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4C QUARTERLY REPORT

INVESTOR UPDATE

JAN 2018

3Q17 - Quarter ended 31st December 2017

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Flexiroam X Subscriber & User Growth

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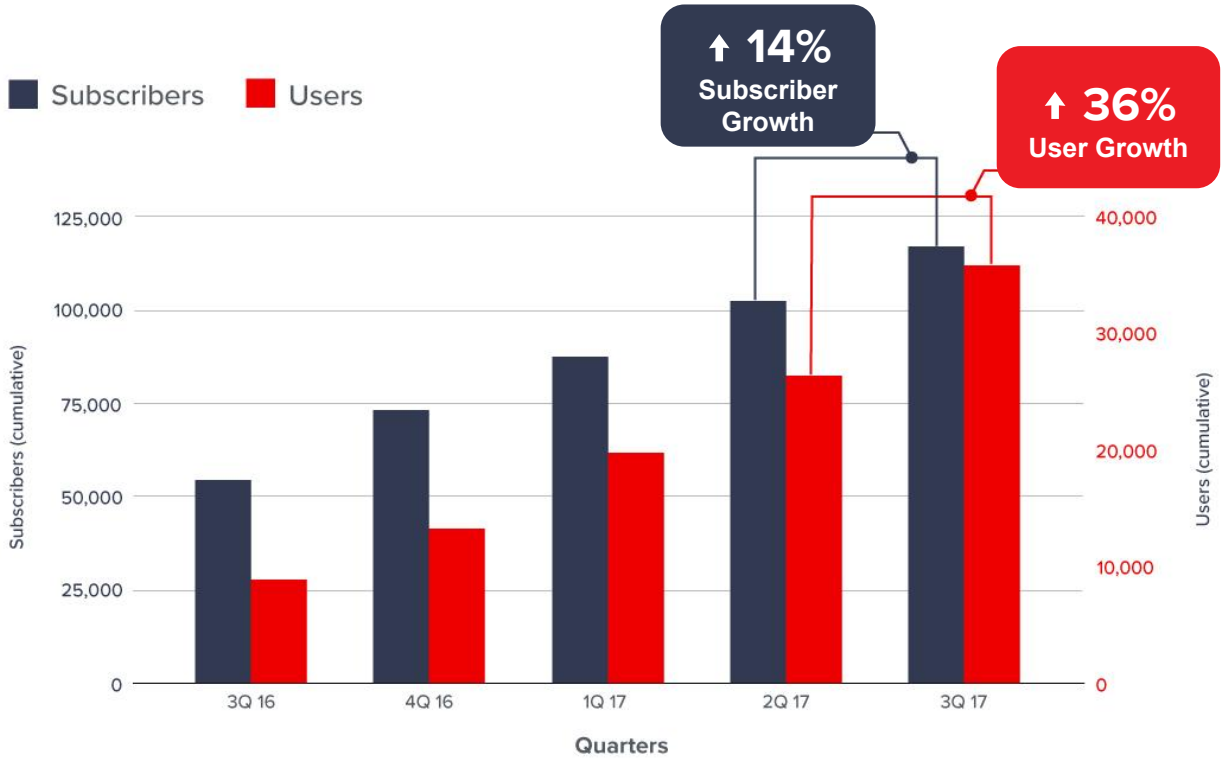
Cumulative Subscribers and Users per quarter



Compounded Quarterly Growth Rate

16% ↑
Subscriber Growth

32% ↑
User Growth

Subscriber: Number of subscribers who registered on the app.
Users: Number of accounts with “Activated” Microchip.

Improving Subscriber to User Conversion Rate

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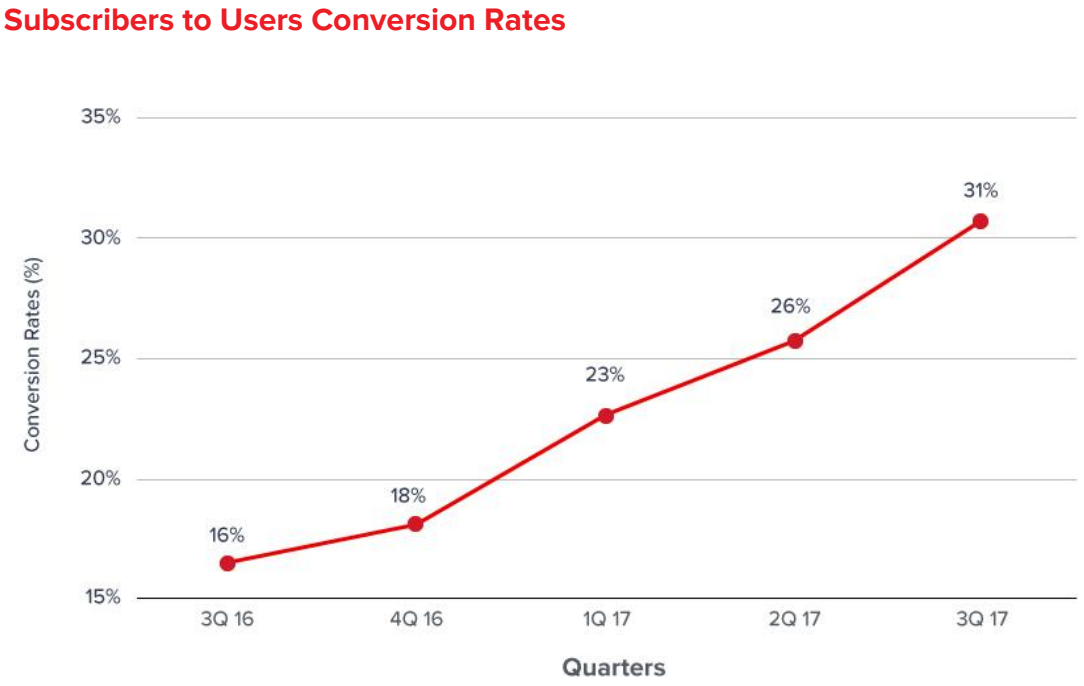

