

APPENDIX 4D**HALF-YEAR REPORT FOR THE PERIOD ENDING 31 DECEMBER 2023****1. NAME OF ENTITY**

Flexiroam Limited and its Controlled Entities

ABN	REPORTING PERIOD	PREVIOUS CORRESPONDING PERIOD
27 143 777 397	Half year ended 31 December 2023	Half year ended 30 September 2022

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

FINANCIAL RESULTS	% INCREASE / (DECREASE)	31 DEC 2023 AUD	30 SEP 2022 AUD
Revenues from ordinary activities (<i>item 2.1</i>)	103%	7,472,305	3,685,470
Profit / (Loss) from ordinary activities after tax attributable to members (<i>item 2.2</i>)	100%	8,034	(2,386,397)
Net profit / (loss) for the period attributable to members (<i>item 2.3</i>)	100%	8,034	(2,386,397)
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 31 DEC 2023	PREVIOUS CORRESPONDING PERIOD 30 SEP 2022
Net tangible assets per ordinary share (<i>Item 3</i>)	(0.6) cents	(0.8) cents

4. CONTROL GAINED OVER ENTITIESDetails of entities over which control has been gained or lost (*item 4*)

N/A

5. DIVIDENDS PAID AND PAYABLEDetails of dividends or distribution payments (*item 5*)

No dividends or distributions are payable.

APPENDIX 4D

6. DIVIDEND REINVESTMENT PLANS

Details of dividend or distribution reinvestment plans (*item 6*)

There is no dividend reinvestment program in operation.

7. DETAILS OF ASSOCIATES

Details of associates and joint venture entities (*item 7*)

N/A

8. FOREIGN ENTITIES

Foreign entities to disclose which accounting standards are used in compiling the report (*item 8*)

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.



FLEXIROAM

HALF-YEAR REPORT

FY24

Consolidated Interim Half-Year Financial Report
for the Half-Year ended 31 Dec 2023

FLEXIROAM LIMITED AND ITS CONTROLLED ENTITIES 143 77 397

TABLE OF CONTENTS

DIRECTOR'S REPORT	1
AUDITOR'S INDEPENDENCE DECLARATION	4
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	22
INDEPENDENT AUDITOR'S REVIEW REPORT	23
CORPORATE INFORMATION	25

For personal use only

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 31 December 2023.

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)
- Marc Barnett (appointed 22 February 2021, resigned on 16 November 2023)
- Stephen Frank Picton (appointed 1 June 2012)

COMPANY SECRETARY

- Natalie Teo Shu Qing (appointed 14 February 2020)

PRINCIPAL ACTIVITIES

The Company is involved in Roaming travel Sim and Internet of Things (IoT) connectivity. There have been no significant changes in the nature of its activities during the financial period.

FINANCIAL PERFORMANCE REVIEW

The Company continues to deliver its stated objective of increasing revenue and growing the global customer base as shown in the results of its first-half performance. The corresponding period for H1 FY2023 refers to April to Sep 2022, before the Financial Year shifted to July to Jun reporting period. Highlights are as follows:

- The +63% increase in half-year revenue or equivalent to A\$7.5m compared to A\$3.7m from the same period last year from continuous growth of the Corporate Rewards and Travel segments;
- Revenue from Retail Travel increased to 67% from the previous corresponding period to A\$4.3m (1HFY23: A\$2.6m). Revenue from Corporate Travel increased by 240% from the previous corresponding period to A\$2.7m (1HFY23: A\$780k). Revenue from Corporate Solutions increased by 55% from the previous corresponding period to A\$494k (1HFY23: A\$318k);
- Gross Profit up by 405% to A\$4.9m (1HFY23: A\$966k), driven by revenue growth and data cost reductions;
- The Company invested significant effort during this half-year to improve data costs. To position the business for sustainable growth it will build on this with further Carrier engagements;
- Operational expenses recorded at A\$3.8m up 10% (1HFY23: A\$3.5m);
- Cash Receipts up by 66% to A\$7.0m (1HFY23: A\$4.2m);
- Cash Receipts from Retail Travel were up by 42% from the previous corresponding period to A\$4.3m (1HFY23: A\$3.1m);
- Cash Receipts from Corporate Travel increased 174% from previous corresponding period to A\$2.1m (1HFY23: A\$783k) Corporate Solutions increased by 48% from the previous corresponding period to A\$451k (1HFY23: A\$304k). Other Cash Receipts decreased by 64% from the previous corresponding period to A\$13k (1HFY23: A\$36k);
- Cash burn of A\$458k was lower by A\$932k (down 67%) compared to the same period last year (1HFY23: A\$1.4m).

