

APPENDIX 4D

Half-year Report for the period ending 30 September 2020

1. Name of entity

| |
|---|
| Flexiroam Limited and its Controlled Entities |
|---|

| ABN | Reporting Period | Previous Corresponding Period |
|----------------|--------------------------------------|--------------------------------------|
| 27 143 777 397 | Half year ended 30 September 2020 | Half year ended 30 September 2019 |

2. Results for Announcement to the Market

| Financial Results | % Increase / (Decrease) | 30 Sep 2020 AUD | 30 Sep 2019 AUD |
|---|---|--------------------|--------------------|
| Revenues from ordinary activities (<i>item 2.1</i>) | -71% | 1,375,902 | 4,673,369 |
| Loss from ordinary activities after tax attributable to members (<i>item 2.2</i>) | -32% | (641,175) | (942,844) |
| Net loss for the period attributable to members (<i>item 2.3</i>) | -32% | (641,175) | (942,844) |
| 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 2020 | Previous Corresponding Period 30 Sep 2019 |
|--|-------------------------------|--|
| Net tangible assets per ordinary share (<i>Item 3</i>) | (0.7) cents | (1.5) 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 |
|--|-----|

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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 (*item 9*)

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.

CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED
30 SEPTEMBER 2020

FLEXIROAM LIMITED AND ITS
CONTROLLED ENTITIES

ACN 143 777 397



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Director's Report

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 2020.

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)
- Thian Choy Ong (appointed 1 October 2019)

Company Secretary

- Natalie Teo Shu Qing (appointed 14 February 2020)

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

The results of the Company for the first half of FY2021 (H1 FY2021) were significantly impacted by the outbreak of COVID-19 pandemic which led to the global travel sectors being impacted severely. Prior to the impact of COVID-19 pandemic, the Company achieved turnover of A\$ 7.3 million for FY2020, the highest level of turnover ever achieved in the history of the Company, which translated into compounded annual growth rate (CAGR) of 34.86% on turnover from FY2018 to FY2020.

(a) COVID-19 Pandemic and Management Action

In March 2020, the management team organized strategic review sessions and implemented Crisis and Recovery Plan as demand for core services is expected to be very low in months ahead and there is no certainty on how long this situation will last.

The following are some of the actions taken:

- Identifying and pursuing new sources of income;
- Preserving cash and enacting cost-cutting measures;
- Prioritizing ongoing engagement with subscribers and new customers;
- Communicating with key suppliers, partners and distributors; and
- Supporting our employees who were working remotely

Following the implementation of the Crisis and Recovery Plan, the Company successfully stabilized its operations and reduced monthly operating expenses significantly in H1 FY2021.

(b) Travel Sector Ready and Other Business Income Plan

Through the effective execution of the Crisis and Recovery Plan, the Company has been able to position itself to be in a “ready mode” in quarter 2 of FY2021 to capture potential recovery of the travel sector. The travel sector has been eagerly awaiting positive news on readiness and availability of vaccines to counter COVID-19 and some countries have started to open up their borders to allow “travel bubble”. The recent announcement by Pfizer Inc and BioNTech SE on 9 November 2020 claiming their Phase 3 COVID-19 vaccine trials provides initial evidence of their vaccine’s ability to prevent COVID-19 and thus indicating we are a step closer to provide people around the world with a much needed breakthrough to help bring an end to this global health crisis.

During H1 FY2021 the Company successfully launched Flexiroam Solutions, an Internet of Things (IOT) connectivity solutions platform that leverages the Company’s existing cellular connectivity technology that allows customers of payment service providers (PSP) to tap into network switching technology that provides enhanced coverage with the guarantee of secured and reliable transactions. The technology powered by Flexiroam Solutions enable the PSP’s to have a high level of connectivity for their mobile point of sale (mPOS) terminals, a digital device that requires internet connectivity to perform the function of a cash register. The Company has been successful to secure several commercial accounts during the quarter. Flexiroam aims to grow the platform into a recurring revenue stream for the Company and will focus on developing this platform initially within Asia.

