

Results for announcement to market	Up / Down	% Change	2015 \$	2014 \$
Revenue from ordinary activities	Up	150%	4,757,407	1,900,564
(Loss)/profit after tax from ordinary activities attributable to members	Down	(3,040%)	(4,477,256)	152,285
(Loss)/profit attributable to members	Down	(3,040%)	(4,477,256)	152,285

Dividend Information	Amount per share	Franked Amount per share
Dividend – current reporting period	Nil	Nil
Dividend – previous reporting period	Nil	Nil

Tangible Asset Backing per Ordinary Share		cents
tangible asset backing per ordinary share – previous reporting period	(60,000,000 shares)	(1.49)
tangible asset backing per ordinary share – current reporting period	(188,197,501 shares)	4.80

Commentary on the Results for the Period

For accounting purposes, Flexiroam Malaysia has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of Flexiroam Malaysia's financial statements. The consolidated results reflect a full year of Flexiroam Malaysia plus Flexiroam Limited from the date of acquisition, 18 April 2015 to 30 June 2015. The comparative period results reflect Flexiroam Malaysia only.

- Reverse Acquisition

- o The reverse acquisition incurred an accounting loss on acquisition of \$3,137,638.

- Increase in Sales

- o The 150% increase in sales from 2014 to 2015 is attributed to performance of business to business transactions.
- o Corporate and consumer sales performance saw significant increases, however corporate sales jumped by 168% within the period.
- o Corporate sales accounts for 81% of total sales with 114 corporate customers to date; of that 89 are Malaysian and 25 are international customers.

- Increase in Cost of Sales

- o Increase in the costs of sales is attributed to the aggressive customer acquisition activities, resulting in 51 new corporate customers in 2015 and an accumulated subscriber base of 312,061.

- Decrease in Profits

- o The decrease in profits is due to the aggressive marketing, promotional and customer acquisition activities both domestically and internationally.

- Increase in administration and operating expense

- o An increase in professional fees was incurred leading up to the public listing on ASX.

Audit

This Preliminary Final Report is based on the Annual Financial Report which is in the process of being audited.



Jeffrey Ong

Director

Dated at Perth this 31th day of August 2015

Review of Operations

Flexiroam Limited

On 2 February 2015, Flexiroam Limited (formerly Island Metals Limited) held a General Meeting where the following resolutions were passed by shareholders.

- Change of control of the Company;
- Approval of performance rights plan; and
- Change of the Company name.

On 23 February 2015, Flexiroam Limited (formerly Island Metals Limited) (“**the Company**”) entered into a Share Sale Agreement (“**SSA**”) with the Vendor, Reapfield Technology Sdn Bhd (“**Reapfield**”), which was subsequently amended 17 March 2015 by Deed of Variation, to acquire 100% of the issued capital in its wholly owned subsidiary, Super Bonus Profit Sdn Bhd (“**Acquisition**”). Super Bonus Profit Sdn Bhd is the owner of 100% of the rights and title to Flexiroam Sdn Bhd.

On 18 April 2015, Flexiroam Limited (successfully completed the Acquisition. In accordance with the SSA, the Company issued 90,000,000 fully paid ordinary shares to Reapfield as consideration for the acquisition. Flexiroam Limited also issued 15,000,000 fully paid ordinary shares to Reapfield as repayment of loans to Flexiroam Sdn Bhd by the Vendor.

On 18 April 2015, Paul Price and KC Ong resigned as Directors of Flexiroam Limited and were replaced by Adam Sierakowski, Kenn Tat Ong (Jefrey Ong) and Iik Kho (Gerard Kho).

On 19 March 2015, the Company changed its name from Island Metals Limited to Flexiroam Limited.

On 10 June 2015, Flexiroam Limited issued the following shares and options under the Company’s Replacement Prospectus dated 15 April 2015.

- Public Offer – 46,297,500 fully paid ordinary shares at \$0.20 per share;
- Advisor Shares – 2,700,000 fully paid ordinary shares;
- 1,000,000 options to Trident Capital Pty Ltd; and
- 2,000,000 options to Zero Nominees Pty Ltd.

On 16 June 2015, the Company successfully listed its securities for trading on the Australian Securities Exchange platform.