DIRECTOR'S REPORT

STRATEGIC PLAN FY24

In the first half of FY24, the Company has been focused on building the key fundamentals of the business to capitalise on the growing Travel segment and selective IoT/Solutions opportunities. Areas of focus include:

- Reduction of data costs by exploring and integrating new supplier partnerships. This has resulted in an improvement in reduced data costs of over 20%. The Company believes that through further investment and relationships it can continue this positive trend;
- Continuous focus on platform improvement – foundational technical infrastructure improvement in Consumer and Corporate Travel platforms were deployed in 1H. The next stage in 2H will be the development of an improved web presence & improved APP plus a SaaS integration to support a unified eSIM management solution;
- Improvements in Digital and Organic Marketing to acquire new customers at scale will be a high priority investment area in 2H FY24;
- Sales effort in strategic partner opportunities will be ongoing. In the first half of FY24, deals such as Telesur (Corporate Travel), Express VPN (Consumer Partnership) and GHL (Terminal Enablement) have underpinned the growth of the business;
- Ongoing expansion of Mastercard Partnership – onboarded 44 banks across 14 countries including strategic partnership with Miles and More to further improve the traction of the Partnership;
- Focus on user experience (UX). In the first half of FY24, the Company rolled out an improved chatbot which currently serves 35% of all incoming customer queries with adoption of AI being the next step;
- The results from our focus on improvements to better serve customers is evidenced with a rating of 4.8 stars on Trustpilot and 4 stars on iOS Appstore.

TRAVEL KEY METRICS

The Group observed a continued growth across key Travel performance metrics during the six months ended 31 December 2023, with Active Users up 34% from previous corresponding period to 39.5k users (Sep 2022: 29.6k users), App Installs up 48% to 79k (Sep 2022: 53.1k), Paying Users were up 34% to 38k (Sep 2022: 29k) and Data Usage was up 24% to 60TB (Sep 2022: 48TB).

Data sold in the first half of the year increased to 434TB, up by 38% from corresponding period (1HFY23: 315TB), and data utilised in the first half of the year increased to 378TB up by 54% from corresponding period (1HFY23: 247TB). This growth in data sold is a strong indicator of the growth trajectory in the travel sector. The increase in data utilisation represents the adoption of the Flexiroam product whilst roaming as the frequency of consumer travel and use cases increase.

ONLINE AND DIGITAL MARKETING

The Company primarily acquires new travel eSIM users through Digital Marketing and this will continue to be the most effective mechanism moving forward. Digital Marketing uses various platforms for the marketing campaigns as part of the initiatives to acquire new subscribers, such as Google, Apple, Facebook and TikTok. The number of subscribers increased by 20% to 130k in the first half of the year (1HFY23: 108k).

The Company will refresh its online presence in March 2024 including its APP & website before moving to a full re-launch by 30 June 2024 plus deploy a broad SEO strategy. Through this period the learnings from our current Digital Marketing investment will be used to greatly enhance the sophistication of our digital customer acquisition and lead generation engagement. We will also increase our collaborating with influencers to boost the credibility of the promoted products and drive further conversions as well as engage with the broader Affiliate market.

CHANNEL AND STRATEGIC PARTNERSHIPS

During the first half of FY24, the Company continued to expand on the long-standing partnership with Mastercard globally, with 44 banks across 14 countries in Q2 FY24. In Q1 FY24, the partnership expanded with Mastercard's European partner, Miles and More. Based in Germany, Miles & More is an airline loyalty and frequent flyer program owned and operated by the Lufthansa Group. The Company continues to explore further opportunities through this Partnership to contribute to the business in the coming periods.

The Company will continue to explore Corporate Travel Partnerships to grow its Travel sector presence in the transport segment (Airlines, Marine, etc) and in the broader travel service provider market. Telesur, Suriname's leading, full-service digital communications provider offering high quality, innovative telecommunications solutions, was launched in Q1 FY24 and will sell Flexiroam eSIM and Data plans as Telesur's branded product through its self-service portal and app. Concurrently, the Company is strategically renewing existing Corporate Travel Partnerships to secure contribution to the business in the coming periods.