In addition, the Company was also selected as the connectivity partner for the 23rd International AIDS Conference. Flexiroam was contracted to provide data connectivity to conference delegates in Africa for them to participate in the virtual conference hosted in San Francisco, United States of America.

(c) Fund Raising

As part of the recovery plan, the company undertook a non-renounceable rights issue which was completed in August 2020 and raised a total of A\$1.0 million to fast track development of its innovative global connectivity platform as well as to augment general capital requirement. The non-renounceable rights issue were supported entirely by the subscription of the offer by Directors and existing shareholders of the Company.

Subsequent to H1 FY2021, the Company further undertook a share placement in November 2020 and raised another A\$2 million. With the completion of this share placement, the Company has successfully raised a total of A\$3.0 million in FY2021 and this will provide crucial financial resources to accelerate market growth and for the Company to continue to invest and innovate in areas of technology to strengthen future potential.

(d) Highlights of H1 FY2021 Results

- Total revenue recognized in H1 FY2021 is A\$1.376 mil (H1 FY2020: A\$4.673 mil) representing a reduction of 70.6%;
- Gross margin improved significantly to 88% (H1 FY2020: 41%) due to cost optimization strategy coupled with expiration of unutilized data plan;
- Total operating expenses reduced significantly in H1 FY2021 to A\$0.578 mil (H1 FY2020: A\$2.885 mil) representing a reduction of 80% as a result of effective cost-cutting measures adopted; and
- Achieved positive EBITDA of A\$0.7 mil in H1 FY2021 (before the impact of foreign currency translation).

(e) Trading Outlook

The uncertainty of when the travel sectors might recover remains the biggest challenge today. The Company is cautiously optimistic over the progress of its efforts to pivot to non-travel related business, particularly in the area of payment solutions powered by Flexiroam Solutions technology where the Company has secured some commercial contracts. The recent successful fund raisings will provide the needed resources to support and accelerate potential growth in both travel and non-travel sectors.

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 8.

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



Jeffrey Ong
Managing Director
Signed on this 25th November 2020

ROTHSAY

Audit & Assurance Pty Ltd

FLEXIROAM LIMITED

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

As lead auditor for the review of Flexiroam Limited for the half-year ended 30 September 2020, 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 review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in relation to Flexiroam Limited and the entities it controlled during the half-year.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla

