

# FLEXIROAM

27 October 2017

Company Announcements Office  
ASX Limited

## Key Performance Highlights

<b>CURRENT QUARTER 30 SEPTEMBER 2017 VERSUS PREVIOUS QUARTER 30 JUNE 2017</b>	<b>% CHANGE</b>
Receipts from consumer business	▲ 89%
Receipts from corporate business	▲ 3%
Receipts from consumer and corporate business	▲ 51%
Payment for operating expenses	▲ 53%
Net cash used in operating activities	▲ 59%
Net cash used in investment activities	▼ 75%
Net cash used in financing activities	▼ 3%
Total net cash outflow (excluding foreign exchange rate movement)	▲ 15%

### Receipts from customer

The new pricing strategies continued to be well received by customers and provide tailwind to our consumer business. Sale receipts from this business segment grew strongly to register an impressive 89% quarter-on-quarter growth, on the back of increased average customer spend and repeat sales.

Corporate sales receipts had also increased albeit by a small margin of 3%, while total sale receipts increased by 51%.

### Payment for operating expenses

Payment for operating expenses increased by 53% due primarily to increase in payment for network costs and advertising and marketing expenditures. Payment for administration and corporate costs increased by 78% due primarily to payment for professional fees that were billed in the last quarter. Payment for research and development, as well as staff costs had generally remained constant.

### Net cash outflow

Although receipts from customers had increased in this quarter, this was offset by a relatively higher payment for operating expenses and as a result, there was an increase in net cash used in operating activities of 59%. Net cash used in investing activities decreased by 75% due to decreased procurement of X-Microchips from manufacturer. Net cash used in financing activities had by and large remained constant. In total there was an overall increase in net cash outflow by 15%.

# FLEXIROAM

## Recent Announcements

### July 2017

- Flexiroam signs a partnership agreement with Korean Air (“KA”) to promote Flexiroam services to KA passengers. KA is the flag carrier of South Korea, with a fleet consisting of 177 aircrafts and operating scheduled flights to 129 cities in over 46 countries. The partnership is designed to increase exposure and widen awareness of Flexiroam X by partnering with a leading Korean airline and a dominant travel industry player, in line with the Company’s growth strategy of securing recurrent revenue streams from frequent travellers.

### August 2017

- Flexiroam signs a partnership agreement with Bluwire Group LLC (“Bluwire”) to promote Flexiroam services in major international airports in the United States. Bluwire operates 14 retail stores that are located in strategic areas in 7 international airports in the US, including John F Kennedy International Airport and George Bush Intercontinental Airport, selling consumer technology products. These airports typically host between 21 million to over 100 million travellers per year.
- Flexiroam signs a partnership agreement with Telemart of Pakistan to promote Flexiroam services through Telemart’s retail and online stores. Telemart is an eminent electronic giant operating 160 retail stores in 28 cities in Pakistan and Dubai, as well as an online store with over 5 million subscribers. This partnership provides a unique opportunity for Flexiroam to tap into the Pakistani and Dubai markets that have an estimated yearly travellers of 12.7 million and 83.6 million respectively.
- Flexiroam signs a partnership agreement with Exactta Communications (“Exactta”) to promote Flexiroam services in 3 major international airports in Europe and 1 in the US. Exactta specialises in providing telephone and internet connections using the latest technology in telecommunication. The partnership with Exactta will provide a platform for Flexiroam to distribute Flexiroam X in 4 major international airports, namely Leonardo da Vinci-Fiuminico Airport in Italy, The Adolfo Suarez Madrid-Barajas Airport in Spain, the Miami International Airport in the US and the Rio de Janeiro – Galeao International Airport in Brazil.

### September 2017

- Flexiroam signs a partnership agreement with KLM Royal Dutch Airlines (“KLM”) to promote Flexiroam services to KLM passengers. KLM is one of the oldest and a leading major airline in the European aviation industry. Similar to the partnership with KA, the partnership with KLM is designed to increase exposure and widen awareness of Flexiroam X among European travellers.

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# FLEXIROAM

## ABOUT FLEXIROAM

FLEXIROAM (ASX:FRX) is a new breed telecommunications company that enables travellers to bypass roaming charges around the world. FLEXIROAM is a telecommunication company that does not own physical infrastructure but connects its users to 580 network operations around the globe making its services available in over 100 countries and territories. The Company was listed on the Australian Securities Exchange (“ASX”) in June 2015 under the code FRX, and is today one of the fastest growing global virtual mobile operator in Asia Pacific.

### For more information, please contact:

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#### Investor Relations

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## Appendix 4C

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

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

**Flexiroam Limited**

**ABN**

27 143 777 397

**Quarter ended ("current quarter")**

30 September 2017

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date</b>
	<b>\$A'000</b>	<b>(6 months)</b>
		<b>\$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	736	1,223
1.2 Payments for		
(a) research and development	(78)	(167)
(b) product manufacturing and operating costs	(257)	(631)
(c) advertising and marketing	(483)	(499)
(d) leased assets	-	-
(e) staff costs	(213)	(433)
(f) administration and corporate costs	(269)	(420)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	20
1.5 Interest and other costs of finance paid	(36)	(57)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(591)</b>	<b>(964)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(46)	(229)
(b) businesses (see item 10)	-	-
(c) investments	-	-

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<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (6 months)</b>
		<b>\$A'000</b>	<b>\$A'000</b>
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
	Other - Cash acquired from Flexiroam Asia Limited	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(46)</b>	<b>(229)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(3)	(6)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(3)</b>	<b>(6)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,618	3,146
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(591)	(964)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(46)	(229)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter</b>	<b>Year to date (6 months)</b>
		<b>\$A'000</b>	<b>\$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3)	(6)
4.5	Effect of movement in exchange rates on cash held	(15)	16
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,963</b>	<b>1,963</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	1,963	2,618
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,963</b>	<b>2,618</b>

**6. Payments to directors of the entity and their associates**

**Current quarter  
\$A'000**

6.1 Aggregate amount of payments to these parties included in item 1.2

77

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees, consultancy fees and salary.

**7. Payments to related entities of the entity and their associates**

**Current quarter  
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

-

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Research and development	(84)
9.2 Product manufacturing and operating costs	(461)
9.3 Advertising and marketing	(408)
9.4 Leased assets	-
9.5 Staff costs	(228)
9.6 Administration and corporate costs	(190)
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>(1,371)</b>

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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### Compliance statement

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

Sign here:  ..... Date: 27 October 2017.....  
(Director/Company secretary)

Print name: Jefrey Ong.....

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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