

## APPENDIX 4D

### Half-year Report for the period ending 30 September 2019

#### 1. Name of entity

<b>Flexiroam Limited and its Controlled Entities</b>
--

ABN	Reporting Period	Previous Corresponding Period
27 143 777 397	Half year ended 30 September 2019	Half year ended 30 September 2018

#### 2. Results for Announcement to the Market

Financial Results	% Increase / (Decrease)	30 Sep 2019 AUD	30 Sep 2018 AUD
Revenues from ordinary activities <i>(item 2.1)</i>	70%	4,673,369	2,747,022
Loss from ordinary activities after tax attributable to members <i>(item 2.2)</i>	-16%	(942,844)	(1,119,825)
Net loss for the period attributable to members <i>(item 2.3)</i>	-16%	(942,844)	(1,119,825)
Final and interim dividends <i>(item 2.4)</i>	It is not proposed that an interim dividend be paid .		
Record date for determining entitlements to the dividend <i>(item 2.5)</i>	N/A		
Brief explanation of any of the figures reported above <i>(item 2.6)</i> :	Refer to the attached Report for commentary on results.		

#### 3. NTA Backing

	Current Period 30 Sep 2019	Previous Corresponding Period 30 Sep 2018
Net tangible assets per ordinary share <i>(Item 3)</i>	(1.5) cents	(0.4) cents

#### 4. Control gained over entities

Details of entities over which control has been gained or lost <i>(item 4)</i>	N/A
--	-----

#### 5. Dividends paid and payable

Details of dividends or distribution payments <i>(item 5)</i>	No dividends or distributions are payable.
---	--

#### 6. Dividend reinvestment plans

Details of dividend or distribution reinvestment plans <i>(item 6)</i>	There is no dividend reinvestment program in operation.
--	---

#### 7. Details of associates

Details of associates and joint venture entities <i>(item 7)</i>	N/A
--	-----

---

**8. Foreign entities**

Foreign entities to disclose which accounting standards are used in compiling the report ( <i>item 8</i> )	N/A
--	-----

**9. Audit Review Opinion**

Details of audit review that is subject to a modified opinion, emphasis of matter or other matter paragraph ( <i>item 9</i> )
Emphasis of Matter – Material Uncertainty Related to Going Concern
The Audit Review Report contains an Emphasis of Matter relating to the ability of the Group to continue as a going concern, which is dependent on the Group achieving positive operating cash flows and/or securing additional funding through capital raising to continue to fund its operational and marketing activities.

For personal use only

# FLEXIROAM



## CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED  
**30 SEPTEMBER 2019**

FLEXIROAM LIMITED AND ITS CONTROLLED ENTITIES  
ACN 143 777 397

For personal use only

# TABLE OF CONTENTS

---

DIRECTORS' REPORT	01
AUDITOR'S INDEPENDENCE DECLARATION	04
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	05
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	06
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	07
CONSOLIDATED STATEMENT OF CASH FLOWS	08
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	09
DIRECTORS' DECLARATION	18
INDEPENDENT AUDITOR'S DECLARATION	19
CORPORATE INFORMATION	21

For personal use only

The Directors of Flexiroam Limited ('**Flexiroam**' or '**the Company**') and its controlled entities submit herewith their report together with the financial report of the Company and its controlled entities ('**the Group**') for the half-year ended 30 September 2019.

## Directors

The Directors of the Company during or since the end of the half-year are:

- Jeffrey Ong (appointed 18 March 2015)
- Tat Seng Koh (appointed 3 September 2018)
- Tuck Yin Choy (appointed 13 May 2019)
- Ong Thian Choy (appointed 1 October 2019)
- Dato' Larry Gan Nyap Liou (appointed 18 November 2015, resigned 30 September 2019)

## Company Secretary

- Kim Hogg (appointed 15 June 2016)

## Principal Activities

The Group is involved in telecommunications. During the period in review the principal continuing activities consisted of development and provision of global connectivity solutions.