Director

Sydney, 25 November 2020

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Sydney NSW 2000

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Sydney NSW 2001

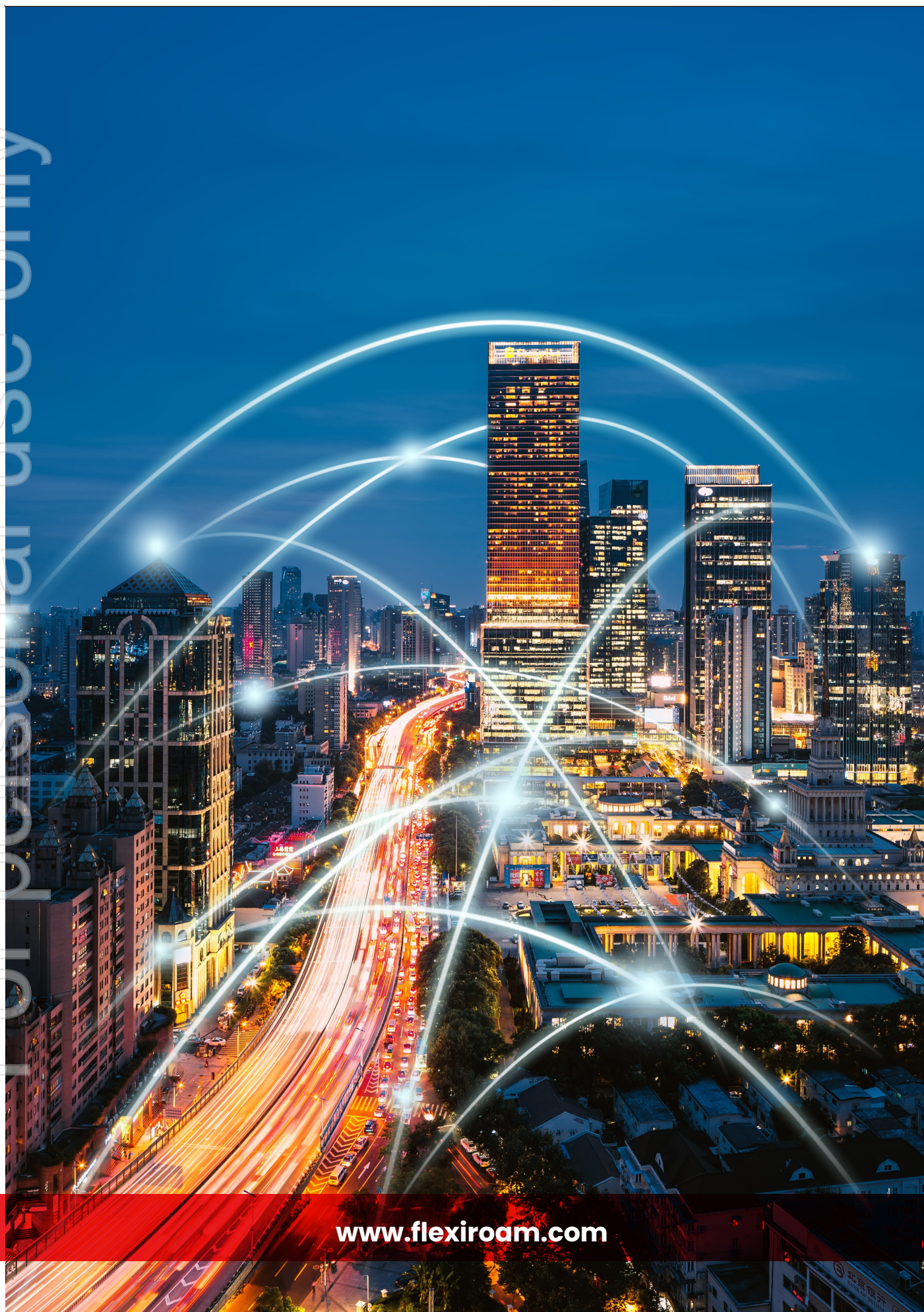
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 30 SEPTEMBER 2020

| | Notes | HALF-YEAR ENDED 30 SEP 2020 \$ | HALF-YEAR ENDED 30 SEP 2019 \$ |
|---|-------|---|---|
| Revenue | 2 | 1,375,902 | 4,673,369 |
| Cost of sales | | (162,120) | (2,744,702) |
| Gross profit | | 1,213,782 | 1,928,667 |
| Interest income | | 449 | 891 |
| Foreign exchange (losses)/gains | | (1,339,086) | 254,065 |
| Other income | | 102,708 | 326 |
| Administration and operating expenses | | (323,062) | (370,118) |
| Selling and marketing expenses | | (112,585) | (1,879,812) |
| Research and development | | (91,105) | (202,126) |
| Staff costs | | (51,527) | (433,135) |
| Depreciation and amortisation | | (18,588) | (30,653) |
| Finance expenses | | (22,161) | (210,949) |
| Loss before income tax | | (641,175) | (942,844) |
| Income tax expense | | - | - |
| Loss for the period | | (641,175) | (942,844) |
| Other comprehensive income/(loss) | | | |
| Items that may be re-classified to profit or loss | | | |
| Foreign exchange translation | | 2,024,545 | (456,207) |
| Total other comprehensive income/ (loss), net of tax | | 2,024,545 | (456,207) |
| Total comprehensive income / (loss) for the period | | 1,383,370 | (1,399,051) |
| Loss per share (basic and diluted) | | (0.2) cents | (0.4) cents |