Industry Channels remain a critical element of our travel sector strategy as it delivers both scale & reach through alternative sales capabilities and localisation of the service offerings whether Flexiroam branded or White Label. We have several key Resellers already and we will continue to build this area as it assists us achieve rapid growth in scale.

In the Corporate Solutions segment, the partnership with GHJ continues to expand with the deployment of 8,000 SIMs across Malaysia. Whilst we will continue to address the Solutions market although outside MPOS terminals we envisage it being mainly through APIs with these low touch engagements allowing our partners to add the bespoke channel application elements.

DIRECTOR'S REPORT

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 5.

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



Stephen Frank Picton

Executive Chairman

Signed on this 29th day in February 2024

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

As lead auditor of the review of Flexiroam Limited for the half-year ended 31 December 2023, 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 respect of Flexiroam Limited and the entities it controlled during the half-year.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

29 February 2024

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

For personal use only

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023**

	NOTES	HALF-YEAR ENDED 31 DEC 2023 \$	HALF-YEAR ENDED 30 SEP 2022 \$
Revenue	2	7,472,305	3,685,470
Cost of sales		(2,590,724)	(2,719,385)
Gross profit		4,881,581	966,085
Interest income		2,299	15,227
Foreign exchange (losses)/gains		(35,802)	71,460
Other income		11,200	61,281
Administration and operating expenses		(1,184,992)	(497,711)
Selling and marketing expenses		(1,396,855)	(1,345,056)
Research and development		(179,201)	(410,894)
Staff costs		(787,505)	(1,036,683)
Depreciation and amortisation		(1,018,058)	(9,838)
Finance expenses		(284,633)	(200,268)
Profit/(Loss) before income tax		8,034	(2,386,397)
Income tax expense		-	-
Profit/(Loss) for the period		8,034	(2,386,397)
Other comprehensive income/(loss)			
<i>Items that may be re-classified subsequently to profit or loss:</i>			
Foreign currency translation differences		58,543	(486,881)
Total other comprehensive income, net of tax		58,543	(486,881)
Total comprehensive income/(loss) for the period		66,577	(2,873,278)
Earning/(Loss) per share (basic and diluted)		0.0 cents	(0.4) cents

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	NOTES	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
CURRENT ASSETS			
Cash at bank	3	729,975	1,268,675
Fixed deposits with a licensed bank	3	29,314	30,240
Trade and other receivables	4	433,757	213,674
Inventories	5	241,880	391,391
Other assets	6	83,903	172,779
Total current assets		1,518,829	2,076,759
NON-CURRENT ASSETS			
Plant and equipment		77,787	63,625
Intangible assets	7	2,957,591	3,980,607
Development costs	8	1,770,009	973,172
Total non-current assets		4,805,387	5,017,404
Total Assets		6,324,216	7,094,163
CURRENT LIABILITIES			
Trade and other payables	9	3,885,523	4,678,435
Borrowings	10	400,000	-
Deferred revenue	11	3,127,105	3,536,123
Total current liabilities		7,412,628	8,214,558
Total Liabilities		7,412,628	8,214,558
Net Assets Deficiency		(1,088,412)	(1,120,395)
EQUITY			
Issued capital	12	48,655,282	48,636,682
Reserves		(3,034,179)	(3,039,528)
Accumulated losses		(46,709,515)	(46,717,549)
Total equity		(1,088,412)	(1,120,395)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	ISSUED CAPITAL	OPTION & PERFORMANCE RIGHTS RESERVE	FOREX TRANSLATION RESERVE	ACCUMULATED LOSS	TOTAL
	\$	\$	\$	\$	\$
BALANCE AT 1 APRIL 2023	47,959,378	852,532	(3,295,457)	(49,713,009)	(4,196,556)
Profit for the period	-	-	-	2,995,460	2,995,460
Other comprehensive loss for the period	-	-	(21,235)	-	(21,235)
Total comprehensive loss for the period	-	-	(21,235)	2,995,460	2,974,225
Contributions by and distributions to owners of the Company:					
Performance rights granted to employees	-	101,936	-	-	101,936
Shares issued during the period	328,554	(328,554)	-	-	-
Share right converted	348,750	(348,750)	-	-	-
Total transactions with owners	677,304	(575,368)	-	-	101,936
BALANCE AT 30 JUNE 2023	48,636,682	277,164	(3,316,692)	(46,717,549)	(1,120,395)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	ISSUED CAPITAL	OPTION & PERFORMANCE RIGHTS RESERVE	FOREX TRANSLATION RESERVE	ACCUMULATED LOSS	TOTAL
	\$	\$	\$	\$	\$
BALANCE AT 1 JULY 2023	48,636,682	277,164	(3,316,692)	(46,717,549)	(1,120,395)
Profit for the period	-	-	-	8,034	8,034
Other comprehensive income for the period	-	-	58,543	-	58,543
Total comprehensive income for the period	-	-	58,543	8,034	66,577
Contributions by and distributions to owners of the Company:					
Forfeited performance rights to employees	-	(34,594)	-	-	(34,594)
Share rights conversion	18,600	(18,600)	-	-	-
Total transactions with owners	18,600	(53,194)	-	-	(34,594)
BALANCE AT 31 DECEMBER 2023	48,655,282	223,970	(3,258,149)	(46,709,515)	(1,088,412)

