Choy Ong <sup>[1]</sup>	6,000	-	-	-	6,000	-
Marc Barnett	355,558	-	-	887,500	1,243,058	71.4
Stephen Frank Picton <sup>[2]</sup>	45,269	-	4,731	-	50,000	-
2023 Total	526,827	-	4,731	917,500	1,449,058	63.3

<sup>[1]</sup> resigned 1 June 2022

No member of key management personnel appointed during the year received a payment as part of his or her consideration for agreeing to hold the position (30 June 2023: \$nil).

#### b. Employee share option plan

The Company has issued 21,771,636 fully paid ordinary shares under its Employee Incentive Plan for nil monetary consideration. The 21,771,636 shares consist of 10,000,000 CEO's vested performance rights and 2,250,000 Executive performance rights exercised and converted to fully paid ordinary shares at \$0.027 and \$0.035 respectively. The remaining balance of 9,521,636 vested employee incentive shares issued at a deemed issue price of A\$0.034 and A\$0.035.

#### 10.6 EQUITY HOLDINGS OF KEY MANAGEMENT PERSONNEL

#### a. Fully paid ordinary shares

Fully paid ordinary shares held by Flexiroam Limited by Key Management Personnel are as follows:

30 JUNE 2023	BALANCE AT 1 APR 2023	ALLOTMENT / PURCHASE OF SHARES	DISPOSAL OF SHARES	NET OTHER CHANGES	BALANCE AT 30 JUNE 2023	BALANCE HELD NOMINALLY
	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
Directors — Flexion	roam Limited					
Jefrey Ong	54,903,539	-	-	-	54,903,539	-
Tat Seng Koh	47,772,162	-	+	-	47,772,162	-
Marc Barnett	22,573,530	12,250,000	-	-	34,823,530	-
Stephen Frank Picton	11,855,673	-	-	-	11,855,673	11,855,673

<sup>[2]</sup> appointed 1 June 2022

#### 10. REMUNERATION REPORT (AUDITED) - CONTINUED

#### b. Share options held by key management personnel

The Company issued a total of 52,000,000 options to Directors in June 2023 under its Employee Share Option Plan in three separate tranches. The plan was approved by shareholders on 19 June 2023 and the options form three new classes of unquoted securities with the following exercise and vesting conditions.

NUMBER	EXERCISE PRICE PER OPTION	VESTING CONDITION	EXPIRY DATE
17,333,332	\$0.035	1 year vesting	5 years from date of issue
17,333,332	\$0.075	2 year vesting	5 years from date of issue
17,333,336	\$0.115	3 year vesting	5 years from date of issue

#### c. Performance rights

On June 2, 2023, a total of 14,500,000 CEO and Executive performance rights were issued. The number of options being exercised is 12,250,000 and 2,250,000 Executive performance rights are currently subject to a 24-month holding lock period.

DIRECTORS	GRANT DATE	EXERCISE PRICE	NUMBER
Marc Barnett	21 June 2022	\$0.027	10,000,000
Marc Barnett	21 June 2022	\$0.035	4,500,000

#### 10.7 VOTING AND COMMENTS MADE AT THE COMPANY'S 2022 ANNUAL GENERAL MEETING

The Company received 99.72% votes, of those shareholders who exercised their right to vote, in favour of the remuneration reports for the 2023 financial period. The Company did not receive any specific feedback at the AGM or throughout the period on its remuneration practices.

#### 10.8 LOANS TO KEY MANAGEMENT PERSONNEL

There were no loans to key management personnel.

(This is the end of the Audited Remuneration Report)

#### **DIRECTORS' REPORT**

#### 11. INDEMNITY AND INSURANCE OF OFFICERS

During the financial year, the Company has renewed insurance premiums for the period of one year relating to contracts insuring the directors and officers against liability which may arise in connection with them acting as Directors to the extent permitted under the Corporations Act.

#### 12. INDEMNITY AND INSURANCE OF AUDITORS

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

#### 13. PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or any part of these proceedings. The Company was not a party to any such proceedings during the year.

### 14. INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY AND RELATED BODIES CORPORATE

This has been disclosed in page 8 and 9 under Section 10.6 a,b and c.

#### 15. SHARE OPTIONS

No share options expired and unexercised.

#### 16. NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

During the year, no fees have been paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms.

#### 17. DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

#### 18. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included in this Financial Report.

**Marc Barnett** 

Chief Executive Officer

Signed on this 31st August 2023



### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor of the audit of Flexiroam Limited for the period ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Flexiroam Limited and the entities it controlled during the period.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla Director

31 August 2023



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	NOTES	3 MONTHS ENDED 30 JUNE 2023 \$	12 MONTHS ENDED 31 MARCH 2023 \$
Revenue	6	2,763,534	8,904,626
Cost of sales		(1,314,944)	(5,044,664)
Gross profit		1,448,590	3,859,962
Reversal of impairment loss on intangible assets		4,014,516	-
Interest income		15,349	30,697
Foreign exchange (losses)/gains		(6,975)	121,255
Other income		8,046	75,028
Administration and operating expenses		(470,844)	(1,164,649)
Selling and marketing expenses		(977,747)	(2,702,059)
Research and development		(130,466)	(342,089)
Staff costs		(517,775)	(1,205,840)
Share based payment		(101,935)	(825,746)
Depreciation and amortisation		(173,579)	(26,685)
Plant and equipment written off		-	(7,953)
Finance expenses		(111,720)	(449,447)
Profit/(Loss) before income tax		2,995,460	(2,637,526)
Income tax expense	16	-	-
Profit/(Loss) for the period/year		2,995,460	(2,637,526)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Foreign exchange translation of foreign controlled subsidiaries		(21,235)	(393,930)
Total other comprehensive income, net of tax		(21,235)	(393,930)
Total comprehensive income for the period/year		2,974,225	(3,031,456)
Earning/(Loss) per share (basic and diluted)	19	0.47 cents	(0.42) cents