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

| | | Notes | AS AT 30 SEP 2020 \$ | AS AT 31 MAR 2020 \$ |
|--------------------------|----------------------------------|-------|----------------------------|----------------------------|
| CURRENT ASSETS | Cash and cash equivalents | | 1,187,466 | 615,741 |
| | Trade and other receivables | 3 | 72,694 | 157,087 |
| | Inventory | 4 | 361,680 | 416,365 |
| | Other assets | | 127,765 | 130,708 |
| | Total current assets | | 1,749,605 | 1,319,901 |
| NON CURRENT ASSETS | Plant and equipment | | 38,363 | 73,304 |
| | Right-of-use assets | | 1,625 | 12,666 |
| | Total non current assets | | 39,988 | 85,970 |
| TOTAL ASSETS | | | 1,789,593 | 1,405,871 |
| CURRENT LIABILITIES | Trade and other payables | 5 | 2,143,523 | 2,392,770 |
| | Deferred revenue | 6 | 2,352,950 | 4,119,431 |
| | Borrowings | | 11,149 | 12,416 |
| | Total current liabilities | | 4,507,622 | 6,524,617 |
| | TOTAL LIABILITIES | | 4,507,622 | 6,524,617 |
| | NET LIABILITIES | | (2,718,029) | (5,118,746) |
| EQUITY | Issued capital | 7 | 40,384,053 | 39,366,706 |
| | Reserves | | (1,718,071) | (3,742,616) |
| | Accumulated losses | | (41,384,011) | (40,742,836) |
| | TOTAL EQUITY | | (2,718,029) | (5,118,746) |

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

CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE HALF - YEAR ENDED 30 SEPTEMBER 2020

| | ISSUED CAPITAL \$ | OPTION AND PERFORMANCE RIGHTS RESERVE \$ | FOREX TRANSLATION RESERVE \$ | ACCUMULATED LOSSES \$ | TOTAL \$ |
|--|-------------------------|---|---------------------------------------|-----------------------------|--------------------|
| Balance at 1 April 2019 | 37,429,139 | 299,993 | (2,503,849) | (38,284,039) | (3,058,756) |
| Impact of prior period error and changes in accounting standards | - | - | 2,563 | (2,563) | - |
| Adjusted balance at 1 April 2019 | 37,429,139 | 299,993 | (2,501,286) | (38,286,602) | (3,058,756) |
| Loss for the period | - | - | - | (942,844) | (942,844) |
| Other comprehensive loss for the period | - | - | (456,207) | - | (456,207) |
| Total comprehensive loss for the period | - | - | (456,207) | (942,844) | (1,399,051) |
| Capital issued during the period | 774,758 | - | - | - | 774,758 |
| Balance at 30 September 2019 | 38,203,897 | 299,993 | (2,957,493) | (39,229,446) | (3,683,049) |
| Balance at 1 April 2020 | 39,366,706 | 299,993 | (4,042,609) | (40,742,836) | (5,118,746) |
| Loss for the period | - | - | - | (641,175) | (641,175) |
| Other comprehensive loss for the period | - | - | 2,024,545 | - | 2,024,545 |
| Total comprehensive loss for the period | - | - | 2,024,545 | (641,175) | 1,383,370 |
| Capital issued during the period | 1,017,347 | - | - | - | 1,017,347 |
| Balance at 30 September 2020 | 40,384,053 | 299,993 | (2,018,064) | (41,384,011) | (2,718,029) |

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 2020

| | | Notes | HALF-YEAR ENDED 30 SEP 2020 \$ | HALF-YEAR ENDED 30 SEP 2019 \$ |
|---|--|-------|---|---|
| Cash Flows from Operating Activities | Receipts from customers | | 787,045 | 4,259,889 |
| | Payments to suppliers and employees | | (1,169,282) | (5,112,986) |
| | Interest paid | | (22,161) | (210,949) |
| | Interest received | | 449 | 891 |
| | Net cash flows used in operating activities | | (403,949) | (1,063,155) |
| Cash Flows from Investing Activities | Proceeds from disposal of plant and equipment | | 2,335 | - |
| | Purchase of plant and equipment | | - | (10,591) |
| | Net cash flows from/ (used in) investing activities | | 2,335 | (10,591) |
| Cash Flows from Financing Activities | Advances from related parties | | - | 40,207 |
| | Proceeds from issue of share capital | | 1,017,347 | 774,757 |
| | Borrowings – payments | | - | (8,049) |
| | Net cash flows provided by financing activities | | 1,017,347 | 806,915 |
| Net increase / (decrease) in cash and cash equivalents | | | 615,733 | (266,831) |
| Cash and Cash Equivalents at the beginning of the period | | | 615,741 | 528,017 |
| Foreign exchange fluctuations on opening cash balances | | | (44,008) | 7,033 |
| Cash and Cash Equivalents at the end of the period | | | 1,187,466 | 268,219 |

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING

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., Flexiroam Asia Limited and Super Bonus Profit Sdn. Bhd. (collectively "the Group"). The Company 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 2020 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.