## Financial Performance Review

Flexiroam continues to deliver its stated objective of increasing revenue and growing global customer base as shown in the results of its first-half performance, highlights as follows:

- Half-year revenue grew by +70% or equivalent to A\$4.7m compared to A\$2.7m from the same period last year.
- Group consolidated Income Statement recorded 24% improvement in EBITDA in 1H FY 2020 as compared to same period last year - a significant progress to breakeven.
- Cumulative subscribers continued to grow at a compounded growth rate of 38% every period of six months.
- Subsequent to half-year reporting period, the Group successfully carried out a Renounceable Entitlement Offer that raised A\$1.26m to fund future business growth strategies and current working capital needs.

## Revenue Growth aligns with EBITDA Improvement

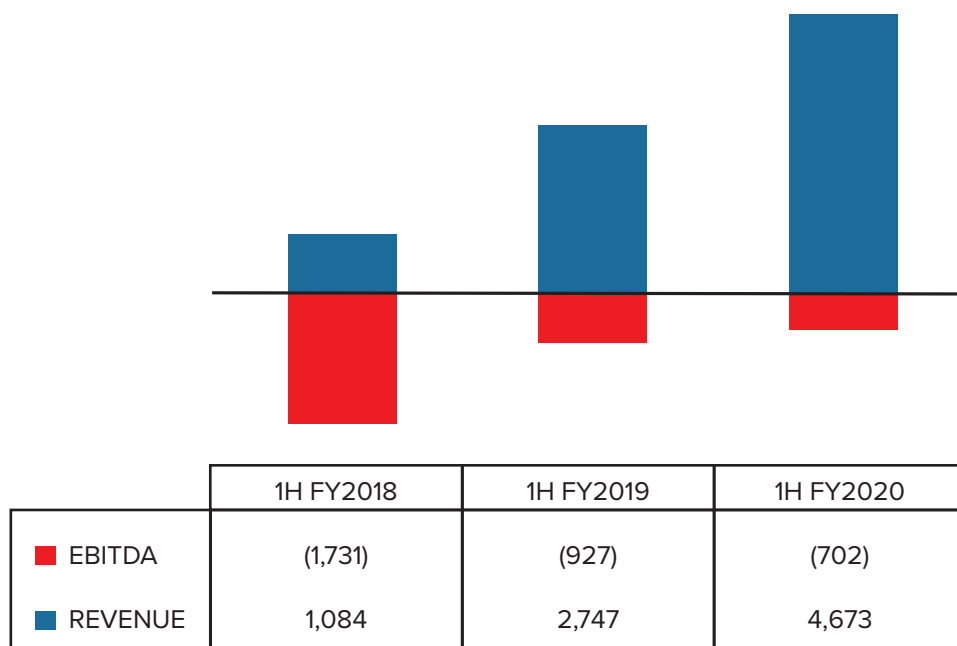
The Group delivered a strong performance underpinned by solid revenue growth in the first half of FY 2020 by 70% compared to the same period last year. The Group generated A\$ 4.7m in revenue during the current half-year. (1H FY 2019: A\$ 2.7m).

This growth in revenue coupled with the optimisation of spending across the organization has resulted to EBITDA margin improvement of 24% compared to same period last year. Operating expenses (excluding depreciation & amortisation, finance expenses, and foreign exchange gain) decreased from 79% of revenue last half-year to 62% this current half-year. During Q2 FY 2020, the Group achieved its first profitable quarter with EBITDA recorded at A\$ 0.26m attributable to the effective cost management in every line of operation, with significant improvement from selling and marketing optimisation and favorable impact from foreign exchange. Total foreign exchange gains registered during the 1H FY 2020 amounted to A\$0.25m.

The Group has proven that its strategies to invest in future growth have yielded positive results. Flexiroam's eSIM that was launched in early 2019 has continuously received very encouraging take-up from subscribers all over the world. With many other new features aiming at enhancing consumer experience currently in place, continuous cost management and optimisation efforts, combined with intensified sales and marketing activities, the Group is set to achieve high growth performance in the coming months.