By **3Q17, 31%** of all subscribers converted to users, with a growth rate of **5%** from the previous quarter.

Subscriber User Conversion Rate: Number of cumulative subscribers over number of cumulative users.

Growth in Quarterly Active Users

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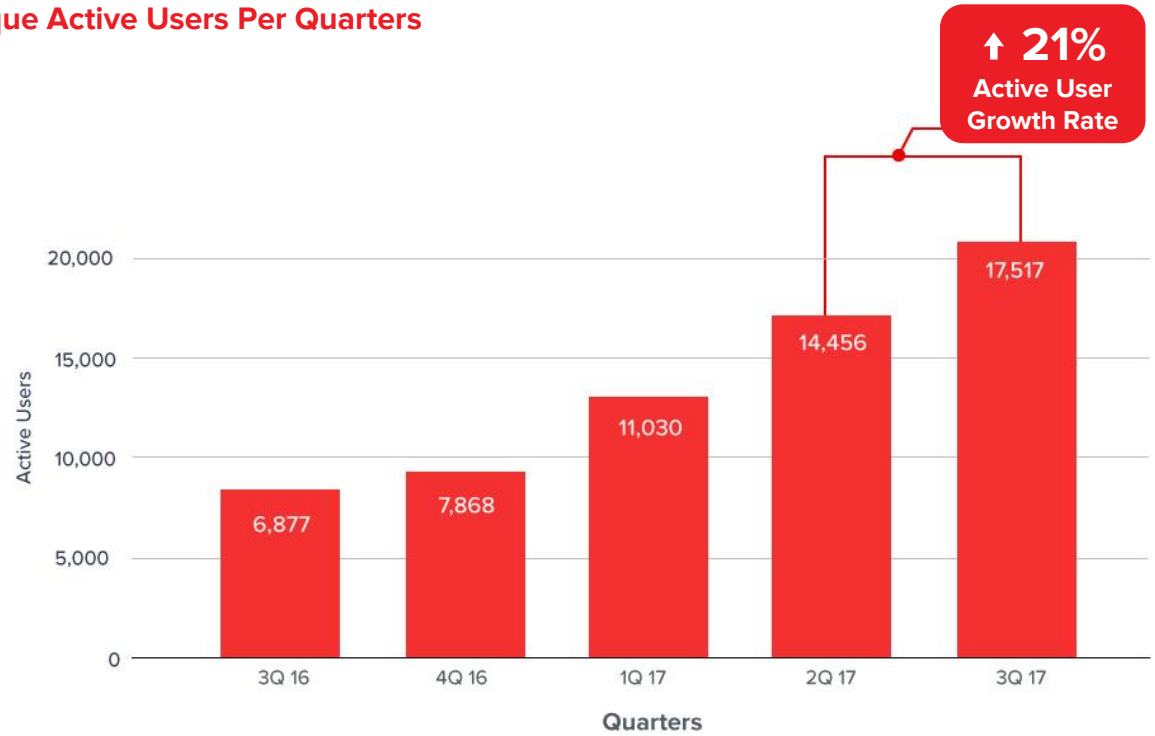
Unique Active Users Per Quarters



Compounded Quarterly Growth Rate

21%

Active Users Per Quarter: Unique users who has used data within the quarter.