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)****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 United States 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.

Adoption of New and Revised Australian Accounting Standards**Standards and Interpretations applicable to 30 September 2020**

In the half-year ended 30 September 2020, 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.

**NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)****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 2020.

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 \$641,175 for the half-year ended 30 September 2020 (30 September 2019 loss: \$942,844) and a net cash outflow from operating activities amounting to \$403,949 (30 September 2019 outflow: \$1,063,155). 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.

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

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. The Company has raised \$2 million through a share placement as disclosed in Note 11 to the financial statements.

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 2020 \$ | HALF-YEAR ENDED 30 SEP 2019 \$ |
|--------------------------|--------------------------------------|--------------------------------------|
| Corporate ^[a] | 752,479 | 695,790 |
| Consumer ^[b] | 623,423 | 3,977,579 |
| | 1,375,902 | 4,673,369 |

- a** Corporate sales consist of business to business transactions involving local and foreign partners, and development of platform solutions.
- b** Consumer sales consist of business to consumer transactions involving local and foreign travellers.

NOTE 3 INVENTORY

| | AS AT 30 SEP 2020 \$ | AS AT 31 MAR 2020 \$ |
|------------------------|----------------------------|----------------------------|
| Opening balance | 416,365 | 219,807 |
| Purchases | - | 223,497 |
| Distribution | (54,685) | (26,939) |
| Closing balance | 361,680 | 416,365 |

The inventory refers to microchip and sim cards.

NOTE 4 OTHER ASSETS

| | AS AT 30 SEP 2020 \$ | AS AT 31 MAR 2020 \$ |
|-------------|----------------------------|----------------------------|
| Prepayments | 127,765 | 130,708 |
| | 127,765 | 130,708 |

RECONCILIATION

| | | |
|---------------------------------|----------------|----------------|
| Opening balance | 130,708 | 2,726 |
| Net (charged out)/ additions | (2,943) | 127,982 |
| Closing balance | 127,765 | 130,708 |

NOTE 5 TRADE AND OTHER PAYABLES

| | AS AT 30 SEP 2020 \$ | AS AT 31 MAR 2020 \$ |
|----------------|----------------------------|----------------------------|
| Trade payables | 615,968 | 1,592,778 |
| Accruals | 1,527,555 | 799,992 |
| | 2,143,523 | 2,392,770 |

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

NOTE 6 DEFERRED REVENUE

| | AS AT 30 SEP 2020 \$ | AS AT 31 MAR 2020 \$ |
|-----------------|----------------------------|----------------------------|
| Corporate sales | 1,136,677 | 2,331,998 |
| Consumer sales | 1,216,273 | 1,787,433 |
| | 2,352,950 | 4,119,431 |

RECONCILIATION

| | | |
|---|------------------|------------------|
| Opening balance | 4,119,431 | 2,065,205 |
| Net (charged out)/ additions | (1,273,576) | 1,749,364 |
| Foreign exchange translation effects | (492,905) | 304,862 |
| Closing balance | 2,352,950 | 4,119,431 |