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 30 JUNE 2023

	NOTES	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,268,675	1,029,223
Fixed deposits with a licensed bank	7	30,240	1,066,427
Trade and other receivables	9	213,674	210,070
Inventories	10	391,391	371,104
Other assets		172,779	76,887
Total current assets		2,076,759	2,753,711
NON-CURRENT ASSETS			
Plant and equipment	11	63,625	36,000
Intangible assets	12	3,980,607	102,768
Development costs	13	973,172	692,784
Total non-current assets		5,017,404	831,552
Total Assets		7,094,163	3,585,263
CURRENT LIABILITIES			
Trade and other payables	14	4,678,435	4,045,977
Deferred revenue	15	3,536,123	3,735,842
Total current liabilities		8,214,558	7,781,819
Total Liabilities		8,214,558	7,781,819
Net Assets Deficiency		(1,120,395)	(4,196,556)
EQUITY			
Issued capital	17	48,636,682	47,959,378
Reserves	18	(3,039,528)	(2,442,925)
Accumulated losses		(46,717,549)	(49,713,009)
Total Equity Deficiency		(1,120,395)	(4,196,556)

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

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	ISSUED CAPITAL	OPTION & PERFORMANCE RIGHTS RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	ACCUMULATED LOSS	TOTAL
	\$	\$	\$	\$	\$
BALANCE AT 1 APRIL 2022	46,883,390	1,102,774	(2,901,527)	(47,075,483)	(1,990,846)
Loss for the year	-	-	-	(2,637,526)	(2,637,526)
Other comprehensive income for the year	-	-	(393,930)	-	(393,930)
Total comprehensive income for the year	-	-	(393,930)	(2,637,526)	(3,031,456)
Performance rights granted to employees	-	825,746	-	-	825,746
Shares issued during the year	1,066,688	(1,066,688)	-	-	-
Share issue costs	9,300	(9,300)	-	-	-
BALANCE AT 31 MARCH 2023	47,959,378	852,532	(3,295,457)	(49,713,009)	(4,196,556)
BALANCE AT 1 APRIL 2023	47,959,378	852,532	(3,295,457)	(49,713,009)	(4,196,556)
Profit for the period	-	-	-	2,995,460	2,995,460
Other comprehensive income for the period	-	-	(21,235)	-	(21,235)
Total comprehensive income for the period	-	-	(21,235)	2,995,460	2,974,225
Performance rights granted to employees	-	101,936	-	-	101,936
Shares issued during the period	328,554	(328,554)	-	-	-
Share right converted	348,750	(348,750)	-	-	-
BALANCE AT 30 JUNE 2023	48,636,682	277,164	(3,316,692)	(46,717,549)	(1,120,395)

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

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	NOTES	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MAR 2023 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		2,503,757	10,157,794
Payments to suppliers and employees		(2,961,619)	(11,354,201)
Finance charges		(110,453)	(449,447)
Interest received		15,349	30,697
Net cash flows used in operating activities	8	(552,966)	(1,615,157)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant & equipment		(33,073)	(26,875)
Purchase of intangible assets		-	(55,089)
Development cost paid		(258,829)	(685,681)
Proceeds from disposal of plant & equipment		-	34,666
Net cash flows used in investing activities		(291,902)	(732,979)
CASH FLOWS FROM FINANCING ACTIVITY			
Refund on prior period of share issued		-	(69)
Net cash flows used in financing activity		-	(69)
Net decrease in cash and cash equivalents		(844,868)	(2,348,205)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2,095,650	4,211,347
Effect of foreign exchange translation		48,133	232,508
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	1,298,915	2,095,650

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

#### 1. REPORTING ENTITY

These financial statements and notes of Flexiroam Limited ("the Company") and its subsidiaries (collectively "the Group" or "the Consolidated Entities") comprise the consolidated financial statements for the Group. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity and is domiciled in Australia. The Group is involved in the telecommunications and internet of things (IoT) connectivity industry.

#### 2. ADOPTION OF NEW AND REVISED AUSTRALIAN ACCOUNTING STANDARDS

#### 2.1 STANDARDS AND INTERPRETATIONS APPLICABLE TO 30 JUNE 2023

In the period ended 30 June 2023, the Directors reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current year reporting period.

#### 2.2 STANDARDS AND INTERPRETATIONS IN ISSUE NOT YET ADOPTED

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the period ended 30 June 2023.

There are no material impacts of the new and revised Standards and Interpretations on the Group and therefore no change is necessary to the Group's accounting policies.

#### 3. GOING CONCERN

These financial statements have been prepared on a going concern basis, which considers the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred an operating profit of \$2,995,460 for the period ended 30 June 2023 (31 March 2023: operating loss of \$2,637,526) and a net cash outflows from operating activities amounting to \$552,966 (year ended 31 March 2023: \$1,615,157). The profit in the period includes the one off impairment reversal of \$4,014,516. As at 30 June 2023, the Group has a deficiency in net current asset of \$6,137,799 (31 March 2023: \$5,028,108) and a net asset deficiency of \$1,120,395 (31 March 2023: \$4,196,556). The ability of the Group to continue as a going concern is dependent on the Group achieving positive operating cash flows and/or securing additional funding via capital raising to continue to fund its operational and marketing activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

The Directors are satisfied that the going concern basis of preparation is appropriate and there are reasonable grounds to believe that the Group will continue as a going concern due to the following factors:

- The Directors are confident in the outlook of improved financial performance of the business to deliver future profitable operations; and/or
- The Company is able to raise further capital based on historical success.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

These general-purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

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. Material accounting policy information adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

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 non-current assets, financial assets and financial liabilities.

#### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement in with the investee; and
- has the ability through its power to affect its returns.

The Company reassess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above.