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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

NOTES	HALF-YEAR ENDED 31 DEC 2023 \$	HALF-YEAR ENDED 30 SEP 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	6,956,454	4,173,852
Payments to suppliers and employees	(6,693,205)	(5,363,933)
Interest paid	(259,820)	(198,073)
Interest received	2,299	15,227
Net cash flows from/(used in) operating activities	5,728	(1,372,927)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(25,480)	(17,034)
Purchase of intangible assets	(679)	-
Development cost paid	(837,716)	-
Net cash flows used in investing activities	(863,875)	(17,034)
CASH FLOWS FROM FINANCING ACTIVITIES		
Excess of proceeds from issuance of share capital refunded	-	(69)
Proceeds from borrowings	400,000	-
Net cash flows from/(used in) financing activities	400,000	(69)
Net decrease in cash and cash equivalents	(458,147)	(1,390,030)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,298,915	4,211,347
Foreign exchange fluctuations on opening cash balances	(81,479)	228,377
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	759,289	3,049,694
3		

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

This consolidated interim financial report includes the financial statements and notes to the consolidated financial statements of Flexiroam Limited (“the Company”) and its subsidiaries Flexiroam Sdn. Bhd., Flexiroam Asia Limited, Super Bonus Profit Sdn. Bhd. and Flexiroam Global FZCO (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 period ended 30 June 2023 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.

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 subsidiaries are measured using the currency of the primary economic environment in which the Company and subsidiaries operate; being Australian Dollars, Malaysian Ringgit, United States Dollar, Euro and United Arab Emirates Dirham, respectively. However, as the majority of the Company’s shareholder base is Australian, these consolidated 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 31 December 2023

In the half-year ended 31 December 2023, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING JUDGMENTS AND KEY ESTIMATES

The preparation of a 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 expenses. 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 period ended 30 June 2023.

GOING CONCERN

These consolidated 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 consolidated financial statements, notwithstanding that the Group incurred an operating profit of \$8,034 for the half-year ended 31 December 2023 (30 September 2022: operating loss of \$2,386,397), As of 31 December 2023 the Group has a deficiency of net current assets of \$5,893,799 (30 September 2022: \$4,566,731). The Directors believe that there are sufficient funds available to continue to meet the Group's working capital requirements as at the date of this report. The financial statements have been prepared on the basis that the Group is a going concern for the following reasons:

- The Group has cash and cash equivalents of \$759,289;
- The Group has successfully arranged a short-term funding facility in the period to manage its cash flow;
- Management forecasts show that cash burn is reducing and that cash flow will be at a break-even point in the next 12 to 18 months;
- The Group has the ability to raise additional capital.

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 31 DEC 2023 \$	HALF-YEAR ENDED 30 SEP 2022 \$
Corporate ^[a]	2,652,263	780,448
Consumer ^[b]	4,326,493	2,586,792
Solutions ^[c]	493,549	318,230
	7,472,305	3,685,470

^a Corporate sales consist of business to business transactions involving local and foreign travel agencies.

^b Consumer sales consist of business to consumer transactions involving local and foreign travellers.