For personal use only

REVENUE & EBITDA (In A\$'000s)

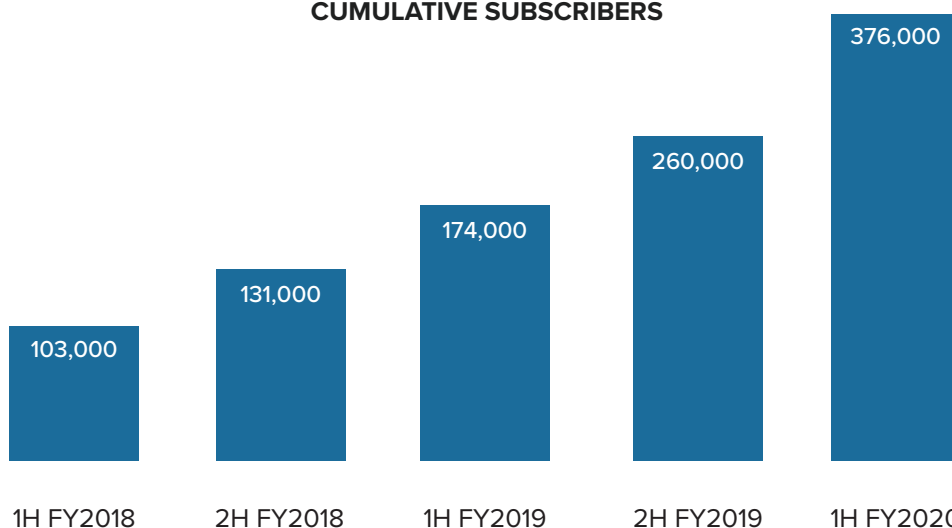


Significant Subscribers Growth

Flexiroam’s strategy to accelerate customer acquisition growth through the implementation of collaborative partnerships, and an increase in direct marketing activities has yielded positive results in acquiring new subscribers in 1H of FY2020. During this half-year, coverage was also extended to international travellers of major airlines and all these efforts have resulted in more than 116,000 new subscribers coming onboard which is a 170% increase from the previous corresponding half-year (1H FY2019: 43,000). The current partnerships with airlines and travel insurance providers provide Flexiroam with access to ‘primed’ customers from a pool of 35 million travellers.

Over the past two years, cumulative subscribers show an increasing trend with a compounded growth rate of 38% every six months. Continued focus on this customer acquisition strategy, along with public relations activities to raise awareness levels of the Group’s products and services in Australia is expected to deliver sustained growth in subscribers over the coming months.

CUMULATIVE SUBSCRIBERS



For personal use only

**Successful Capital Raising to Fund Future Growth Strategies**

On 31 October 2019, the Company successfully completed a Renounceable Entitlement Offer by the issue of a total of 63,120,842 ordinary fully paid shares at an issue price of A\$ 0.02 each with one attaching new option for each share issued. An additional of 2,500,000 listed options were also issued as consideration for the lead manager services. Total funds raised for this entitlement issue amounted to A\$1.26m which will be applied to product sales and marketing, research and development and other working capital needs of the Company.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of directors made pursuant to s.306 (3)(a) of the Corporations Act 2001.



Jeffrey Ong  
Chief Executive Officer  
Signed on this 28<sup>th</sup> day in November 2019

For personal use only



**Crowe Sydney**  
ABN 97 895 683 573  
Member of Crowe Global

Audit and Assurance Services

Level 15 1 O'Connell Street  
Sydney NSW 2000  
Australia

Tel +61 2 9262 2155  
Fax +61 2 9262 2190  
[www.crowe.com.au](http://www.crowe.com.au)

28 November 2019

The Board of Directors  
Flexiroam Limited  
79 Broadway  
Nedlands WA 6009

Dear Board Members

## Flexiroam Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Flexiroam Limited.

As lead audit partner for the audit of the financial report of Flexiroam Limited for the half-year ended 30 September 2019, I declare that to the best of my knowledge and belief, that there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

**Crowe Sydney**

**Suwarti Asmono**  
Partner

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Sydney, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees.  
© 2019 Findex (Aust) Pty Ltd