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

NOTE 7 ISSUED CAPITAL

| | | NUMBER OF SHARES | \$ |
|--|--|---------------------|-------------------|
| Ordinary shares issued (net of share issue costs) | | 406,938,954 | 40,384,053 |
| RECONCILIATION | Balance at 1 April 2019 | 222,714,501 | 37,429,139 |
| | Share issue – 3 May 2019 ^[a] | 19,368,950 | 774,758 |
| | Share issue – 31 October 2019 ^[b] | 63,120,842 | 1,262,416 |
| | Share issue costs | – | (99,607) |
| Balance at 31 March 2020 | | 305,204,293 | 39,366,706 |
| | Balance at 1 April 2020 | 305,204,293 | 39,366,706 |
| | Share issue – 14 August 2020 ^[c] | 101,734,661 | 1,017,347 |
| Balance at 30 September 2020 | | 406,938,954 | 40,384,053 |

a On 3 May 2019, the Company 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.

b On 31 October 2019, the Company 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 Offer amounted to \$1.26m.

c On 14 August 2020, the Company successfully completed a fully underwritten Non-Renounceable Rights Offer to shareholders by the issue of 101,734,661 ordinary fully paid shares at an issue price of \$0.01. Total funds raised for this Rights Offer amounted to A\$1.02 million.

NOTE 7 ISSUED CAPITAL (CONTINUED)

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 2020 (31 March 2020: nil).

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.

As at 30 September 2020, 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.

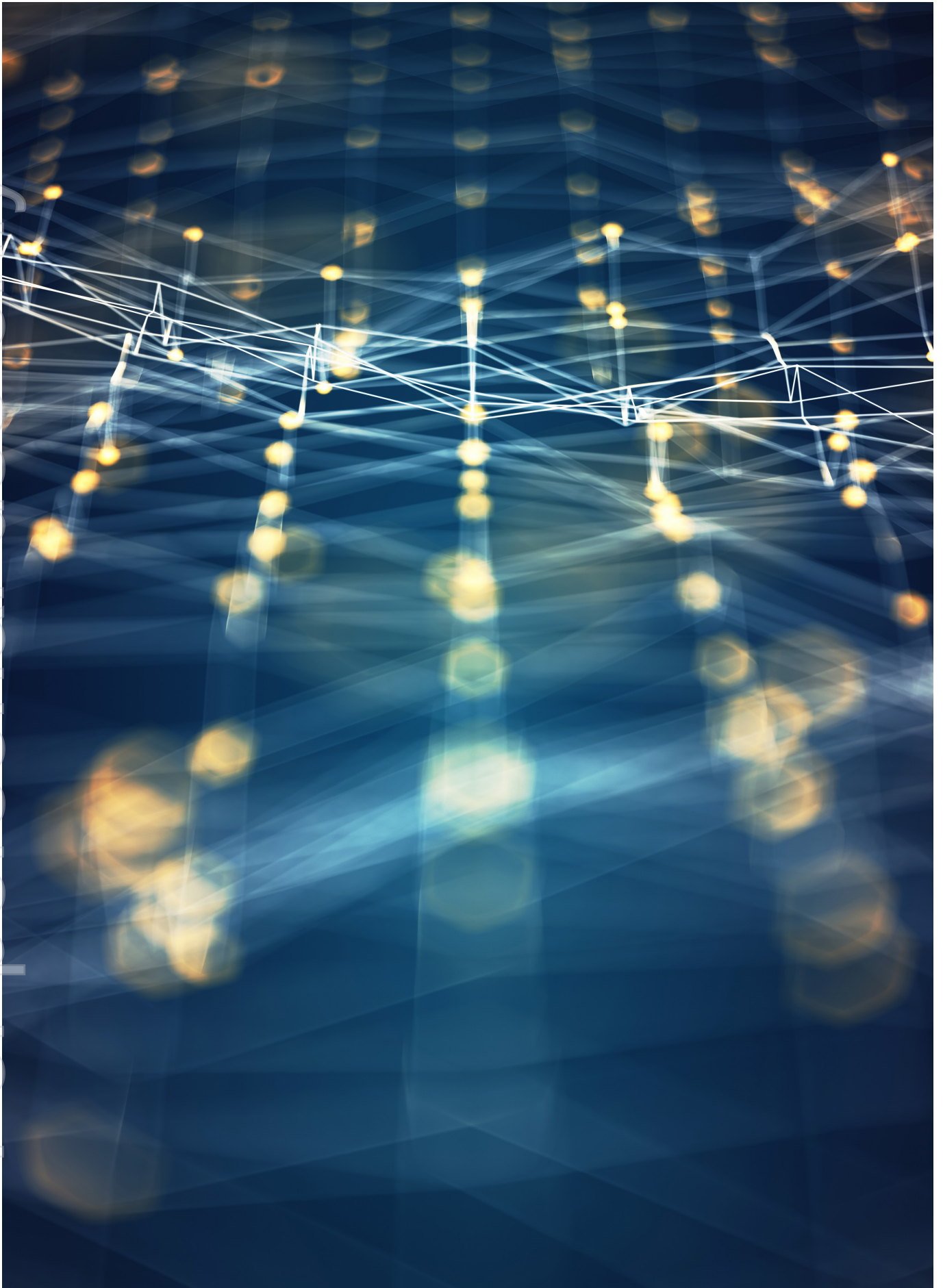
During the current period, the chief decision makers have been reviewing operations and making decisions based on the supply and provision of telecommunications as a single operating unit. Internal management accounts are consequently prepared on this basis.