^c Solutions sales consist of business to business transactions involving local and foreign partners.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 3 – CASH AND CASH EQUIVALENTS

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Cash at bank	729,975	1,268,675
Fixed deposits with licensed bank	29,314	30,240
	759,289	1,298,915

Fixed deposits of the Group and of the Company amounting to \$29,314 and \$nil (30 June 2023: \$30,240 and \$nil) respectively are deposited to licensed banks.

The weighted average effective interest rates of the fixed deposits with licensed banks at the reporting date of 5.30% (30 June 2023: 5.30%) per annum.

The fixed deposits have maturity periods of 12 (30 June 2023: 12) months.

NOTE 4 – TRADE AND OTHER RECEIVABLES

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Trade and other receivables		
Trade receivables	325,969	120,979
Other receivables	107,788	92,695
	433,757	213,674

Trade receivables are normally collected within 30 to 90 days.

NOTE 5 – INVENTORIES

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Opening balance	391,391	371,104
Purchases	229,004	127,110
Distribution	(224,623)	(112,092)
Written down	(153,892)	5,269
Foreign exchange translation effects	-	-
Closing balance	241,880	391,391

This inventory refers to microchip and SIM cards.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 — OTHER ASSETS

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Prepayments	83,903	172,779
	83,903	172,779
Reconciliation		
Opening balance	172,779	76,887
Net charged out	(88,876)	95,892
Closing balance	83,903	172,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 7 – INTANGIBLE ASSETS

As at 31 December 2023, the Group's Intangible Assets consists of the following:

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
AT COST		
At beginning of the financial period	19,554,272	20,438,107
Additions	690	-
Disposals/Write-off/Adjustment	-	-
Foreign exchange effects	(182,841)	(883,835)
At end of the financial period	19,372,121	19,554,272
ACCUMULATED AMORTISATION		
At beginning of the financial period	5,531,879	5,607,549
Amortisation expenses	995,089	165,667
Disposals/Write-off/Adjustment	-	-
Foreign exchange effects	(60,339)	(241,337)
At end of the financial period	6,466,629	5,531,879
ACCUMULATED IMPAIRMENT LOSSES		
At beginning of the financial period	10,041,786	14,727,790
Additions	-	-
Reversal of impairment losses	-	(4,014,516)
Foreign exchange effects	(93,885)	(671,488)
At end of the financial period	9,947,901	10,041,786
CARRYING AMOUNT	2,957,591	3,980,607
Included in intangible assets are website development and intellectual property such as trademarks and patents. A breakdown of these is as follows:		
Website development costs	50,375	58,490
Trademark, patents and software	2,907,216	3,922,117
CARRYING AMOUNT	2,957,591	3,980,607

Flexiroam engaged an independent valuer to assess the carrying value of their Intangible Assets. As a result of this assessment, an impairment reversal of A\$4.0M was recorded in June 2023. The recoverable amount includes trademarks, patents, and software, net of depreciation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 – DEVELOPMENT COSTS

As at 31 December 2023, the Group's development costs consists of the following:

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
AT COST		
At beginning of the financial period	977,659	692,784
Additions	827,090	312,145
Disposals/Write-off/Adjustment	-	-
Foreign exchange effects	(17,727)	(27,270)
At end of the financial period	1,787,022	977,659
ACCUMULATED AMORTISATION		
At beginning of the financial period	4,487	-
Amortisation expenses	12,866	4,574
Disposals/Write-off/Adjustment	-	-
Foreign exchange effects	(340)	(87)
At end of the financial period	17,013	4,487
	1,770,009	973,172
Included in additions during the financial period are:		
Staff costs	827,090	312,145

The development costs are specifically allocated for the enhancement of portals, apps, and API modifications in both the Travel and Solutions reportable segments to support incremental growth, increase system reliability and pursue new business opportunities.

The amortisation on the certain development costs as the software development is only for the completed and commercialized deliverables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 – TRADE AND OTHER PAYABLES

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Trade payables	1,026,267	1,308,415
Other payables	631,227	227,884
Accruals	2,228,029	3,142,136
	3,885,523	4,678,435

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

NOTE 10 – BORROWINGS

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Borrowings	400,000	-
	400,000	-

Borrowings of \$400,000 relate to a short-term loan from the Chief Executive Officer of the Group.

The outstanding amount is unsecured, subject to an interest rate of 10% per annum and repayable in 2024.