When the Company has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including,

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties, rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to
  direct the relevant activities at the time that decisions need to be made, including voting patterns at previous
  shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

#### 4.3 MATERIAL ACCOUNTING POLICY INFORMATION

The following accounting policies have been adopted in the preparation and presentation of the financial report:

#### a. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

#### b. Foreign currency translation

The functional currencies of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the Company and subsidiaries operate; being Australian Dollars, Malaysian Ringgit, and US Dollars respectively. However, as the majority of the Company's shareholder base is Australian, these financial statements are presented in Australian Dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All foreign exchange differences in the consolidated financial report are recognised in the profit loss statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

As at the balance sheet date the assets and liabilities of the Group are translated into the presentation currency of Flexiroam Limited at the rate of exchange at the balance date and income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

#### b. Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Group recognises revenue when a customer obtains control of a good and/or services and thus has the ability to utilise and obtain benefits from the goods and/or services.

#### Travel revenue

- Revenue from the sale of data roaming plans is recognised over time based on the customer usage or upon expiration of the validity period of the data, specifically for retail;
- Revenues from the sales of x-licenses are recognised over time based on customer usage or upon expiration of the validity period of the data, specifically for reseller and/or wholesale partners;
- Revenue from sale of Flexiroam credits are deferred until the credits are converted to data plans and over time based on the customer usage or upon expiration of the validity period of the data;

Corporate Rewards and Sponsorships - Revenue from the confirmed quarterly CIF (Card In Force), specifically for Mastercard and other clients, Revenue from the sale of data roaming plans recognised over time based on customer usage or upon the expiration of the data validity period.

Aviation revenue, Maritime, and Enterprise - Revenue from the sale of data roaming plans is recognised over time based on the customer usage or upon expiration of the validity period of the data;

Terminal Enablement Solutions - Revenues from the recurring plans are recognised over time as they are mostly monthly subscriptions.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

#### Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

#### d. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### e. Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within periods ranging from 14 days to 90 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### f. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

#### g. Financial instruments

#### Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Financial instruments are then classified and measured as set out below.

#### Classification and subsequent measurement

All financial instruments of the Group are subsequently measured at amortised cost, using the effective interest rate method.

#### **Amortised cost**

Amortised cost is calculated as a) the amount at which the financial asset or liability is measured at initial recognition; b) less principal repayments; c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and d) less any reduction for impairment.

#### Effective interest rate method

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

#### Derecognition

Financial instruments are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

#### h. Plant and Equipment

Equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Equipment 3 - 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### Impairment

The carrying values of plant and equipment are reviewed for indicators of impairment at each balance date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

For plant and equipment, impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive income in the cost of sales line item.

#### Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

#### i. Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line method over their estimated useful lives, as follows:

Trademark and patents 10 years
Website development costs 5 years
Intangible assets 10 years

The reversal of impairment for intangible assets was determined using their carrying value, which is scheduled for complete depreciation by June 2025, 10 years since the initial acquisition date.

#### j. Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

#### k. Research and development expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if, an entity can demonstrate all of the following:-

- a) its ability to measure reliably the expenditure attributable to the asset under development;
- b) the product or process is technically and commercially feasible;
- c) its future economic benefits are probable;
- d) its intention to complete and the ability to use or sell the developed asset; and
- e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount. The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

m. Income tax

#### Current tax

Current tax is calculated by reference to the amount of income taxes payable to or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

#### Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted by reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequence that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authorities and the Group intends to settle its current tax assets and liabilities on a net basis.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

#### Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the consolidated statement of profit or loss and other comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### n. Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### o. Employee Share Option Plan

Subject to the Listing Rules, the Board may, from time to time and in its absolute discretion, grant Options to Eligible Participants in accordance with these terms and conditions.

Each Option entitles the Option holder to subscribe for one Share at the Exercise Price. On an offer of Options to an Eligible Participant, the Company (or a Group) must provide the Eligible Participant with an invitation to participate. To accept the offer of Options, the Acceptance for Options must be signed by the Eligible Participant and returned to the Company within the specified period. An Eligible Participant is not bound to accept an offer of Options.

Where the Company receives a completed Acceptance for Options, the Company must, subject to the Listing Rules:

- (a) grant the relevant number of Options to the Option holder; and
- (b) issue the Option holder with an Option Certificate in respect of the Options,

unless at or after the time the Company offered the Options the recipient of the offer ceases to be an Eligible Participant.

Expense of the options is recognised by the end of the financial year.

#### p. Parent entity financial information

The financial information for the parent entity, Flexiroam Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements, except as set out below.

#### Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the parent entity's financial statements.

#### **Share-based payments**

The grant by the Company of shares over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking.

#### q. Employee benefits

#### Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Company.

#### **Defined contribution plans**

As required by law, companies in Malaysia make contributions to the Employees Provident Fund (EPF), including the Group's Malaysian subsidiary. Such contributions are recognised as an expense in profit or loss as incurred.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION - CONTINUED

#### r. Earnings/Loss per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of
  potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary
  shares, adjusted for any bonus element.

#### s. Critical accounting judgements and key sources of estimation uncertainty

The Directors make several estimates and assumptions in preparing general purpose financial statements. The resulting accounting estimates, will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods if relevant.

#### Recognition of revenue from breakage

Revenue from expected breakage amounts are recognised based on the actual amount of data utilised but not expired during the year.

#### 5. FINANCIAL RISK MANAGEMENT

Risk management is carried out under policies set by the Board of Directors. Certain responsibilities are also delegated to the Audit and Risk Committee. A copy of the Group's risk management policy can be found at <a href="Schedule-3-Audit-and-Risk-Committee-Charter.pdf">Schedule-3-Audit-and-Risk-Committee-Charter.pdf</a> (flexiroam.com)

#### a. Categories of financial instruments

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
FINANCIAL ASSETS		
Cash at bank	1,268,675	1,029,223
Fixed deposits with licensed bank	30,240	1,066,427
Trade and other receivables	213,674	210,070
FINANCIAL LIABILITIES		
Trade and other payables	4,678,435	4,045,977

#### b. Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders. The Group's overall strategy remains unchanged from FY2023.