Increasing Transactions

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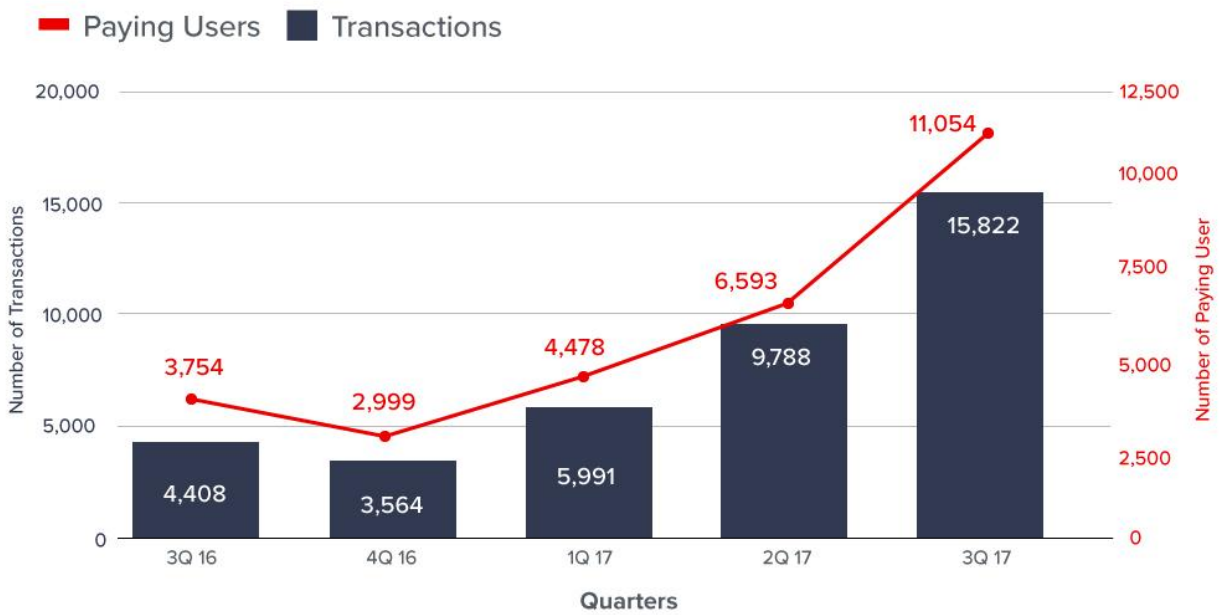
Transactions and Paying Users Per Quarter



Growth Rate from 2Q17 to 3Q17

62% ↑ Transactions

68% ↑ Paying Users

Transactions: Total number of unique purchases by customer per quarter

Paying User: Total number of unique paying customer who has made one or more transactions per quarter.

Increasing Recurring Customer

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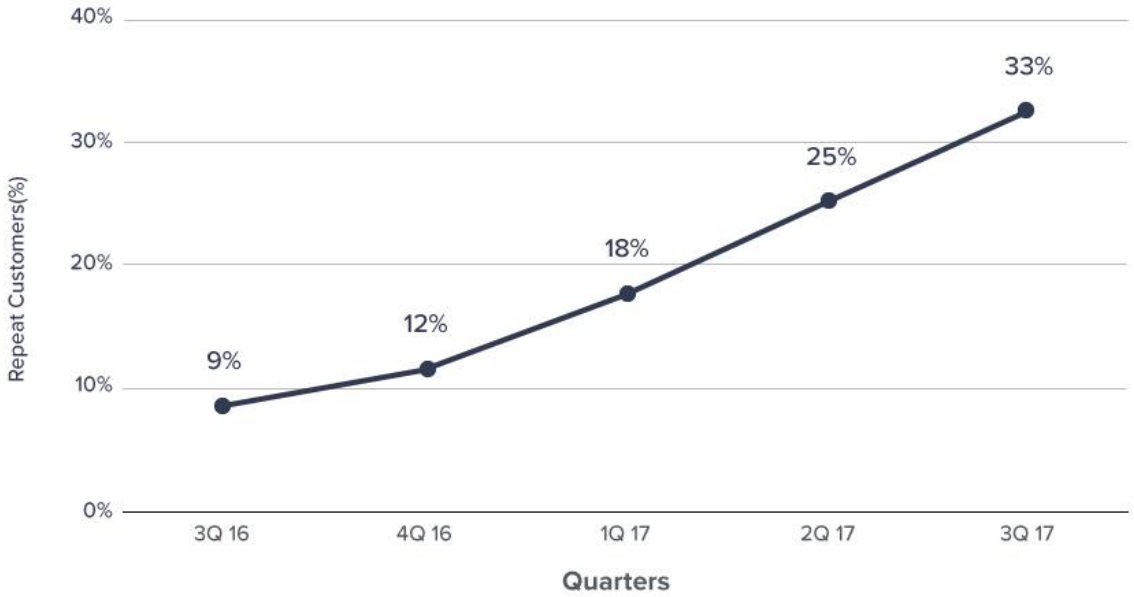
Repeat Customers (%)