For personal use only



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2019**

	NOTES	HALF-YEAR ENDED 30 SEP 2019 \$	HALF-YEAR ENDED 30 SEP 2018 \$
			(Restated)
Revenue	2	4,673,369	2,747,022
Cost of sales		(2,744,702)	(1,495,730)
Gross profit / (loss)		<u>1,928,667</u>	<u>1,251,292</u>
Interest received		891	1,731
Foreign exchange gains		254,065	4,317
Other income		326	50
Administration and operating expenses		(370,118)	(356,298)
Selling and marketing expenses		(1,879,812)	(1,337,072)
Research and development		(202,126)	(215,603)
Staff costs		(433,135)	(273,238)
Depreciation and amortisation		(30,653)	(38,024)
Finance expenses		(210,949)	(156,980)
Loss before income tax		(942,844)	(1,119,825)
Income tax expense		<u>-</u>	<u>-</u>
Loss for the period		<u>(942,844)</u>	<u>(1,119,825)</u>
Other comprehensive loss			
<i>Items that may be re-classified to profit or loss:</i>			
Foreign exchange translation		(456,207)	(109,690)
Revaluation of available-for-sale assets		<u>-</u>	<u>-</u>
Total other comprehensive loss, net of tax		(456,207)	(109,690)
<b>Total comprehensive loss for the period</b>		<u><b>(1,399,051)</b></u>	<u><b>(1,229,515)</b></u>
Loss per share (basic and diluted)		(0.4) cents	(0.6) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

For personal use only

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS  
AT 30 SEPTEMBER 2019**

	NOTES	AS AT 30 SEP 2019 \$	AS AT 31 MAR 2019 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		268,219	528,017
Trade and other receivables		193,582	315,075
Inventory	3	63,014	219,807
Other assets	4	186,738	2,726
<b>Total current assets</b>		<b>711,553</b>	<b>1,065,625</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment		99,094	116,980
<b>Total non-current assets</b>		<b>99,094</b>	<b>116,980</b>
<b>Total Assets</b>		<b>810,647</b>	<b>1,182,605</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	5	2,776,570	2,148,774
Deferred revenue	6	1,656,774	2,065,205
Borrowings		15,497	15,507
<b>Total current liabilities</b>		<b>4,448,841</b>	<b>4,229,486</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		44,856	11,875
<b>Total non-current liabilities</b>		<b>44,856</b>	<b>11,875</b>
<b>Total Liabilities</b>		<b>4,493,697</b>	<b>4,241,361</b>
<b>Net Assets</b>		<b>(3,683,050)</b>	<b>(3,058,756)</b>
<b>EQUITY</b>			
Issued capital	7	38,203,896	37,429,139
Reserves		(2,657,500)	(2,203,856)
Accumulated losses		(39,229,446)	(38,284,039)
<b>Total equity</b>		<b>(3,683,050)</b>	<b>(3,058,756)</b>

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

For personal use only

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2019

	ISSUED CAPITAL \$	OPTION AND PERFORMANCE RIGHTS RESERVE \$	FOREX TRANSLATION RESERVE \$	ACCUMULATED LOSSES \$	TOTAL \$
<b>Balance at 1 Apr 2018</b>	36,268,139	299,993	(2,489,914)	(34,814,379)	(736,161)
Impact of prior period error and changes in accounting standard	-	-	469,356	(592,741)	(123,385)
<b>Adjusted balance at 1 April 2018</b>	<b>36,268,139</b>	<b>299,993</b>	<b>(2,020,558)</b>	<b>(35,407,120)</b>	<b>(859,546)</b>
Loss for the period	-	-	-	(1,119,825)	(1,119,825)
Other comprehensive loss for the period	-	-	(109,690)	-	(109,690)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(109,690)</b>	<b>(1,119,825)</b>	<b>(1,229,515)</b>
Capital issued during the period	1,161,000	-	-	-	1,161,000
<b>Balance at 30 Sep 2018 (Restated)</b>	<b>37,429,139</b>	<b>299,993</b>	<b>(2,130,248)</b>	<b>(36,526,945)</b>	<b>(928,061)</b>
<b>Balance at 1 Apr 2019</b>	<b>37,429,139</b>	<b>299,993</b>	<b>(2,503,849)</b>	<b>(38,284,039)</b>	<b>(3,058,756)</b>
Impact of prior period error and changes in accounting standards	-	-	2,563	(2,563)	-
<b>Adjusted balance at 1 April 2019</b>	<b>37,429,139</b>	<b>299,993</b>	<b>(2,501,286)</b>	<b>(38,286,602)</b>	<b>(3,058,756)</b>
Loss for the period	-	-	-	(942,844)	(942,844)
Other comprehensive loss for the period	-	-	(456,207)	-	(456,207)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(456,207)</b>	<b>(942,844)</b>	<b>(1,399,051)</b>
Capital issued during the period	774,757	-	-	-	774,757
<b>Balance at 30 Sep 2019</b>	<b>38,203,896</b>	<b>299,993</b>	<b>(2,957,493)</b>	<b>(39,229,446)</b>	<b>(3,683,050)</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2019