#### 5. FINANCIAL RISK MANAGEMENT - CONTINUED

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as general administrative outgoings. Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

#### c. Financial risk management objective and policies

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. The Group's financial risk management policies were established to ensure the adequacy of financial resources for business development and in managing its credit, interest, liquidity, and cash flow risks.

#### d. Market risk

#### Foreign currency risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The functional currency of the Company and subsidiaries are measured using the currency of the primary economic environment in which the Company and subsidiaries operate; being Australian Dollars, Malaysian Ringgit, and US Dollars respectively. However, as the majority of the Company's shareholder base is Australian, these financial statements are presented in Australian dollars.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

#### Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the balance date expressed in Australian dollars are as follows:

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
FINANCIAL ASSETS		
Cash at bank	1,257,084	1,002,593
Fixed deposits with licensed bank	30,240	1,066,427
Trade and other receivables	206,483	207,082
FINANCIAL LIABILITIES		
Trade and other payables	4,480,460	3,927,086

#### Foreign currency sensitivity analysis

The Group is exposed to Malaysian Ringgit (RM) and US Dollars (USD) currency fluctuations.

The following table details the Group's sensitivity to a 0.5% increase and decrease in the Australian Dollar (AUD) against the Malaysian Ringgit (RM) and US Dollars (USD). 0.5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 0.5% change in foreign currency rates.

#### 5. FINANCIAL RISK MANAGEMENT - CONTINUED

A positive number indicates an increase in profit or loss and other equity where the Australian Dollar strengthens against the respective currency. For a weakening of the Australian Dollar against the respective currency there would be an equal and opposite impact on the profit and other equity and the balances below would be negative.

		RM & USD DOWN 0.5%		RM & USD UP 0.5%	
	\$	AUD UP 0.5% \$	GAIN / (LOSS) \$	AUD DOWN 0.5% \$	GAIN / (LOSS) \$
30 JUNE 2023					
FINANCIAL ASSETS					
Cash at bank	1,257,084	1,250,799	(6,285)	1,263,369	6,285
Fixed deposits with a licensed bank	30,240	30,089	(151)	30,391	151
Trade and other receivables	206,483	205,451	(1,032)	207,515	1,032
FINANCIAL LIABILITIES					
Trade and other payables	4,480,460	4,502,862	22,402	4,458,058	(22,402)
31 MARCH 2023					
FINANCIAL ASSETS					
Cash and cash equivalents	1,002,593	997,580	(5,013)	1,007,606	5,013
Fixed deposits with a licensed bank	1,066,427	1,061,095	(5,332)	1,071,759	5,332
Trade and other receivables	207,082	206,047	(1,035)	208,117	1,035
FINANCIAL LIABILITIES					
Trade and other payables	3,927,086	3,946,721	19,635	3,907,451	(19,635)

#### Credit risk

Credit risk is the risk of default by clients and counterparties. Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counterparty fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counterparties on an on-going basis to ensure that the Group's exposure to credit risk is minimal. The Group has no material credit risk exposure as at 30 June 2023.

The following table provides information regarding cash and cash equivalents.

	NOTE	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
Cash at bank	7	1,268,675	1,029,223
Fixed deposits with a licensed bank	7	30,240	1,066,427
	_	1,298,915	2,095,650

#### 5. FINANCIAL RISK MANAGEMENT - CONTINUED

#### Interest rate risk

The financial instruments which primarily expose the Group to interest rate risk are cash and cash equivalents. The Group's exposure to interest rate risk and the effective interest rate for classes of financial assets and financial liabilities and its contractual cash flows is set out below:

		EFFECTIV E INTEREST	FIXED INTEREST	FLOATING INTEREST	1 YEAR OR	1 TO 5	NON- INTEREST	
	NOTE	RATE	RATE	RATE	LESS	YEARS	BEARING	TOTAL
				\$	\$	\$	\$	\$
30 JUNE 2023								
FINANCIAL ASSETS								
Cash and cash equivalents	7	-	-	-	-	-	1,268,675	1,268,675
Fixed deposits with a licensed bank	7	5.30%	-	-	30,240	-	-	30,240
Trade and other receivables		-	-	-	-	-	213,674	213,674
			-	-	30,240	-	1,482,349	1,512,589
FINANCIAL LIABILITY								
Trade and other payables	14	-	-	-	-	-	4,678,435	4,678,435
			-	-	-	-	4,678,435	4,678,435
31 MARCH 2023								
FINANCIAL ASSETS								
Cash at bank	7	-	-	-	-	-	1,029,223	1,029,223
Fixed deposits with a licensed bank	7	2.77% - 5.30%	-	-	1,066,427	-	-	1,066,427
Trade and other receivables		-	-	-	-	-	210,070	210,070
			-	-	1,066,427	-	1,239,293	2,305,720
FINANCIAL LIABILITY								
Trade and other payables	14	-	-	-	-	-	4,045,977	4,045,977
			-	-	-	_	4,045,977	4,045,977

#### 5. FINANCIAL RISK MANAGEMENT - CONTINUED

The sensitivity analysis has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At the reporting date, the Group's financial assets are carried at amortised cost. Only fixed deposits are subject to interest rate risk since the carrying amounts or the future cash flows will fluctuate because of a change in market interest rate.

#### Liquidity and cash flow risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### Fair values

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- the fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analyses.

The Directors consider that the carrying amounts of financial assets and financial liabilities which are all recorded at amortised cost less accumulated impairment charges in these financial statements approximate their fair values.

#### **6. REVENUE**

	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MAR 2023 \$
Travel	1,895,332	6,113,727
Corporate Rewards and Sponsorship	415,796	1,095,052
Wholesale Partners	165,493	364,707
Reseller Partners	89,183	547,350
Aviation Services	18,726	61,890
Terminal Enablement Solutions	174,863	623,691
Enterprise Solutions	-	49,708
Maritime Services	1,230	11,903
Incubator	2,911	36,598
	2,763,534	8,904,626

#### 7. CASH AND CASH EQUIVALENTS

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
Cash at bank	1,268,675	1,029,223
Fixed deposits with a licensed bank	30,240	1,066,427
	1,298,915	2,095,650

Fixed deposits of the Group and of the Company amounting to \$30,240 and \$ nil (31 March 2023: \$1,066,427 and \$ nil) respectively are deposited to a licensed bank.