Compounded Quarterly Growth Rate

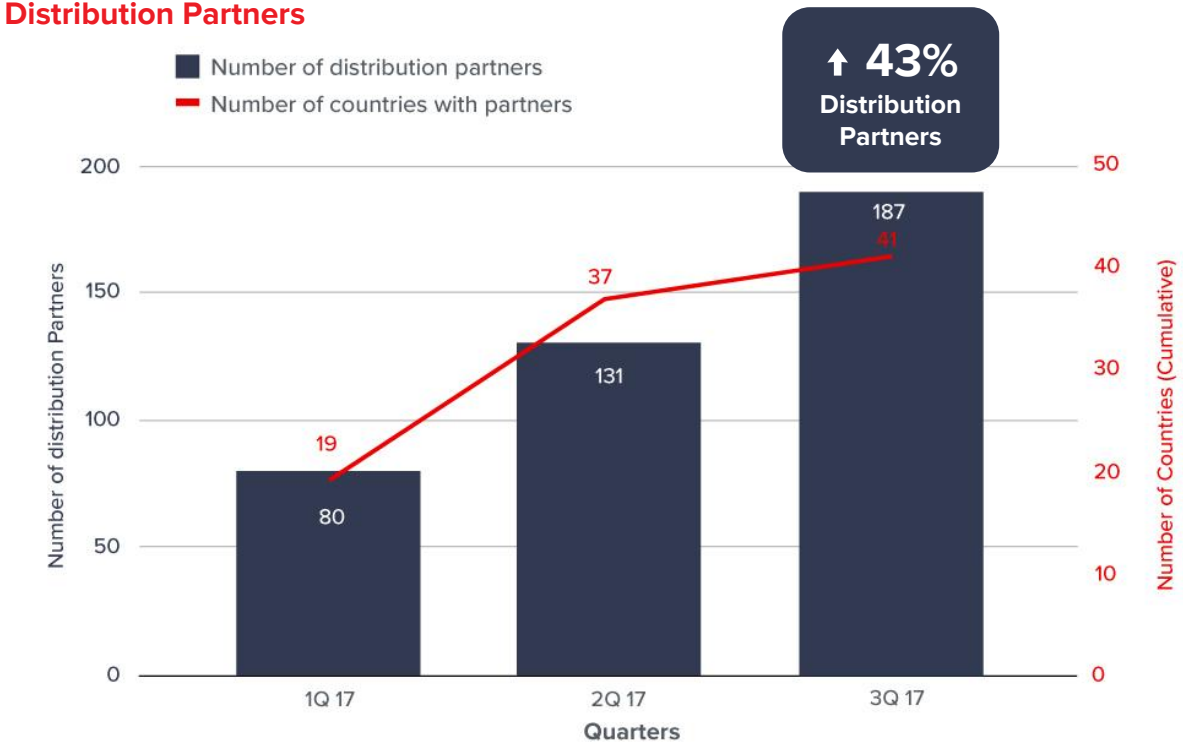
30%

It is a positive sign that the number of repeat customers is growing at the compounded quarterly growth rate of **30%.** Increase in repeat customers will generate **strong recurring revenue.**

Repeat Customers: Total Number of unique repeat customers (purchase at least 1 subsequent data plans) over total number of Flexiroam X users.

Number of Distribution Partners

Flexiroam X distribution partners & subpartners from April till December 2017



Compounded Quarterly Growth Rate for Number of Partners

33%

Distribution Partners: Distributors under Flexiroam's Partner 2.0 program who distribute Flexiroam X globally.
Number of Countries with Partners: Unique number of countries with distribution partners.

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Distribution Strategy Progress