Flexiroam Sdn Bhd

Flexiroam Sdn Bhd (“**Flexiroam Malaysia**”) is the fastest growing budget international roaming provider in Asia-Pacific offering low cost roaming services internationally. Flexiroam Malaysia is the first provider in AsiaPacific to offer a range of SIM based products allowing customers to retain their existing phone numbers while traveling and enjoying unlimited voice and data on a flat rate unlimited per day fee. Flexiroam Malaysia today is developing its range of products to include mobile application which will allow travellers to be reached anywhere in the world through dedicated international numbers from over 50 countries and a SIM laminating product which will give travelers low cost data roaming in over 100 countries without needing to change their SIM cards. To date, over 300,000 people from all over the world have already benefited from combined savings totalling more than A\$23 million using Flexiroam Malaysia products. Over 100 travel agencies both in Malaysia and internationally and the international low cost carrier Airasia are Flexiroam Malaysia partners.

On 3 June 2014, Flexiroam Malaysia entered into an agreement with AirAsia Berhad for the provision of preloaded, AirAsiaX SIM cards for sales and redemption purposes. Under this agreement, the AirAsiaX SIM cards can be purchased by all international outbound travellers at Flexiroam Malaysia’s business centre in Kuala Lumpur International Airport 2 (“**KLIA2**”). Additionally, a promotion was launched simultaneously where the first 100,000 travellers going to Japan may redeem an AirAsiaX SIM card for free at Flexiroam Malaysia’s KLIA2 outlet throughout the duration of this agreement.

On 1 November 2012, Ashish Thakral resigned as a Director of Flexiroam Malaysia.

On 10 December 2014, Lim Si Pin was appointed as a Director of Flexiroam Malaysia.

On 22 May 2015, the Olympic Council of Malaysia appointed Flexiroam Malaysia as sponsor and preferred provider of roaming services for the 1,000 Malaysian Contingents who participated in the 8th Southeast Asian Games held in Singapore from 5 June 2015 to 16 June 2015.

Principal Activities

The Consolidated Entity is involved in telecommunications.

Reverse acquisition

Flexiroam Limited entered into a heads of agreement dated 9 December 2014 to purchase all of the issue capital of Flexiroam Sdn Bhd (“**Flexiroam Malaysia**”) (being the holding company Super Bonus Profit Sdn Bhd and its 100% interest in Flexiroam Sdn Bhd collectively) in exchange for 90,000,000 ordinary shares. It was additionally agreed that loans held by related parties and the ultimate parent entity totalling approximately MYR 4,336,000, would be exchanged for an additional 15,000,000 ordinary shares in Flexiroam Limited. As a result the shareholder of Flexiroam Malaysia held at the date of acquisition 77% of the issue share capital of the Company, prior to the issue of shares under the prospectus.

From a legal and taxation perspective, Flexiroam Limited is considered the acquiring entity. However the acquisition of Flexiroam Malaysia by Flexiroam Limited has the features of a reverse acquisition as described in Australian Accounting Standard AASB3 "Business Combinations" notwithstanding Flexiroam Limited being the legal parent of the Group. This transaction is outside the scope of AASB 3 as the accounting acquiree does not constitute a business as defined by this standard. In this instance, the principal of reverse acquisition accounting is applied to determine the accounting acquirer but the transaction is accounted for as a share-based payment by the accounting acquirer for the net identifiable assets of the accounting acquiree in accordance with AASB2 "Share-based Payment".

For accounting purposes, Flexiroam Malaysia has been identified as the accounting acquirer of the consolidated group. The accompanying consolidated financial statements represent a continuation of Flexiroam Malaysia's financial statements. The consolidated results reflect a full year of Flexiroam Malaysia plus Flexiroam Limited from the date of acquisition, 18 April 2015 to 30 June 2015. The comparative period results reflect Flexiroam Malaysia only.

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Consolidated Statement of Profit or Loss and Other Comprehensive Income**For the financial year ended 30 June 2015**

		Consolidated	Company
	Note	2015	2014
		\$	\$
Sales	1	4,757,407	1,900,564
Cost of sales	2	(4,049,358)	(1,080,600)
Gross profit		<u>708,049</u>	<u>819,964</u>
Other revenue		153,874	128,025
Administration and operating expenses	3	(1,385,630)	(454,716)
Staff costs		(317,482)	(232,049)
Depreciation and amortisation		(190,781)	(106,800)
Finance expenses		(7,655)	(2,139)
Share based payment	11	(299,993)	-
Loss from acquisition	4	<u>(3,137,638)</u>	<u>-</u>
(Loss)/profit before income tax		(4,477,256)	152,285
Income tax benefit		<u>(773)</u>	<u>(634)</u>
(Loss)/profit for the year from continuing operations		<u>(4,478,029)</u>	<u>151,651</u>
Other comprehensive income		-	-
Total comprehensive (loss)/profit for the year		<u>(4,478,029)</u>	<u>151,651</u>
(Loss)/earnings per share (basic and diluted)	9	(0.05)	0.002