The weighted average effective interest rates of the fixed deposits with a licensed bank at the reporting date are 5.30% (31 March 2023: range from 2.77% to 5.30%) per annum.

The fixed deposits have maturity periods of 12 (31 March 2023: range from 6 to 12) months.

#### 8. CASH FLOW INFORMATION

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

	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MAR 2023 \$
Profit/(Loss) for the period	2,995,460	(2,637,526)
Depreciation and amortisation	173,579	26,685
Foreign exchange movements	(122,381)	(671,522)
Reversal of impairment loss on intangible assets	(4,014,516)	-
Plant and equipment written off	-	7,953
Share based payments	101,936	825,746
Increase in trade and other receivables	(3,604)	(143,714)
Decrease in inventories	(20,287)	(90,767)
Decrease in other assets	(95,892)	(8,797)
Increase/(Decrease) in trade and other payables	632,458	(778,347)
(Decrease)/Increase in deferred revenue	(199,719)	1,855,132
Net cash used in operating activities	(552,966)	(1,615,157)

#### 9. TRADE AND OTHER RECEIVABLES

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
Trade and other receivables		
Trade receivables	120,979	121,735
Other receivables	92,695	88,335
	213,674	210,070

Trade receivables are normally collected within 30 to 90 days.

#### **10. INVENTORIES**

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
Inventories		
Finished goods, at cost	391,391	371,104
	391,391	371,104
Recognised in profit or loss		
Inventories recognised as cost of sales	106,823	162,963
Impairment loss on inventories	(189)	8,649

#### 11. PLANT AND EQUIPMENT

As at 30 June 2023, the Group's - equipment consists of the following:

	FURNITURE & FITTINGS \$	OFFICE EQUIPMENT \$	TOTAL \$
AT COST			
As at 1 April 2022	939	71,225	72,164
Additions	-	26,875	26,875
Disposals/ Write-off/ Adjustment	(901)	(38,546)	(39,447)
Foreign exchange effects	52	4,490	4,542
As at 31 March 2023	90	64,044	64,134
Additions	-	32,310	32,310
Disposals/ Write-off/ Adjustment	-	-	-
Foreign exchange effects	(4)	(2,492)	(2,496)
As at 30 June 2023	86	93,862	93,948
ACCUMULATED DEPRECIATION			
As at 1 April 2022	318	42,104	42,422
Depreciation expense	60	13,754	13,814
Disposals/ Write-off/ Adjustment	(306)	(30,637)	(30,943)
Foreign exchange effects	18	2,823	2,841
As at 31 March 2023	90	28,044	28,134
Depreciation expense	-	3,463	3,463
Disposals/ Write-off/ Adjustment	-	-	-
Foreign exchange effects	(4)	(1,270)	(1,274)
As at 30 June 2023	86	30,237	30,323
CARRYING AMOUNT			
As at 31 March 2023		36,000	36,000
As at 30 June 2023	-	63,625	63,625

#### **12. INTANGIBLE ASSETS**

As at 30 June 2023, the Group's Intangible Assets consists of the following:

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
AT COST		
At beginning of the financial period/year	20,438,107	19,145,157
Additions	-	55,089
Disposals/Write-off/Adjustment	-	(1,740)
Foreign exchange effects	(883,835)	1,239,601
At end of the financial period/year	19,554,272	20,438,107
ACCUMULATED AMORTISATION		
At beginning of the financial period/year	5,607,549	5,254,276
Amortisation expenses	165,667	13,582
Disposals/Write-off/Adjustment	-	(493)
Foreign exchange effects	(241,337)	340,184
At end of the financial period/year	5,531,879	5,607,549
ACCUMULATED IMPAIRMENT LOSSES		
At beginning of the financial period/year	14,727,790	13,832,565
Additions	-	-
Reversal of impairment losses	(4,014,516)	-
Foreign exchange effects	(671,488)	895,225
At end of the financial period/year	10,041,786	14,727,790
CARRYING AMOUNT	3,980,607	102,768

Included in intangible assets are website development and intellectual property such as trademarks and patents. A breakdown of these is as follows:

Website development costs	58,490	65,126
Trademark, patents, and software	3,922,117	37,642
CARRYING AMOUNT	3,980,607	102,768

Flexiroam engaged an independent valuer to assess the carrying value of their Intangible Assets. As a result of this assessment, a notable recovery of A\$4.0M was recorded in June 2023 as the determined recoverable amount includes trademarks, patents, and software, net of depreciation.

# 13. DEVELOPMENT COSTS

As at 30 June 2023, the Group's development costs consist of the following:

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
AT COST		
At beginning of the financial period/year	692,784	-
Additions	312,145	685,681
Disposals/Write-off/Adjustment	-	-
Foreign exchange effects	(27,270)	7,103
At end of the financial period/year	977,659	692,784
ACCUMULATED AMORTISATION		
At beginning of the financial period/year	-	-
Amortisation expenses	4,574	-
Disposals/Write-off/Adjustment	-	-
Foreign exchange effects	(87)	-
At end of the financial period/year	4,487	-
CARRYING AMOUNT	973,172	692,784
Included in additions during the financial period/year are:-		
Staff cost	312,145	685,681

The development costs are specifically allocated for the enhancement of portals, apps, and API modifications in both the Travel and Solutions reportable segments to support incremental growth, increase system reliability and pursue new business opportunities.

The amortisation on the certain development costs as the software development is only for the completed and commercialised deliverables.

# 14. TRADE AND OTHER PAYABLES

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
Trade payables	1,308,415	547,804
Other payables	227,884	274,468
Accruals	3,142,136	3,223,705
	4,678,435	4,045,977

Trade payables are non-interest bearing and are normally settled within 30 to 90 days.