	NOTES	HALF-YEAR ENDED 30 SEP 2019 \$	HALF-YEAR ENDED 30 SEP 2018 \$
			(Restated)
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		4,259,889	3,466,094
Payments to suppliers and employees		(5,112,986)	(3,558,178)
Interest paid		(210,949)	(156,980)
Interest received		891	1,731
Net cash flows used in operating activities		<u>(1,063,155)</u>	<u>(247,333)</u>
<b>Cash Flows from Investing Activities</b>			
Purchase of plant and equipment		<u>(10,591)</u>	<u>(3,979)</u>
Net cash flows used in investing activities		<u>(10,591)</u>	<u>(3,979)</u>
<b>Cash Flows from Financing Activities</b>			
Advances from related parties		40,207	54,083
Proceeds from issue of share capital		774,757	1,161,000
Borrowings – payments		<u>(8,049)</u>	<u>(7,413)</u>
Net cash flows provided by financing activities		<u>806,915</u>	<u>1,207,670</u>
Net (decrease) / increase in cash and cash equivalents		<u>(266,831)</u>	<u>956,358</u>
<b>Cash and Cash Equivalents at the beginning of the period</b>		<b>528,017</b>	<b>700,000</b>
Foreign exchange fluctuations on opening cash balances		7,033	(103,904)
<b>Cash and Cash Equivalents at the end of the period</b>		<b><u>268,219</u></b>	<b><u>1,552,454</u></b>

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

For personal use only

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

This consolidated interim financial report includes the financial statements and notes of Flexiroam Limited (“the Company”) and its subsidiaries Flexiroam Sdn Bhd and Flexiroam Asia Limited (collectively “the Group”). The Group is a for-profit entity primarily and is domiciled in Australia.

This half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 March 2019 and any public announcements made by the Company and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

### Prior Period Restatement

Restatements have been made to prior period financial statements due to the following:

- Recognition of an additional unrealized foreign exchange gain of \$29,199 in the profit or loss as a result an adjustment to the unrealized foreign exchange gain or loss in prior year for the effects of changes in foreign exchange of intercompany accounts within the group.
- Recognition of additional revenue from expected breakage in proportion to the pattern of rights exercised by the customer amounting to \$148,728.
- Adjustment to correct expenses amounting to \$53,467 incurred during the year ended 31 March 2018 but was recorded during half-year ended 30 September 2018.

### Basis of Preparation

The consolidated interim financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period and does not include full disclosures of the type normally included in an annual financial report.

### Accounting Policies and Methods of Computation

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

## NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Adoption of New and Revised Australian Accounting Standards

#### Standards and Interpretations applicable to 30 September 2019

In the half-year ended 30 September 2019, the Directors have 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 half-year reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

### Significant Accounting Judgments and Key Estimates

The preparation of half-year financial report requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this half-year financial report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 31 March 2019.

### Going Concern

These financial statements have been prepared on the going concern basis, which contemplates 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 loss of \$942,844 for the half-year ended 30 September 2019 (30 September 2018 loss: \$1,119,825) and a net cash outflow from operating activities amounting to \$1,063,155 (30 September 2018 outflow: \$247,333). 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 through 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 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 have received undertakings of financial support from the Group's major shareholders to assist it in meeting its financial obligations as when they fall due;
- 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.

## NOTE 2 REVENUE

	HALF-YEAR ENDED 30 SEP 2019 \$	HALF-YEAR ENDED 30 SEP 2018 \$
		(Restated)
Corporate <sup>[a]</sup>	695,790	345,635
Consumer <sup>[b]</sup>	3,977,579	2,401,387
	<b>4,673,369</b>	<b>2,747,022</b>

<sup>[a]</sup> Corporate sales consist of business to business transactions involving local and foreign travel agencies.

<sup>[b]</sup> Consumer sales consist of business to consumer transactions involving local and foreign travellers.

