FLEXIROAM

26 OCTOBER 2020

QUARTERLY UPDATE – SEPTEMBER 2020

Successful Fund Raising and Further Development in Internet of Things (IOT)

Flexiroam Limited (ASX:FRX), ("Flexiroam", "Company" or the "Group") is pleased to present its quarterly cash report for the period ended 30 September 2020 and advises:

Key Highlights:

- Successfully raised A$1,017,348 through a rights issue exercise.
- Cash balance at end of September 2020 is A$1,187,466.
- Enhanced efficiencies and cash preservation strategies deployed in Q1FY21 continued in Q2FY21, resulting in a 22% lower operating cash outflow of A$523,837 compared to previous quarter (Q1FY21: A$675,244).
- The ongoing COVID-19 pandemic continues to affect the global travel industry and resulted in lower cash receipts from sales in Q2FY21 of A$330,134, 28% lower compared to previous quarter (Q1FY21: A$456,910).
- Internet of Things (**IOT**) development and commercialisation efforts intensified after the successful fund raising exercise, in line with Flexiroam's pivoting strategies.

Successful Fund Raising Exercise

Following the implementation of the crisis and recovery plan as announced in May 2020 as a defense mechanism against the impact of COVID-19, the Company successfully stabilised its operations and reduced monthly operating expenses, resulting in a further reduction of 22% operational cash outflow in Q2FY21 compared to Q1FY21. As part of the recovery plan, the Company undertook a non-renounceable rights issue in July 2020 to raise funds to fast-track development of its innovative global connectivity platform as well as to augment general working capital requirement. The rights issue was successfully completed in August 2020 and raised a total of A$1,017,348 (before costs), supported entirely by the subscription of the offer by Directors and existing shareholders of the Company.

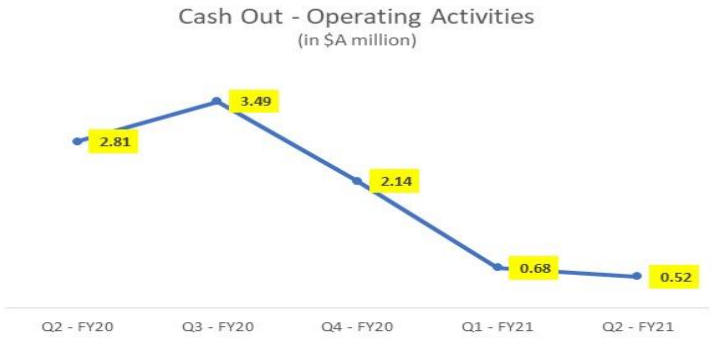
The successful completion of the rights issue exercise is significant as it provided the Company additional resources to accelerate its IOT development and commercialisation efforts, which forms part of its pivoting strategies. The Company continues to closely monitor the travel sector and remains hopeful for a near term recovery.

Enhanced Efficiencies and Costs Reduction

As mentioned above, the crisis and recovery plan has resulted in enhanced operational efficiencies and operational costs reduction.

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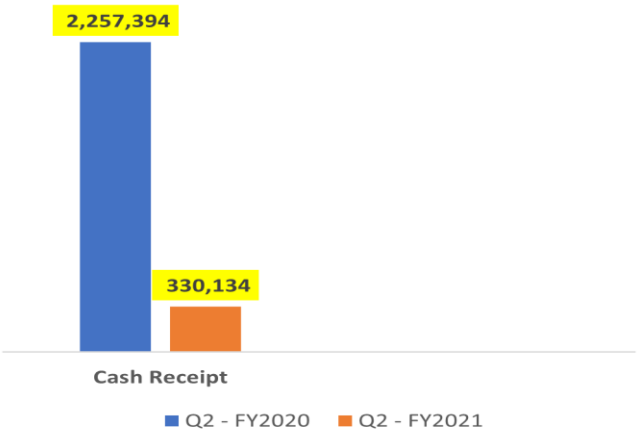


In this Q2FY2021, the Company registered a further reduction of 22% operating cash outflow compared to Q1FY21 (A$675,244). The Company expects bottoming of operating cash outflow in Q2FY21 in line with expectation of increased business activities in Q3FY21 following the completion of the recent fund raising exercise.

During the quarter, payments to Related Parties of the Company and their associates comprised of director fees of approx. A$34K.

Ongoing Impact of COVID-19 Pandemic to the Travel Sector

The COVID-19 pandemic continues to impact countries on a global scale and many borders remained closed during Q2FY21. This has resulted in significant reduction in international travel by customers of the Company in Q2FY21. As a result, cash sales receipts generated in Q2FY21 of A$330,134 is 28% lower compared to Q2FY21 of A$456,910 and 80% lower compared to previous year Q2FY20 (A$2,257,394).



Continued Innovation and Investment

Having successfully positioned the Company in a “ready mode” in Q2FY21 to capture the recovery of the travel sector, the Company is concurrently channeling its resources to pursue other strategic opportunities.

During Q2FY21, the Company was 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.

In addition, the Company successfully launched Flexiroam Solutions, an IOT connectivity solutions platform, during the quarter. The platform leverages the Company’s existing cellular connectivity technology and 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.

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The technology powered by Flexiroam Solutions will 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 is actively pursuing several leads for Flexiroam Solutions' applications and has secured 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 the platform initially within Asia.

The Company has and will continue to invest and innovate in areas of technology to strengthen its future potential.

AUTHORISED BY THE BOARD OF DIRECTORS

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ABOUT FLEXIROAM

FLEXIROAM LIMITED (ASX:FRX) is a super connector providing vital links between touchpoints and information repositories. By leveraging on its global connectivity in more than 100 countries, Flexiroam brings together the lines of communication to facilitate information gathering. Its innovative technology can be used expansively by consumers requiring connectivity to stay in touch with people and enterprises seeking data link to enhance business processes. Flexiroam core capabilities are in research and development, scalable consumer app development, Big Data and Artificial Intelligence. For more information visit http://flexiroam.com.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
FLEXIROAM LIMITED	
ABN	**Quarter ended ("current quarter")**
ACN 143 777 397	30 SEPTEMBER 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	330	787
1.2	Payments for		
	(a) research and development	(30)	(114)
	(b) product manufacturing and operating costs	(76)	(338)
	(c) advertising and marketing	(152)	(322)
	(d) leased assets	-	-
	(e) staff costs	(74)	(182)
	(f) administration and corporate costs	(179)	(221)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(13)	(22)
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**	**(194)**	**(412)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	2
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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**	**-**	**2**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,017	1,017
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	8
3.6	Repayment of borrowings	(290)	-
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**	**727**	**1,025**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	674	616
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(194)	(412)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	2
4.4	Net cash from / (used in) financing activities (item 3.10 above)	727	1,025

4.5	Effect of movement in exchange rates on cash held	(20)	(44)
4.6	**Cash and cash equivalents at end of period**	**1,187**	**1,187**

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	1,187	674
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)**	**1,187**	**674**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	34
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Director fees, consultancy fees, and salaries

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(194)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,187
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,187
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	6.12
	Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 26 October 2020

Authorised for release by the Board of Flexiroam Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

3. 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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