NOTE 11 – DEFERRED REVENUE

	AS AT 31 DEC 2023 \$	AS AT 30 JUNE 2023 \$
Corporate sales	29,532	386,274
Consumer sales	3,079,892	3,120,070
Solutions	17,681	29,779
	3,127,105	3,536,123
Reconciliation		
Opening balance	3,536,123	3,735,842
Net charged out	(307,603)	(243,024)
Foreign exchange translation effects	(101,415)	43,305
Closing balance	3,127,105	3,536,123

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 12 – ISSUED CAPITAL

	NUMBER OF SHARES	\$
Ordinary shares issued (net of share issue costs)	651,810,683	48,655,282
Reconciliation		
Balance at 1 April 2023	629,439,047	47,959,378
Share issue – 2 June 2023 ^[a]	20,610,922	636,679
Share issue – 20 June 2023 ^[b]	1,160,714	40,625
Balance at 30 June 2023	651,210,683	48,636,682
Share issue – 4 August 2023 ^[c]	600,000	18,600
Balance at 31 December 2023	651,810,683	48,655,282

- a. On 2 June 2023, the 20,610,922 fully paid ordinary shares were vested at an issue prices of \$0.027, \$0.034 and \$0.036 to eligible employees pursuant to the Employee Incentive Plan approved by shareholders with shareholding lock periods between 12 and 36 months which were issued in previous year. The issuance of shares is nil in cash consideration. These shares transferred to issued capital upon expiry of the holding lock periods.
- b. On 20 June 2023, the Company received an exercise notice in respect of vested Tranche 1 share rights, being 1,160,714 ordinary fully paid shares at an issue price of \$0.031 per share had been issued to eligible employees pursuant to the Employee Incentive Plan approved by shareholders.
- c. On 3 August 2023, the Company received an exercise notice in respect of vested Tranche 1 and Tranche 2 share rights, being 600,000 ordinary fully paid shares at an issue price of \$0.031 per share had been issued to eligible employees pursuant to the Employee Incentive Plan approved by shareholders.

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 31 December 2023 (30 June 2023: nil).

NOTE 13 – 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.

The chief operating decision makers have been reviewing operations and making decisions based on the supply and provision of telecommunications and solutions as two operating units. Internal management accounts are consequently prepared on this basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 13 – SEGMENT REPORTING - CONTINUED

	PERIOD ENDED 31 DEC 2023	PERIOD ENDED 30 SEP 2022
	TOTAL	TOTAL
Segment and group revenue	7,472,305	3,685,470
Travel	6,978,756	3,351,850
Retail	4,326,493	2,586,792
Corporate Rewards Partners	2,258,430	277,411
Reseller Partners	98,735	283,708
Wholesale Partners	295,098	203,939
Solutions	493,549	333,620
Terminal Enablement Solutions	373,921	274,207
Aviation Markets	53,090	28,446
Maritime Services	8,712	11,107
Enterprise Solutions	32,751	-
Incubator	25,075	19,860
Segment and group cost of sales	2,590,724	2,719,385
Travel	2,507,542	2,660,730
Retail	2,060,450	2,356,257
Corporate Rewards Partners	-	2,011
Reseller Partners	171,870	225,579
Wholesale Partners	275,222	76,883
Solutions	83,182	58,655
Terminal Enablement Solutions	61,019	37,070
Aviation Markets	21,663	18,646
Maritime Services	290	2,572
Incubator	210	367
Other income and forex gains / (loss)	(22,303)	147,968
Administration and operating expenses	(3,833,186)	(3,490,612)
Depreciation and amortisation	(1,018,058)	(9,838)
Group profit / (loss) for the period	8,034	(2,386,397)
Net cash flows from/(used in) operating activities	5,728	(1,372,927)
Net cash flows used in investing activities	(863,875)	(17,034)
Net cash flows from/(used in) financing activities	400,000	(69)
Net cash outflow	(458,147)	(1,390,030)
Assets	6,324,216	7,094,163
Liabilities	7,412,628	8,214,558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 14 – 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 15 – SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

On 2 October 2023, the Company allotted and issued 3,000,000 unlisted options at nil monetary consideration to the eligible employees under the Employee Incentive Plan approved by shareholders which are subject to vesting conditions on different tranches of the options. At the same time, a total of 3,450,000 options previously issued to employees have been cancelled upon cessation of employment.