# **15. DEFERRED REVENUE**

	AS AT 30 JUNE 2023 \$	AS AT 31 MAR 2023 \$
Corporate sales	386,274	773,929
Consumer sales	3,120,070	2,947,628
Solutions	29,779	14,285
Total	3,536,123	3,735,842
Reconciliation		
Opening balance	3,735,842	1,880,708
Net additions/(expenses off)	(243,024)	1,645,437
Foreign exchange translation effects	43,305	209,697
Closing balance	3,536,123	3,735,842

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

# **16. INCOME TAX**

	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MAR 2023 \$
Current year tax		
Income tax	-	-
Deferred tax		
Current year deferred tax	-	
Numerical reconciliation between tax expense and pre-tax net profit		
Profit/(Loss) before income tax	2,995,460	(2,637,526)
Income tax using the domestic corporation tax rate of 30% (31 March 2023: 30%)	898,638	(791,258)
Overseas tax rates adjustment*	(92,793)	380,553
Increase/(Decrease) in income tax expense due to:		
Non-deductible expenses:		
• Other	(1,136,095)	(75,073)
Add/(Deduct) adjustments due to:		
• Unused tax losses not recognised as deferred tax assets	210,872	783,438
• Utilisation of tax losses previously not recognised as deferred tax assets	85,509	(303,646)
Other timing differences not recognised	33,869	5,986
Income tax expense	-	
Unrecognised deferred tax balances		
. Tax losses	3,916,881	3,644,175
Other timing differences not recognised	30,015	37,759
	3,946,896	3,681,934

<sup>\*</sup>The Malaysia and Hong Kong applicable tax rates for the current financial period/year are 24% and 16.5%, respectively. Tax losses in Malaysia can only be carried forward for 7 years.

The Group has gross tax losses arising in Australia of \$3,916,881 (31 March 2023: \$3,644,175) that are available indefinitely for offset against future taxable profits. The utilisation of the gross tax losses is subject to satisfying continuity of ownership test or business continuity test.

### 17. ISSUED CAPITAL

	NUMBER	\$
Ordinary shares issued (net of share issue costs)	651,210,683	48,636,682
Reconciliation		
BALANCE AT 1 APRIL 2022	601,295,275	46,883,390
Movements for the year	28,143,772	1,075,988
BALANCE AT 31 MARCH 2023	629,439,047	47,959,378
BALANCE AT 1 APRIL 2023	629,439,047	47,959,378
Share issue – 2 June 2023 <sup>[a]</sup>	20,610,922	636,679
Share issue – 20 June 2023 <sup>[b]</sup>	1,160,714	40,625
BALANCE AT 30 JUNE 2023	651,210,683	48,636,682

- On 2 June 2023, the 20,610,922 fully paid ordinary shares were vested at an issue prices of \$0.027, \$0.034 and \$0.035 to eligible employees pursuant to the Employee Incentive Plan approved by shareholders with shareholding lock periods between 12 and 36 months which we issued in previous year. The issuance of shares is nil in cash consideration. These shares transferred to issued capital upon expiry of the holding lock periods.
- On 20 June 2023, the Company received an exercise notice in respect of vested Tranche 1 share rights, being 1,160,714 ordinary fully paid shares at an issue price of \$0.035 per share had been issued to eligible employees pursuant to the Employee Incentive Plan approved by shareholders.

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.

The tabled ordinary shares issued above do not include unvested shares.

#### Dividends

No dividends were paid or proposed during the period ended 30 June 2023 (31 March 2023: \$nil).

### 18. RESERVES

# Foreign currency translation reserve

The foreign currency exchange reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

# Option and performance rights reserve

This reserve is used to record the value of equity benefits of options and performance rights provided to employees and directors.

# 19. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing net loss for the period/year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic loss per share computations:

	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MARCH 2023 \$
Loss attributable to ordinary equity holders	2,995,460	(2,637,526)
Weighted average number of ordinary shares used	NUMBER	NUMBER
as the denominator in calculating basic earnings per share	636,561,244	624,623,119
	CENTS	CENTS
Loss per share (basic and diluted)	0.47	(0.42)

# **20. RELATED PARTY TRANSACTIONS**

a. Key management personnel

Compensation of key management personnel

	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MARCH 2023 \$
Short-term employee benefits	170,128	526,827
Share based payment	348,750	917,500
Post-employment superannuation	1,425	4,731
	520,303	1,449,058

# b. Subsidiaries

The consolidated financial statements include the financial statements of Flexiroam Limited and the following subsidiaries:

NAME	COUNTRY OF	% EQUITY INTEREST	
NAME	INCORPORATION	30 JUNE 2023	31 MARCH 2023
Super Bonus Profit Sdn Bhd	Malaysia	100%	100%
Flexiroam Sdn Bhd	Malaysia	100%	100%
Flexiroam Asia Limited	Hong Kong	100%	100%
Flexiroam Global - FZCO	United Arab Emirates	100%	100%

Flexiroam Limited, an Australian-incorporated company, serves as the legal parent of the Flexiroam Group.

# 21. LEGAL PARENT ENTITY INFORMATION

The following detailed information is related to the parent entity, Flexiroam Limited, as at 30 June 2023.

	AS AT 30 JUNE 2023 \$	AS AT 31 MARCH 2023 \$
Current assets	67,808	46,829
Non-current assets	25,284,637	24,607,333
Total assets	25,352,445	24,654,162
Current liabilities	652,070	332,570
Total liabilities	652,070	332,570
Contributed equity	29,753,925	29,076,621
Accumulated losses	(5,330,769)	(5,607,617)
Reserves	277,219	852,588
Total equity	24,700,375	24,321,592
Profit/(Loss) for the period/year	276,848	(502,123)
Other comprehensive income for the period/year	-	<u>-</u>
Total comprehensive profit/(loss) for the period/year	276,848	(502,123)

The Company has provided a guarantee of continuing financial support to its subsidiaries.