NOTE 8 SEGMENT REPORTING (CONTINUED)

| | | AFRICA \$ | ASIA \$ | EUROPE \$ | NORTH AMERICA \$ | SOUTH AMERICA \$ | OCEANIA & ANTARCTICA \$ | UNALLOCATED \$ | TOTAL \$ |
|-----------------------------------|--|---------------|----------------|----------------|------------------------|------------------------|-------------------------------|--------------------|------------------|
| HALF-YEAR ENDED 30 SEP 2020 | REVENUE | | | | | | | | |
| | Corporate | 33,893 | 57,821 | 660,765 | - | - | - | - | 752,479 |
| | Consumer | 14,011 | 286,293 | 252,875 | 44,829 | 19,744 | 5,671 | - | 623,423 |
| | Total segment and group revenue | 47,904 | 344,114 | 913,640 | 44,829 | 19,744 | 5,671 | - | 1,375,902 |
| | Segment and group cost of sales | (5,645) | (40,546) | (107,652) | (5,282) | (2,326) | (669) | - | (162,120) |
| | Other income and foreign exchange (loss) | - | - | - | - | - | - | (1,235,929) | (1,235,929) |
| | Administration & operating expenses | - | - | - | - | - | - | (600,440) | (600,440) |
| | Depreciation and amortisation | - | - | - | - | - | - | (18,588) | (18,588) |
| | Group profit/ (loss) for the period | 42,259 | 303,568 | 805,988 | 39,547 | 17,418 | 5,002 | (1,854,957) | (641,175) |
| | Net cash from operating activities | 15,116 | 108,587 | 288,304 | 14,146 | 6,230 | 1,790 | (838,122) | (403,949) |
| | Net cash from investing activities | - | - | - | - | - | - | 2,335 | 2,335 |
| | Net cash from financing activities | - | - | - | - | - | - | 1,017,347 | 1,017,347 |
| | Net cash inflow | 15,116 | 108,587 | 288,304 | 14,146 | 6,230 | 1,790 | 181,560 | 615,733 |
| AS AT 30 SEPTEMBER 2020 | Assets | 62,307 | 447,578 | 1,188,344 | 58,307 | 25,681 | 7,376 | - | 1,789,593 |
| | Liabilities | 156,938 | 1,127,359 | 2,993,197 | 146,864 | 64,684 | 18,580 | - | 4,507,622 |

NOTE 8 SEGMENT REPORTING (CONTINUED)