## NOTE 3 INVENTORY

	AS AT 30 SEP 2019 \$	AS AT 31 MAR 2019 \$
Opening balance	219,807	13,644
Purchases	7,604	1,097,190
Distribution	(164,397)	(891,027)
<b>Closing balance</b>	<b>63,014</b>	<b>219,807</b>

The inventory refers to microchip and sim cards.

## NOTE 4 OTHER ASSETS

	AS AT 30 SEP 2019 \$	AS AT 31 MAR 2019 \$
Prepayments	186,738	2,726
	<b>186,738</b>	<b>2,726</b>
<b>Reconciliation</b>		
Opening balance	2,726	63,551
Net additions	184,012	(60,825)
<b>Closing balance</b>	<b>186,738</b>	<b>2,726</b>

For personal use only

**NOTE 5 TRADE AND OTHER PAYABLES**

	AS AT 30 SEP 2019 \$	AS AT 31 MAR 2019 \$
Trade payables	2,566,322	1,890,419
Accruals	210,248	258,355
	<b>2,776,570</b>	<b>2,148,774</b>

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

**NOTE 6 DEFERRED REVENUE**

	AS AT 30 SEP 2019 \$	AS AT 31 MAR 2019 \$
Corporate sales	649,964	1,067,929
Consumer sales	1,006,810	997,276
	<b>1,656,774</b>	<b>2,065,205</b>
<b>Reconciliation</b>		
Opening balance	2,065,205	791,917
Adjustment related to adoption of AASB 15	-	69,840
Net additions	(511,788)	1,131,237
Foreign exchange translation effects	103,357	72,211
<b>Closing balance</b>	<b>1,656,774</b>	<b>2,065,205</b>

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

For personal use only



NOTE 7 ISSUED CAPITAL

	NUMBER OF SHARES	\$
<b>Ordinary shares issued (net of share issue costs)</b>	<b>242,083,451</b>	<b>38,203,896</b>
<b>Reconciliation</b>		
Balance at 1 April 2018	193,689,501	36,268,139
Share issue - 22 August 2018 <sup>[a]</sup>	29,025,000	1,161,000
<b>Balance at 30 September 2018</b>	<b>222,714,501</b>	<b>37,429,139</b>
Balance at 1 April 2019	222,714,501	37,429,139
Share issue – 3 May 2019 <sup>[b]</sup>	19,368,950	774,757
<b>Balance at 30 September 2019</b>	<b>242,083,451</b>	<b>38,203,896</b>

<sup>[a]</sup> On 22 August 2018, the Company successfully completed a capital raising of \$1.16m by the issue of 29,025,000 ordinary fully paid shares at an issue price of \$0.04 each. The Placement is within the Company's 15% share issue capacity under ASX Listing Rule 7.1.

<sup>[b]</sup> On 3 May 2019, the Company successfully completed a capital raising of \$0.77m by the issue of 19,368,950 ordinary fully paid shares at an issue price of \$0.04 each. The placement has been made to an investor qualifying under Section 708 of the Corporations Act and the Company has used its existing issuance capacity under the ASX Listing Rule 7.1A to complete the issue. The investor is not a related party of the Company.

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.

*Dividends*

No dividends were paid or proposed during the half-year ended 30 September 2019 (31 March 2019: nil)

For personal use only

## NOTE 8 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 Company'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.

During the current half-year, the Group changed the geographical segment presentation in order to provide a more meaningful and useful information to the chief operating decision maker.

As at 30 September 2019, the Group operated in one business segment being the telecommunication business segment and 6 geographical market segments, namely the telecommunications market in Africa, Asia, Europe, North America, South America, Oceania and Antarctica.

During the current period, the chief decision makers have been reviewing operations and making decisions based on the supply and provision of telecommunications as a single operating unit. Internal management accounts are consequently prepared on this basis.