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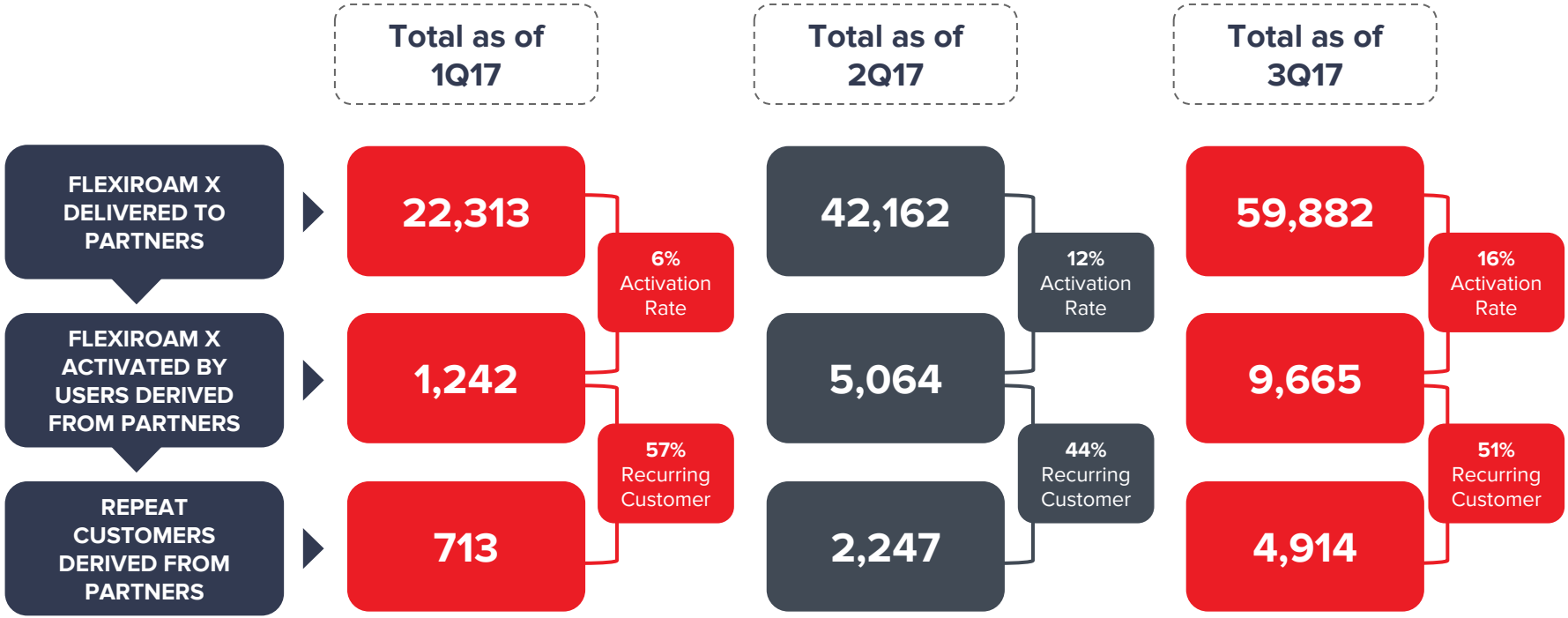
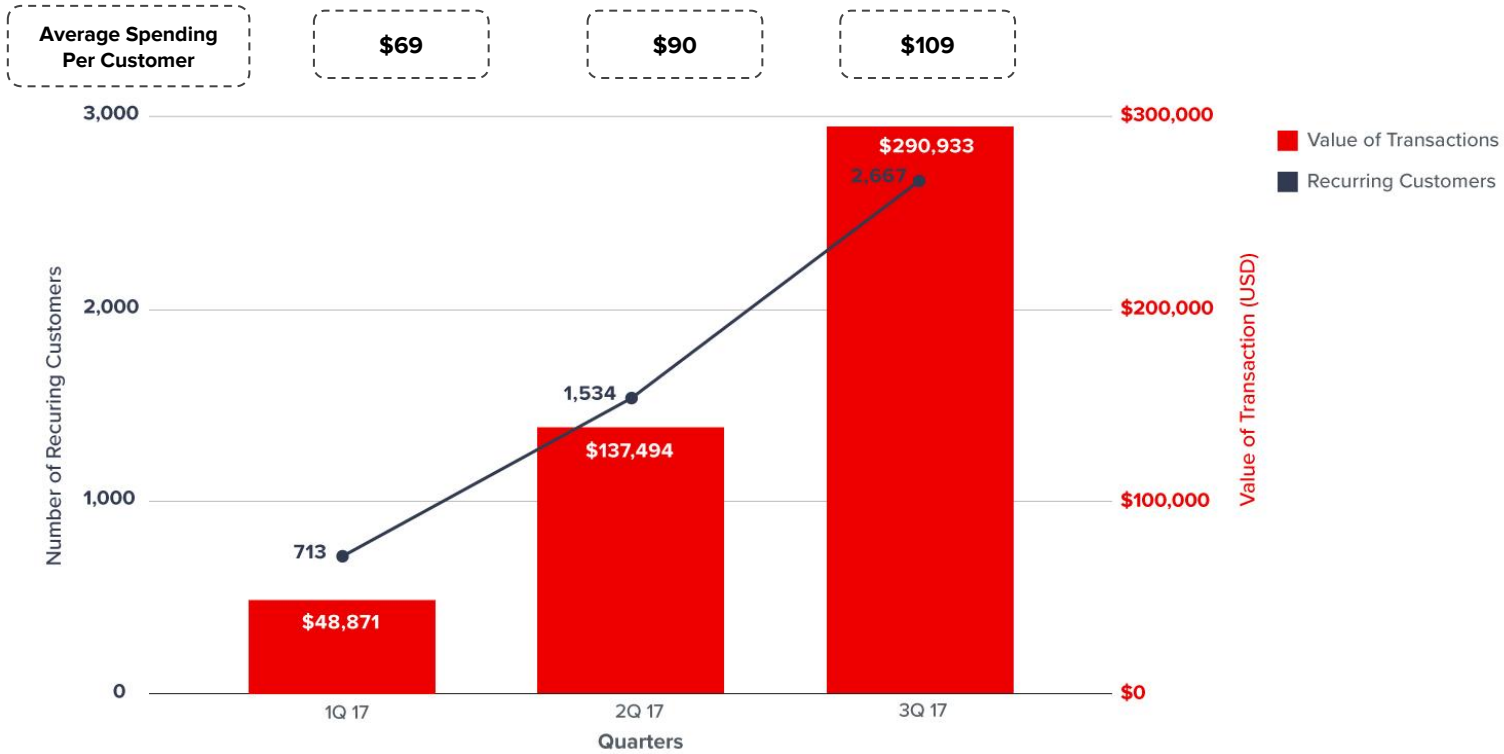


The partnership program as of December 2017 has delivered **59,882 packs** to Partners with **16%** activation rate. Over **50%** of the packs activated by partners became repeat customers who have made a subsequent purchase.