# 22. SIGNIFICANT EVENTS AFTER BALANCE DATE

There are no significant events after the balance date.

### 23. COMMITMENTS AND CONTINGENCIES

At the date of this report, there does not exist:

- a. any charge on the assets of the Group which has arisen since the end of the financial period which secures the liabilities of any other person; or
- b. any contingent liability of the Group which has arisen since the end of the financial period.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may substantially affect the ability of the Group to meet its obligations as and when they fall due.

### 24. AUDIT AND OTHER SERVICES

During the financial period/year, the following fees were paid or payable for services provided by the auditor of the Group, its related practices and non-related audit firms:

	PERIOD ENDED 30 JUNE 2023 \$	YEAR ENDED 31 MARCH 2023 \$
Audit and other assurance services		
Audit and review of financial statements		
Rothsay Audit & Assurance Pty Ltd	10,000	19,726
Component auditors	23,559	29,930
Total remuneration for audit and other assurance services - audit or review of the financial report	33,559	49,656

# 25. PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE

Principal place of business is at Lot 4-401 & 4-402, Level 4, The Starling Mall, No. 6, Jalan SS21/37, Damansara Utama, 47400 Petaling Jaya, Selangor, Malaysia and Registered office at Suite 6, 4 Riseley Street, Applecross Western Australia 6153.

### **26. 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 Group'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.

The chief operating decision makers have been reviewing operations and making decisions based on the supply and provision of telecommunications and solutions as two operating units. Internal management accounts are consequently prepared on this basis.

# **26. SEGMENT REPORTING – CONTINUED**

	PERIOD ENDED 30 JUNE 2023	YEAR ENDED 31 MARCH 2023
	TOTAL	TOTAL
Segment and group revenue	2,763,534	8,904,626
Travel	1,895,332	6,113,727
Corporate Rewards and Sponsorship	415,796	1,095,052
Wholesale Partners	165,493	364,707
Reseller Partners	89,183	547,350
Aviation Services	18,726	61,890
Terminal Enablement Solutions	174,863	623,691
Enterprise Solutions	-	49,708
Maritime Services	1,230	11,903
Incubator	2,911	36,598
Segment and group cost of sales	(1,314,944)	(5,044,664)
Travel	(1,094,631)	(4,400,946)
Corporate Rewards and Sponsorship	-	(2,011)
Wholesale Partners	(86,363)	(158,740)
Reseller Partners	(97,916)	(365,271)
Aviation Services	(11,682)	(36,585)
Terminal Enablement Solutions	(23,648)	(75,770)
Enterprise Solutions	-	-
Maritime Services	(470)	(3,238)
Incubator	(234)	(2,103)
Other income and forex gains / (loss)	16,420	226,980
Administration and operating expenses, net of impairment reversal	1,704,029	(6,697,783)
Depreciation and amortisation	(173,579)	(26,685)
Group profit / (loss) for the period	2,995,460	(2,637,526)
Net cash flows used in operating activities	(552,966)	(1,615,157)
Net cash flows used in investing activities	(291,902)	(732,979)
Net cash flows used in financing activities	-	(69)
Net cash outflow	(844,868)	(2,348,205)
Assets	7,094,163	3,585,263
Liabilities	8,214,558	7,781,819

# **DIRECTORS' DECLARATION**

The Directors of the Group declare that:

- The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statements of Changes in Equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
  - a. complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the period ended on that date of the Group.
- 2. In the Directors' opinion, there are reasonable grounds to believe Flexiroam Limited and its controlled entities will be able to pay its debts as and when they become due and payable.
- 3. Note 4 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
- 4. The Directors have been given the declarations as required by Section 295A of the Corporations Act for the period ended 30 June 2023.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

On behalf of the Board

**Marc Barnett** 

Chief Executive Director Signed on this 31st August 2023



#### INDEPENDENT AUDITOR'S REPORT

To the members of Flexiroam Limited

### Opinion

We have audited the financial report of Flexiroam Limited ("the Company") and its controlled entities ("the Group") which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 April 2023 to 30 June 2023 and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration of the Company.

In our opinion the financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the period ended on that date; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 3 of the annual financial report, which discloses a profit of \$2,995,460 (a loss of \$1,019,056 before one-off impairment reversal of \$4,014,516) for the period ended 30 June 2023 and as at that date a deficiency in net assets of \$1,120,395. These conditions along with other matters that are set forth in Note 3, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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### INDEPENDENT AUDITOR'S REPORT (continued)

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matter - Revenue Recognition

The Group's revenue is generated from the sales of mobile data to local and international travellers.

We consider accuracy and completeness of amounts recognised as revenue to be a key audit matter given its significance to the Group's financial reporting and the high volume of transactions.

### How our Audit Addressed the Key Audit Matter

Our procedures included the following:

- Held discussions with the Group's management and the component auditors to gain an understanding of the Group's revenue recognition processes;
- Performed walkthrough for a sample of sales transactions;
- Tested a sample of sales transactions to supporting documentation;
- Considered the accuracy of sales cut-off at reporting date;
- Tested the completeness and accuracy of the recognition of deferred revenue;
- Reviewed the reasonableness of the revenue recognised in accordance with AASB 15: Revenue from Contracts with Customers; and
- We have also assessed the appropriateness of the disclosures included in the financial report.

# Key Audit Matter - Assessment for impairment of development assets

The Group capitalised development costs of \$973,172 during the period.

We identified the recognition of development costs in accordance with AASB 138 Intangible Assets and the assessment for impairment of the development costs as a key audit matter due to the significant judgements and estimates involved.

## How our Audit Addressed the Key Audit Matter

Our procedures included the following:

- We evaluated the capitalisation process and determined that costs capitalised met the requirements of AASB 138;
- We reviewed management's impairment assessment, including the key assumptions and judgements; and
- We have also assessed the appropriateness of the disclosures included in the financial report.



### INDEPENDENT AUDITOR'S REPORT (continued)

# Key Audit Matter - Reversal of Impairment on intangible assets

The Group recorded an impairment reversal of \$4,014,516 in the period ended 30 June 2023.