On 16 November 2023, the board had appointed Mr Stephen Picton as Executive Chairman with a base salary of A\$200,000 per annum. Following the appointment of Stephen Picton as the Executive Chairman, Marc Barnett will step down as Executive Director and continue to act as Chief Executive Officer of the Company with no changes to his remuneration package. Tat Seng Koh will also transition from Non-Executive Chairman to a Non-Executive Director role.

NOTE 16 – SIGNIFICANT EVENTS AFTER 31 DECEMBER 2023

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 31 December 2023.

On 6 February 2024, the Company announced that it was undertaking a non-renounceable, pro rata entitlement offer (Entitlement Offer) of up to 44,040,480 fully paid ordinary shares in the Company (New Shares) to raise up to \$1,012,931 before costs. New Shares will be offered to shareholders who are registered as holders of Shares as at 4.00pm on 9 February 2024 (Record Date) and whose registered address is in Australia, New Zealand, Singapore, Malaysia or Hong Kong (Eligible Shareholders) at an offer ratio of 1 New Share for every 15 existing Shares held on the Record Date (Entitlement) and at an issue price of \$0.023 per New Share.

The Company is also making an offer to the general public (including Eligible Shareholders) to apply for New Shares at the same issue price of \$0.023 per New Share (Shortfall Offer), which will be issued at the Board's discretion.

The Entitlement Offer forms part of a broader \$2 million capital raising that will underpin technology and marketing workstreams, and the Company advises that it has received firm commitment from Executive Chairman and Interim CEO, Steve Picton, in relation to a private placement of 43,478,261 New Shares at an issue price of \$0.023 per New Shares raising \$ 1 million (Director Placement), which are still subject to shareholder approval.

Funds raised under the Entitlement Offer, Shortfall Offer and Director Placement are intended to be applied in the progress infrastructure upgrades and R&D initiatives, integrate and deploy third party SaaS across the Company's platform and accelerate product development initiatives, investment in marketing campaigns and for general working capital, transaction costs and recruitment initiatives.

| NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 17 – COMMITMENTS AND CONTINGENCIES

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

NOTE 18 – RELATED PARTY TRANSACTIONS

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

For personal use only

DIRECTOR'S 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 Australian Accounting Standard 134 Interim Financial Reporting, 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 31 December 2023 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 Section.303(5) of the *Corporations Act 2001*.

On behalf of the Board



Stephen Frank Picton

Executive Chairman

Signed on this 29th day in February 2024

**FLEXIROAM LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Flexiroam Limited

Conclusion

We have reviewed the half-year financial report of Flexiroam Limited ("the Company"), and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and 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, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by *the Corporations Act 2001* which has been given to the directors of the Company would be in the same terms if given to the directors as at the time of this auditor's review report.

**In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151**

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

FLEXIROAM LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Emphasis of Matter – Material Uncertainty Related to Going Concern

Without modifying our conclusion, we draw attention to Note 1 to the financial statements, which discloses a as at 31 December 2023 that the Group had a deficiency in net assets of \$1,088,412. This condition along with other matters that are set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group maybe unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the 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 the 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 for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 31 December 2023 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*.

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.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Dated 29 February 2024

CORPORATE INFORMATION

DIRECTORS

Jefrey Ong
Tat Seng Koh
Stephen Frank Picton

COMPANY SECRETARY

Natalie Teo Shu Qing

REGISTERED OFFICE

Suite 6, Riseley Street
Applecross Western Australia 6153

PRINCIPAL PLACE OF BUSINESS

Lot 4-401 & 4-402, Level 4, The Starling Mall,
No. 6, Jalan SS21/37, Damansara Utama,
47400 Petaling Jaya, Selangor, Malaysia

AUDITORS

In.Corp Audit & Assurance Pty Ltd (formerly known as
Rothsay Audit & Assurance Pty Ltd)
Level 1/12 O'Connell Street, Sydney NSW 2000

BANKERS

National Australia Bank
100 St Georges Terrace, PERTH WA 6000

SHARE REGISTRY

Automic
Level 5, 126 Phillip Street, Sydney NSW 2000

Investor Services 1300 288 664
General Enquiries +61 2 8072 1400

SECURITIES EXCHANGE LISTING

Flexiroam Limited shares are listed on the
Australian Securities Exchange (ASX code: FRX)

WEBSITE

www.flexiroam.com

CONTACT INFORMATION

Ph: +61281883919

For personal use only