Recurring Revenue from Partners' Distribution

Value of Transactions from Recurring Customers derived from Partners Distribution efforts Per Quarter



Recurring Customers: Number of customers derived from distribution partners who has made a subsequent purchase of data plans within the Quarter.
Value of Transactions: The total value of all transactions performed by recurring customers derived from the distributions within the Quarter
Average Spending Per Customer: The total value of transactions from the partners program over the number of recurring customers within the Quarter.

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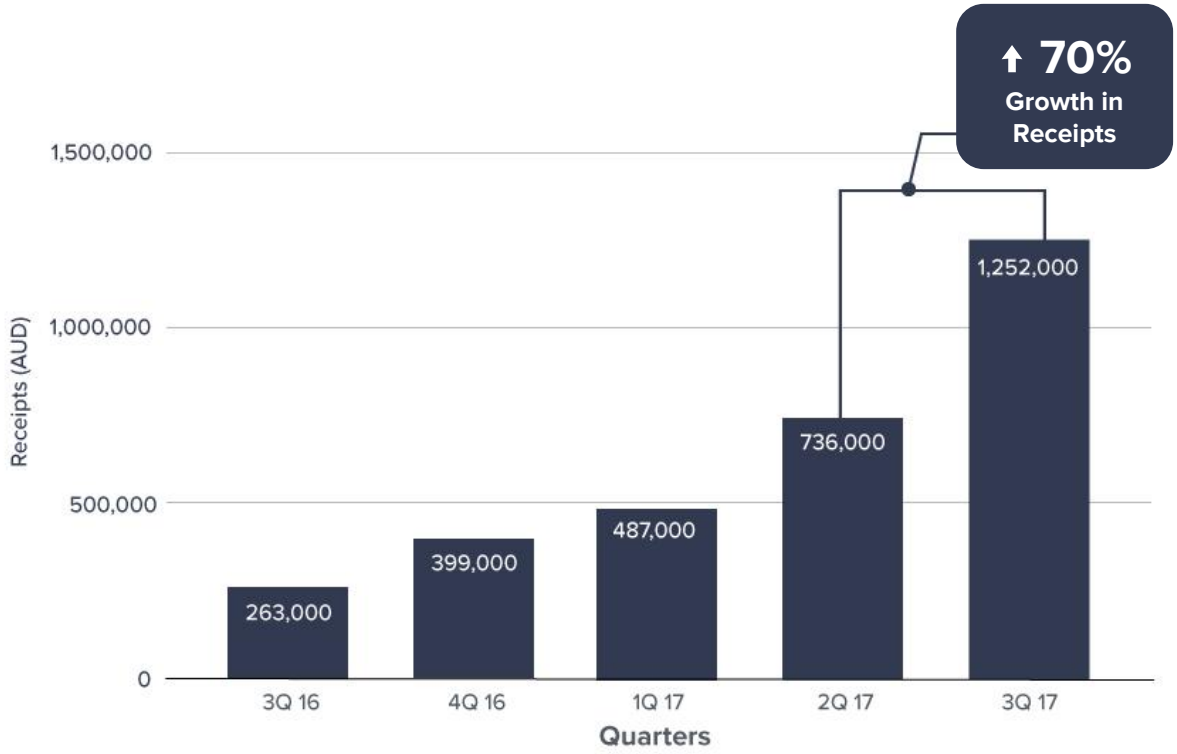
Receipts Per Quarter



The receipts surged in 3Q17 with a quarterly growth of **70%** to reach **AUD 1,252,000** due to increase in revenue from ongoing marketing campaigns such as the **Singles Day sales**, **Black Friday** and **Cyber Monday**.

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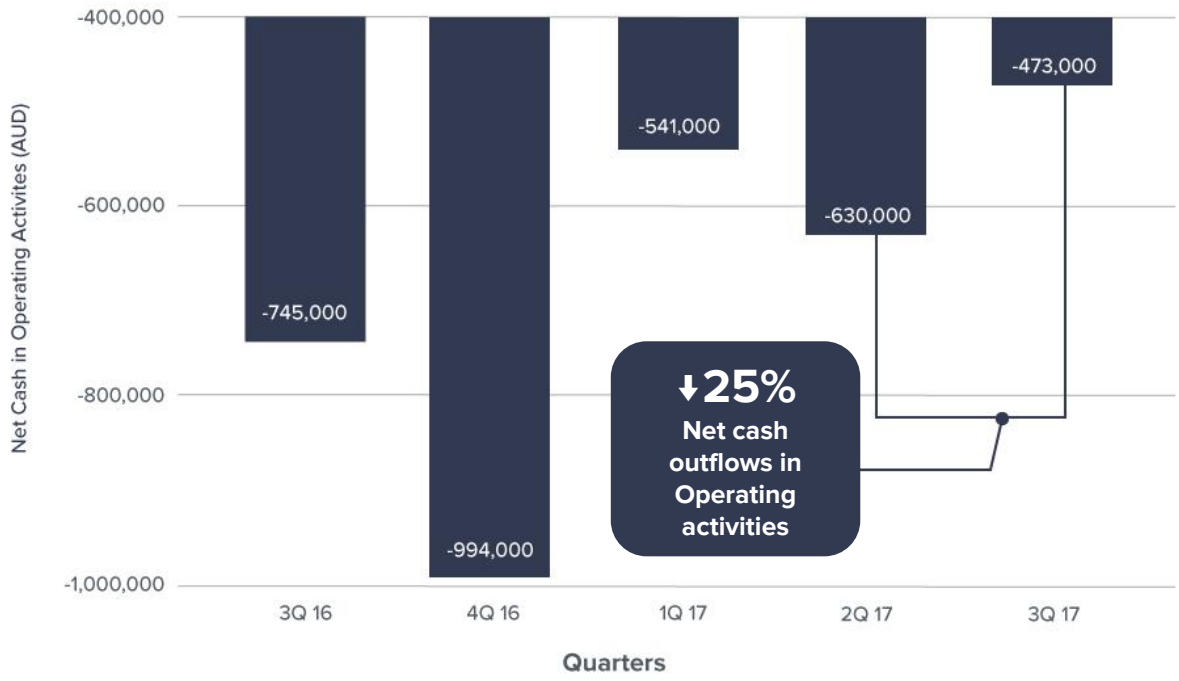
Net Cash in Operating Activities