For personal use only

For personal use only

**NOTE 8 SEGMENT REPORTING (CONTINUED)**

	AFRICA \$	ASIA \$	EUROPE \$	NORTH AMERICA \$	SOUTH AMERICA \$	OCEANIA & ANTARCTICA \$	UNALLOCA- TED \$	TOTAL \$
<b>HALF-YEAR ENDED 30 SEP 2019</b>								
<b>Revenue</b>								
Corporate	-	437,457	103,356	40,515	105,657	8,805	-	695,790
Consumer	107,595	2,563,444	378,407	400,599	410,699	116,835	-	3,977,579
<b>Total segment and group revenue</b>	<b>107,595</b>	<b>3,000,901</b>	<b>481,763</b>	<b>441,114</b>	<b>516,356</b>	<b>125,640</b>	<b>-</b>	<b>4,673,369</b>
<b>Segment and group cost of sales</b>	(63,192)	(1,762,450)	(282,942)	(259,069)	(303,260)	(73,789)	-	(2,744,702)
Other income and forex loss	-	-	-	-	-	-	255,282	255,282
Administration and operating expenses	-	-	-	-	-	-	(3,096,140)	(3,096,140)
Depreciation and amortisation	-	-	-	-	-	-	(30,653)	(30,653)
<b>Group profit / (loss) for the period</b>	<b>44,403</b>	<b>1,238,451</b>	<b>198,821</b>	<b>182,045</b>	<b>213,096</b>	<b>51,851</b>	<b>(2,871,511)</b>	<b>(942,844)</b>
Net cash operating flows	41,263	1,150,833	184,754	169,165	198,021	48,182	(2,855,373)	(1,063,155)
Net cash investing flows	-	-	-	-	-	-	(10,591)	(10,591)
Net cash financing flows	-	-	-	-	-	-	806,915	806,915
<b>Net cash inflow / (outflow)</b>	<b>41,263</b>	<b>1,150,833</b>	<b>184,754</b>	<b>169,165</b>	<b>198,021</b>	<b>48,182</b>	<b>(2,059,049)</b>	<b>(266,831)</b>
<b>AS AT 30 SEP 2019</b>								
Assets	18,663	520,539	83,567	76,516	89,568	21,794	-	810,647
Liabilities	103,459	2,885,529	463,241	424,154	496,504	120,810	-	4,493,697

For personal use only

**NOTE 8 SEGMENT REPORTING (CONTINUED)**

	AFRICA \$	ASIA \$	EUROPE \$	NORTH AMERICA \$	SOUTH AMERICA \$	OCEANIA & ANTARCTICA \$	UNALLOCA- TED \$	TOTAL \$
<b>HALF-YEAR ENDED 30 SEP 2018</b>								
<b>Revenue</b>								
Corporate	66,267	134,934	22,764	10,067	108,081	3,522	-	345,635
Consumer	51,294	1,557,146	204,538	213,869	302,270	72,270	-	2,401,387
<b>Total segment and group revenue</b>	<b>117,560</b>	<b>1,692,080</b>	<b>227,302</b>	<b>223,936</b>	<b>410,352</b>	<b>75,792</b>	<b>-</b>	<b>2,747,022</b>
<b>Segment and group cost of sales</b>	(64,011)	(921,323)	(123,764)	(121,931)	(223,433)	(41,268)	-	(1,495,730)
Other income and forex loss	-	-	-	-	-	-	6,098	6,098
Administration and operating expenses	-	-	-	-	-	-	(2,339,191)	(2,339,191)
Depreciation and amortisation	-	-	-	-	-	-	(38,024)	(38,024)
<b>Group profit / (loss) for the period</b>	<b>53,550</b>	<b>770,757</b>	<b>103,538</b>	<b>102,005</b>	<b>186,919</b>	<b>34,524</b>	<b>(2,371,117)</b>	<b>(1,119,825)</b>
Net cash operating flows	77,974	1,122,300	150,762	148,529	272,173	50,271	(2,069,342)	(247,333)
Net cash investing flows	-	-	-	-	-	-	(3,979)	(3,979)
Net cash financing flows	-	-	-	-	-	-	1,207,670	1,207,670
<b>Net cash inflow / (outflow)</b>	<b>77,974</b>	<b>1,122,300</b>	<b>150,762</b>	<b>148,529</b>	<b>272,173</b>	<b>50,271</b>	<b>(865,651)</b>	<b>956,357</b>
<b>AS AT 31 MAR 2019</b>								
Assets	50,610	728,448	97,854	96,405	176,658	32,630	-	1,182,605
Liabilities	181,511	2,612,546	350,951	345,754	633,577	117,022	-	4,241,361

## NOTE 9 FINANCIAL INSTRUMENTS

The accounting policies and methods of computation adopted are consistent with those of the previous year and corresponding half-year.

