

28 July 2017

Company Announcements Office
ASX Limited

Key Performance Highlights

	CURRENT QUARTER 30 JUNE 2017 VERSUS PREVIOUS CORRESPONDING QUARTER 30 JUNE 2016
Receipts from consumer sales	148%
Receipts from corporate sales	(72%)
Research and development	(68%)
Product manufacturing and operating costs	29%
Advertising and marketing	(98%)
Staff costs	4%
Administration and corporate costs	54%
Payment to acquire property, plant and equipment	2,672%
Total net cash outflow (including foreign exchange rate movement)	(39%)

- Net cash outflow improved by 39% over the corresponding quarter last year, with most expense categories showing improvement.
- Receipts from consumer sales increased by 148% fuelled by high repetition sales.
- Corporate sales decreased by 72% from previous corresponding quarter as we focused on new mass market distribution strategy known as Flexiroam Partner Program 2.0 introduced in March 2017.
- Flexiroam Partner Program 2.0 had secured 33 new distributors in 14 countries.
- The new digital marketing strategy continued to show positive results with 98% reduction in marketing expenditure from the previous corresponding quarter.
- Research and development activities were streamlined resulting in further costs reduction compared to the previous quarters.
- There were 3 times as many active users in this quarter compared to the previous corresponding quarter but product manufacturing and operating costs increased by only 29%, clearly reflecting the positive effects of economies of scale.

- Payment for staff costs remained constant while administration and corporate costs increased by 54% from corresponding quarter due to higher freight, talent recruitment, software subscription and consultancy costs.
- Payment to manufacturer increased by 2,672% as we stocked up X-microchips in anticipation of higher demand in the near short-term future.

Recent Announcements

April 2017

- Flexiroam enters into a joint marketing agreement with UnionPay International (“UPI”) aimed at gaining leverage on UPI’s international customer base. UPI is a global payment services provider with a wide range of payment solutions for businesses and consumers.
- Flexiroam signs a partnership agreement with Scoot Tigerair Staff Union (“STSU”) to promote Flexiroam services to STSU members. The one-year collaboration focuses on airline personnel, identified as prime candidates for using Flexiroam X, by providing added convenience for frequent travellers through access to fast internet on the go abroad without the need to switch SIM cards.
- Flexiroam enters a joint marketing agreement with Air Line Pilots Association Singapore (“ALPA-S”) to promote Flexiroam services to ALPA-S members. The two-year promotion offers ALPA-S members exclusive offers when purchasing Flexiroam X, again targeting airline crews who are frequent travellers across many countries.

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.

ENDS

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:**Flexiroam Limited**

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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 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	483	483
1.2 Payments for		
(a) research and development	(88)	(88)
(b) product manufacturing and operating costs	(384)	(384)
(c) advertising and marketing	(15)	(15)
(d) leased assets	-	-
(e) staff costs	(221)	(221)
(f) administration and corporate costs	(135)	(135)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	(21)	(21)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(370)	(370)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(183)	(183)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
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)	-	-
2.6 Net cash from / (used in) investing activities	(183)	(183)

3. Cash flows from financing activities		
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)	(3)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(3)	(3)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	3,146	3,146
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(370)	(370)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(183)	(183)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(3)	(3)
4.5 Effect of movement in exchange rates on cash held	28	28
4.6 Cash and cash equivalents at end of quarter	2,618	2,618

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,618	3,146
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,618	3,146

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	84
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	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(80)
9.2	Product manufacturing and operating costs	(349)
9.3	Advertising and marketing	(408)
9.4	Leased assets	-
9.5	Staff costs	(228)
9.6	Administration and corporate costs	(169)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(1,234)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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	-	-

Compliance statement

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



28 July 2017

Sign here:
(Director/Company secretary)

Date:

Print name: Jeffrey Ong

Notes

- 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.
- 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.
- 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.