The increase in payment for operating expenses was offset by an increase in receipts from customers. As a result, net **cash outflow improved by 25%** compared to previous quarter.

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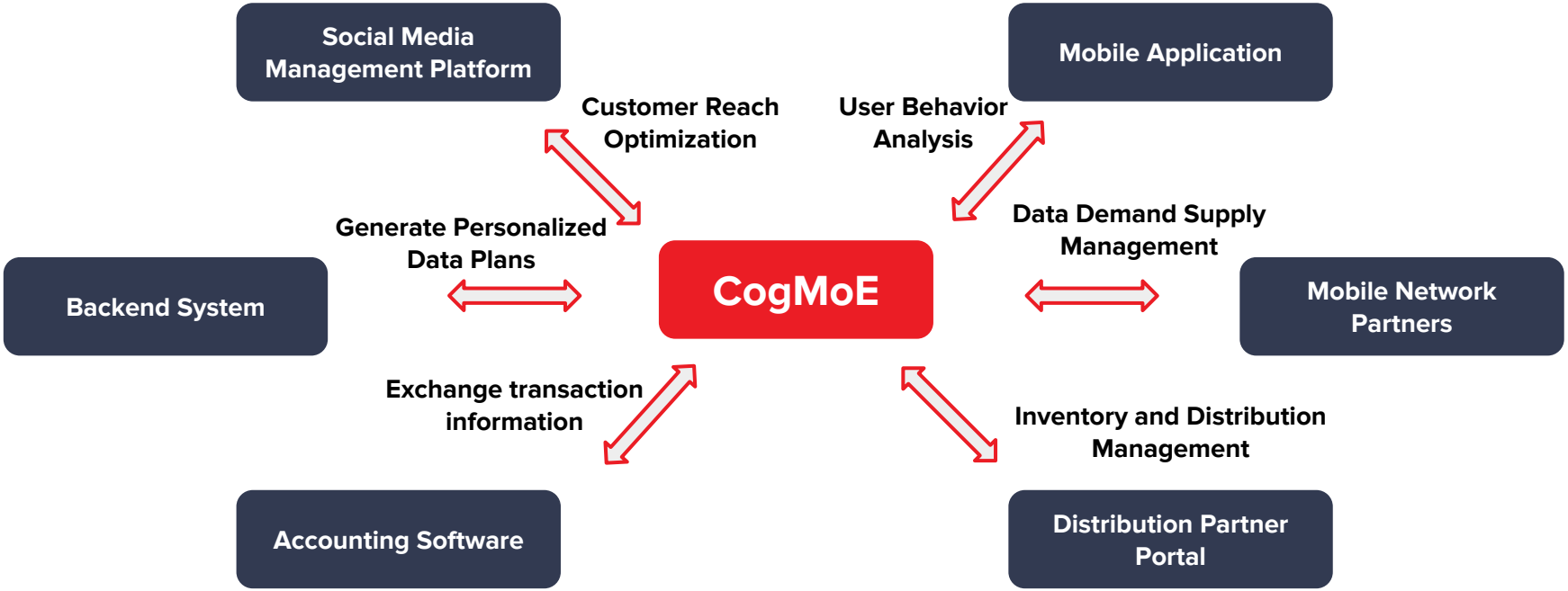
Upcoming Innovations: Cognitive Mobile Operator Engine (CogMoE)

Developing a centralized smart decision-making system that cognitively manages components of Flexiroam backend processes which goes as far as designing uniquely personalized data plans according to customers usage behaviour.