The Directors consider that the carrying value of the financial assets and financial liabilities as recognised in the consolidated financial statements approximate their fair values.

## NOTE 10 SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2019

Except for the events described below, there were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Group or the state of affairs of the Group in the financial period subsequent to 30 September 2019.

On 1 October 2019, Mr Ong Thian Choy (David) was appointed as a Non-Executive Director.

On 31 October 2019, the Company successfully completed a Renounceable Entitlement Offer by the issue of a total of 63,120,842 ordinary fully paid shares at an issue price of \$0.02 each with one attaching new option for each share issued. An additional of 2,500,000 listed options were also issued as consideration for the lead manager services. The options form a new class of quoted securities (ASX: FRXO) exercisable at \$0.12 each and expiring on 31 October 2022. Total funds raised for this entitlement issue amounted to \$1.26m.

## NOTE 11 COMMITMENTS AND CONTINGENCIES

There has been no change in contingent liabilities and commitments since the last annual reporting date.

## NOTE 12 RELATED PARTY TRANSACTIONS

Transactions with related parties

	AS AT 30 SEP 2019 \$	AS AT 31 MAR 2019 \$
Amounts due to directors	178,674	164,746

## DIRECTORS' DECLARATION

In the opinion of the Directors of the Group:

1. The attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
  - a. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - b. giving a true and fair view of the Group's financial position as at 30 September 2019 and of its performance for the half-year then ended; and
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board



Jefrey Ong  
Director

Signed on this 28<sup>th</sup> day in November 2019

For personal use only



**Crowe Sydney**  
ABN 97 895 683 573  
Member of Crowe Global

Audit and Assurance Services

Level 15 1 O'Connell Street  
Sydney NSW 2000  
Australia

Tel +61 2 9262 2155  
Fax +61 2 9262 2190  
[www.crowe.com.au](http://www.crowe.com.au)

## Independent Auditor's Review Report to the Members of Flexiroam Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Flexiroam Limited and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 September 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

### Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 September 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Flexiroam Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards

For personal use only

and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Flexiroam Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 September 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

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

We draw attention to Note 1 Going Concern section, which indicates that the Group incurred a net loss of \$942,844 and a net cash outflow from operating activities amounting to \$1,063,155 during the half-year ended 30 September 2019.

As stated in Note 1, these events or conditions, along with other matters as set forth in the Note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



**Crowe Sydney**



**Suwarti Asmono**  
Partner

Dated at Sydney this 28<sup>th</sup> day of November 2019



This half-year report is for Flexiroam Limited and its controlled entities. Unless otherwise stated, all amounts are presented in \$AUD.

<b>DIRECTORS</b>	Jefrey Ong Tat Seng Koh Tuck Yin Choy Ong Thian Choy
<b>COMPANY SECRETARY</b>	Kim Hogg
<b>REGISTERED OFFICE</b>	79 Broadway, NEDLANDS WA 6009
<b>PRINCIPAL PLACE OF BUSINESS</b>	22-2 Jalan PJU 8/3A, Bandar Damansara Perdana, 47820, Petaling Jaya, Selangor D.E., Malaysia
<b>AUDITORS</b>	Crowe Sydney Level 15 1 O'Connell Street Sydney NSW 2000
<b>BANKERS</b>	National Australia Bank 100 St Georges Terrace, PERTH WA 6000
<b>SOLICITORS</b>	Dean & Co. Lot 1, Aman Kiara, No. 1, Jalan Kiara 5 Mont Kiara, 50480, Kuala Lumpur, Malaysia
<b>SHARE REGISTRY</b>	Advanced Share Registry 110 Stirling Highway, NEDLANDS WA 6009  Ph : 08 9389 8033 Fax : 08 9262 3723
<b>SECURITIES EXCHANGE LISTING</b>	Flexiroam Limited shares are listed on the Australian Securities Exchange (ASX code : FRX)
<b>WEBSITE</b>	<a href="http://www.flexiroam.com">www.flexiroam.com</a>
<b>CONTACT INFORMATION</b>	Ph : +61281883919 Email : <a href="mailto:investor@flexiroam.com">investor@flexiroam.com</a>

For personal use only

For personal use only

**FLEXIROAM**