We identified the impairment reversal in accordance with AASB 136 Impairment of Assets as a key audit matter due to the significant judgements involved.

# How our Audit Addressed the Key Audit Matter

Our procedures included the following:

- Review of the report prepared by Management's expert which included the following procedures:
  - Evaluation of the competence, capabilities and objectivity of the expert;
  - Obtained an understanding of the work of Management's expert; and
  - Evaluation of the appropriateness of Management's experts work as audit evidence;
- We have assessed the appropriateness of the disclosures included in the financial report.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed we conclude there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.



### INDEPENDENT AUDITOR'S REPORT (continued)

### Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <a href="https://www.auasb.gov.au/Home.aspx">www.auasb.gov.au/Home.aspx</a>.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communications.



# INDEPENDENT AUDITOR'S REPORT (continued)

# Report on the Remuneration Report

# Opinion on the Remuneration Report

We have audited the remuneration report included in the directors' report for the period ended 30 June 2023.

In our opinion the remuneration report of Flexiroam Limited for the period ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

# Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla Director

Sydney, 31 August 2023

# **ASX INFORMATION AS AT 30 JUNE 2023**

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

# 1. SUBSTANTIAL SHAREHOLDERS

NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
CITICORP NOMINEES PTY LIMITED	106,704,247	16.08
MR THIAN CHOY ONG	75,200,000	11.33
MR KENN TAT ONG	54,748,562	8.25
MR MARC BARNETT	34,823,530	5.25
MR MICHAEL KING	25,465,938	3.84

# 2. DISTRIBUTION OF SECURITY HOLDERS

FULLY PAID ORDINARY SHARES					
RANGE	HOLDERS	UNITS	%		
1 – 1,000	38	10,856	0.00%		
1,001 – 5,000	31	94,605	0.01%		
5,001 – 10,000	123	1,079,405	0.16%		
10,001 – 100,000	522	22,306,984	3.36%		
100,001 – over	293	640,099,854	96.46%		
	1,007	663,591,704	100%		

### 3. UNMARKETABLE PARCELS

Holding less than a marketable parcel of ordinary shares;

HOLDERS	UNITS
248	1,857,275

# 4. RESTRICTED SECURITIES OR SECURITIES SUBJECT TO VOLUNTARY ESCROW

As at 30 June 2023, the Company had no restricted securities on issue.

As at 30 June 2023, the Company had no securities subject to voluntary escrow.

# **5. UNQUOTED SECURITIES**

As at 30 June 2023, the Company had no unquoted securities on issue.

# 6. TWENTY LARGEST SHAREHOLDERS - ORDINARY SHARES

	NAME	NUMBER OF ORDINARY SHARES HELD	PERCENTAGE OF CAPITAL HELD
1	CITICORP NOMINEES PTY LIMITED	106,704,247	16.08
2	MR THIAN CHOY ONG	75,200,000	11.33
3	MR KENN TAT ONG	54,748,562	8.25
4	MR MARC BARNETT	34,823,530	5.25
5	MR MICHAEL KING	25,465,938	3.84
6	MR KAY YIP NG	25,010,000	3.77
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	22,221,337	3.35
8	GENERAL TECHNOLOGY SDN BHD	22,183,333	3.34
9	BNP PARIBAS NOMINEES PTY LTD	13,060,640	1.97
10	MS PEK SAN YIP	10,168,000	1.53
11	MR THOMAS RICHARD HOOLE	9,000,000	1.36
12	MR TAT SENG KOH	8,550,000	1.29
13	MR PAUL JASON WIDDIS	6,399,736	0.96
14	TA SECURITIES HOLDINGS BERHAD	6,391,667	0.96
15	MR KIAN CHUNG CHIN	6,173,750	0.93
16	MR EUGENE LINNIK	6,035,605	0.91
17	BNP PARIBAS NOMINEES PTY LTD UOB	6,016,536	0.91
18	SHOOTING FISH PTY LTD <stone a="" c="" cold="" fund="" sper=""></stone>	5,300,000	0.80
19	STONE COLD INDUSTRIES PTY LTD	5,270,000	0.79
20	MR ALEXANDER DOUGLAS	5,000,000	0.75
	TOTAL	453,722,881	68.4

# **ASX INFORMATION AS AT 30 JUNE 2023**

# 7. VOTING RIGHTS

In accordance with the Company's Constitution, voting rights in respect of ordinary shares are on a show of hands whereby each member present in person or by proxy shall have one vote and upon a poll, each share will have one vote.

Options do not carry any voting rights.

# **8. ON-MARKET BUYBACK**

There is no current on-market buy-back.

# 9. STOCK EXCHANGE LISTING

Quotation has been granted for the Company's Ordinary Shares (ASX:FRX) and Listed Options (ASX:FRXO).

# 10. PRINCIPLES OF GOOD CORPORATE GOVERNANCE AND RECOMMENDATIONS

The Board has adopted and approved the Company's Corporate Governance Statement, which can be found on the Company's website at <a href="https://investor.flexiroam.com/about">https://investor.flexiroam.com/about</a>.

# **CORPORATE INFORMATION**

**DIRECTORS** Jefrey Ong

Tat Seng Koh Marc Barnett

Stephen Frank Picton

COMPANY SECRETARY Natalie Teo

**REGISTERED OFFICE** Suite 6, 4 Riseley Street

Applecross Western Australia 6153

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AUDITORS Rothsay Audit & Assurance Pty Ltd

Level 1/6 O'Connell Street, Sydney NSW 2000

BANKERS National Australia Bank

100 St Georges Terrace, Perth WA 6000

SHARE REGISTRY Advanced Share Registry

110 Stirling Highway, Nedlands WA 6009

Ph: 08 9389 8033 Fax: 08 9262 3723

SECURITIES EXCHANGE LISTING Flexiroam Limited shares are listed on the

Australian Securities Exchange (ASX code: FRX)

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