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Cognitive Decision Making Assistance via CogMoE

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Flexiroam database of information to support decision-making process:

20 months
Worth of Flexiroam X usage record

31,200
Unique active users

66,000 Gigabyte
Of Data Utilized

Data Usage in 134 Destinations Countries

*Data since the launch of Flexiroam X in June 2016

Value derived from automated cognitive decision-making:

Personalized data packages
Based on insights of travel patterns and usage

Variable Cost Data Plans
Based on analysis of spending patterns

Automated promotions
Based on predictions of travel patterns

Predictive Analysis of Data Demands
Based on data consumption patterns

Customer loyalty through personalized experience

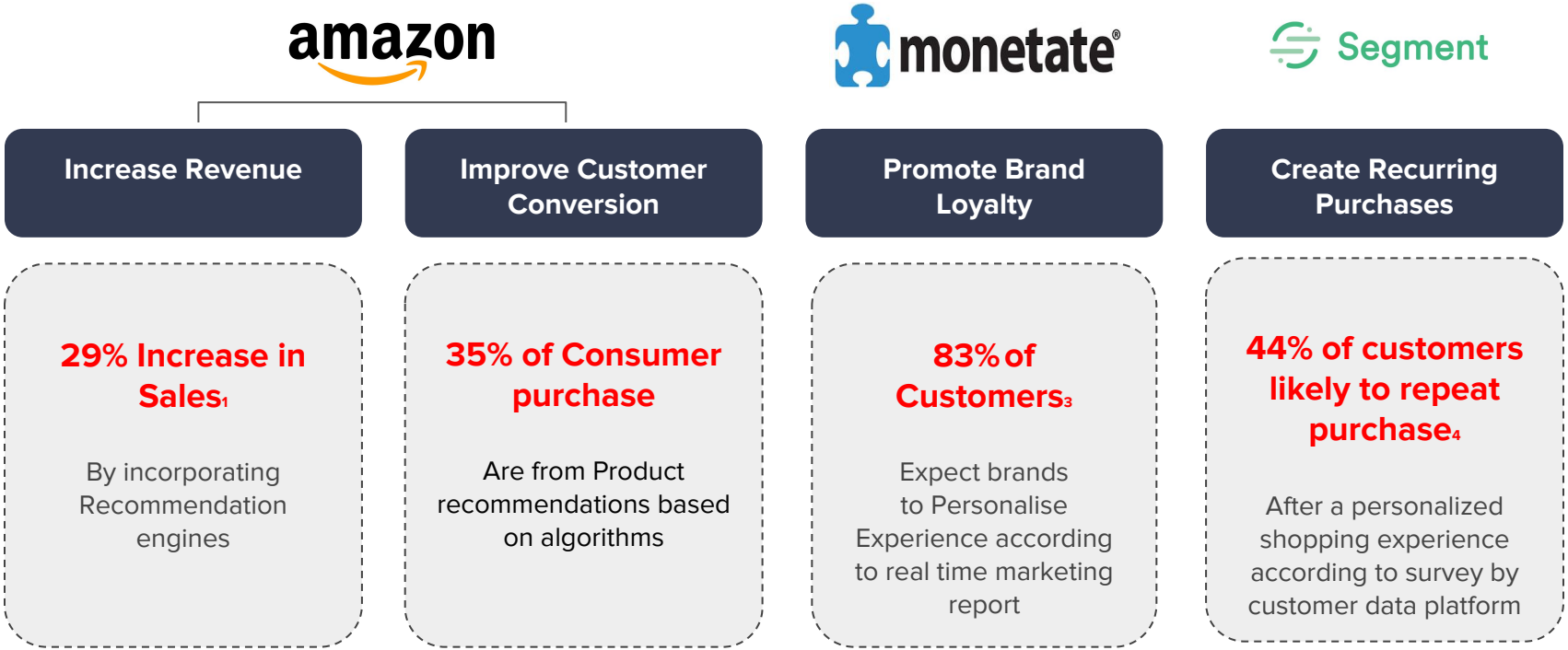
Maximize sales opportunity to all customer segments

Improve efficiency in marketing

Increases Corporate Margins

Benefits of developing Cognitive Technology

Existing benefits of cognitive technology according to businesses and market research



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1. http://rejoiner.com/resources/amazon-recommendations-secret-selling-online/
2. https://www.mckinsey.com/industries/retail/our-insights/how-retailers-can-keep-up-with-consumers
3. http://internetretailing.net/2016/06/retailers-risk-alienating-customers-83-expect-personalised-experience/
4. http://www.marketwired.com/press-release/segment-survey-finds-consumers-will-spend-more-when-their-shopping-experience-is-personalized-2238385.htm

Summary of 3Q17 performance

The number of subscribers has grown by **14%** and number of users grew by **36%** compared to the previous quarter. The conversion rate between subscribers and users is at **31%**.

There were **17,517 unique active** users during the 3 month period. The compounded growth rate in unique active users is 21% per quarter.

There were **15,822 transactions** from **11,054** paying users making an average of **1.43** transactions per paying user.

As of December 2017, **59,882 packs** were delivered to **187 partners**. Over **50% of activated users** derived from partnership program have become **repeat customers**.

The partners program has generated **$290,933** from transactions with an average spending of **$109** per recurring customer in 3Q17 alone.

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