| | | AFRICA \$ | ASIA \$ | EUROPE \$ | NORTH AMERICA \$ | SOUTH AMERICA \$ | OCEANIA & ANTARCTICA \$ | UNALLOCATED \$ | TOTAL \$ |
|--|--|----------------|------------------|----------------|------------------------|------------------------|-------------------------------|--------------------|------------------|
| HALF-YEAR ENDED 30 SEP 2019 | REVENUE | | | | | | | | |
| | 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 |
| | Total segment and group revenue | 107,595 | 3,000,901 | 481,763 | 441,114 | 516,356 | 125,640 | - | 4,673,369 |
| Segment and group cost of sales | | (63,192) | (1,762,450) | (282,942) | (259,069) | (303,260) | (73,789) | - | (2,744,702) |
| Other income and foreign exchange gain | | - | - | - | - | - | - | 255,282 | 255,282 |
| Administration & operating expenses | | - | - | - | - | - | - | (3,096,140) | (3,096,140) |
| Depreciation and amortisation | | - | - | - | - | - | - | (30,653) | (30,653) |
| Group profit/ (loss) for the period | | 44,403 | 1,238,451 | 198,821 | 182,045 | 213,096 | 51,851 | (2,871,511) | (942,844) |
| Net cash from operating activities | | 41,263 | 1,150,833 | 184,754 | 169,165 | 198,021 | 48,182 | (2,855,373) | (1,063,155) |
| Net cash from investing activities | | - | - | - | - | - | - | (10,591) | (10,591) |
| Net cash from financing activities | | - | - | - | - | - | - | 806,915 | 806,915 |
| Net cash inflow/(outflow) | | 41,263 | 1,150,833 | 184,754 | 169,165 | 198,021 | 48,182 | (2,059,049) | (266,831) |
| AS AT 31 MAR 2020 | Assets | 38,012 | 854,952 | 166,448 | 156,674 | 149,995 | 39,790 | - | 1,405,871 |
| | Liabilities | 176,412 | 3,967,819 | 772,482 | 727,119 | 696,122 | 184,663 | - | 6,524,617 |



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 SIGNIFICANTS EVENT DURING THE FINANCIAL YEAR

On 14 August 2020, the Company successfully completed a fully underwritten Non-Renounceable Right Offer to shareholders by the issue of 101,734,661 ordinary fully paid shares at an issue price of \$0.01 each. Total funds raised for this Rights Offer amounted to A\$1.02 million.

NOTE 11 SIGNIFICANT EVENTS AFTER 30 SEPTEMBER 2020

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 2020.

On 2 November 2020, Mr Tat Seng Koh was re-designated as an Executive Director.

On 4 November 2020, the Company issued a total of 2,439,024 fully paid ordinary shares to the Directors of the Company in satisfaction of unpaid directors' fees of A\$60,000 for the period 1 April 2020 to 31 August 2020.

On 12 November 2020, the Company announced that it has received firm commitments to raise A\$2 million through a share placement to sophisticated and institutional investors by issuing approximately 86 million fully-paid ordinary shares at A\$0.023 per share. The share placement was completed on 18 November 2020.

NOTE 12 COMMITMENTS AND CONTINGENCIES

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

NOTE 13 RELATED PARTY TRANSACTIONS

Other than the transactions detailed elsewhere in the financial statements, there are no related party transactions during the financial year.

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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:
 - complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Group's financial position as at 30 September 2020 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



Jeffrey Ong
Managing Director
Signed on this 25th November 2020

ROTHSAY

Audit & Assurance Pty Ltd

FLEXIROAM LIMITED

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 consolidated financial report of Flexiroam Limited, which comprises the consolidated statement of financial position as at 30 September 2020, and 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, notes comprising summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity (or "Group") comprising Flexiroam Limited and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of Flexiroam Limited are responsible for the preparation of the consolidated 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated 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 2020 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 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*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Flexiroam Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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FLEXIROAM LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT

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 2020 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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 loss for the half-year to 30 September 2020 of \$641,175 and net cash outflows of \$403,949. As at 30 September 2020 the group had a deficiency in net assets of \$2,718,029.

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

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla

Director

Sydney, 25 November 2020

CORPORATE INFORMATION

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

DIRECTORS

Jefrey Ong
Tat Seng Koh
Tuck Yin Choy
Thian Choy Ong

COMPANY SECRETARY

Natalie Teo Shu Qing

REGISTERED OFFICE

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**PRINCIPAL PLACE OF
BUSINESS**

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SHARE REGISTRY

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**SECURITIES
EXCHANGE LISTING**

Flexiroam Limited shares are listed on the
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FLEXIROAM

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Interim Financial Report 30 September 2020

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