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 30 June 2015**

		Consolidated	Company
	Note	2015	2014
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	5	8,623,528	143,774
Trade and other receivables		341,604	343,160
Development expenditure		144,147	166,265
Inventory		5,437	-
Available for sale		20,672	-
Convertible notes		50,000	-
Loan receivable		43,818	-
Total Current Assets		9,229,206	653,199
NON CURRENT ASSETS			
Intellectual property	6	20,647,648	19,844,551
Plant & equipment		52,937	34,247
Intangible assets	7	619,372	461,570
Total Non-Current Assets		21,319,957	20,340,368
Total Assets		30,549,163	20,993,567
CURRENT LIABILITIES			
Trade and other payables		242,009	354,533
Total Current Liabilities		242,009	354,533
NON CURRENT LIABILITIES			
Loan		-	1,229,124
Deferred tax		1,502	706
Total Non Current Liabilities		1,502	1,229,830
Total Liabilities		243,511	1,584,363
Net Assets		30,305,652	19,409,204
EQUITY			
Issued capital	8	35,318,699	21,029,757
Reserves	10	(102,962)	(1,188,497)
Accumulated losses		(4,910,085)	(432,056)
Total Equity		30,305,652	19,409,204

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

Consolidated Statement of Changes in Equity
For the financial year ended 30 June 2015

	Note	Issued Capital \$	Reserves \$	Accumulated losses \$	Total \$
Company					
Balance at 1 July 2013		21,029,757	(648,724)	(583,707)	19,797,326
Foreign exchange		-	(539,773)	-	(539,773)
Total comprehensive profit for the year		-	-	151,651	151,651
Balance at 30 June 2014		21,029,757	(1,188,497)	(432,056)	19,409,204
Consolidated					
Balance at 1 July 2014		21,029,757	(1,188,497)	(432,056)	19,409,204
Foreign exchange		-	785,542	-	785,542
Total comprehensive loss for the year		-	-	(4,478,029)	(4,478,029)
Issued capital		14,854,547	-	-	14,854,547
Share issue costs		(565,605)	-	-	(565,605)
Share based payments		-	299,993	-	299,993
Balance at 30 June 2015		35,318,699	(102,962)	(4,910,085)	30,305,652

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

Consolidated Statement of Cash Flows**For the financial year ended 30 June 2015**

		Consolidated	Company
	Note	2015	2014
		\$	\$
Cash flows from operating activities			
Receipts from customers		1,063,707	1,760,232
Payments to suppliers and employees		(2,093,754)	(1,433,022)
Interest and other costs of finance paid		(7,655)	(2,139)
Interest and other costs of finance received		7,403	-
Net cash flows (used in)/ provided by operating activities		(1,030,299)	325,071
Cash flows from investing activities			
Purchase of fixed assets		(32,819)	(34,414)
Cash acquired on acquisition of Flexiroam Limited		313,190	-
Purchase of intangible assets		-	(566,816)
Proceeds from convertible note repayment		50,000	-
Net cash flows provided by/(used in) investing activities		330,371	(601,230)
Cash flows from financing activities			
Government grants		139,565	128,025
Proceeds from issue of share capital		9,259,500	-
Payments for share issue costs		(411,410)	-
Loan received		227,058	260,514
Net cash flows provided by financing activities		9,214,713	388,539
Net increase in cash and cash equivalents		8,514,785	112,380
Cash and cash equivalents at the beginning of the year		143,774	21,883
Foreign exchange		(35,031)	9,511
Cash and cash equivalents at the end of the year		8,623,528	143,774

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

1. Sales

	Consolidated	Company
	2015	2014
Corporate ¹	3,838,911	1,382,936
Consumer ²	<u>918,496</u>	<u>517,628</u>
	<u><u>4,757,407</u></u>	<u><u>1,900,564</u></u>

¹ Corporate sales consist of business to business transactions involving local and foreign travel agencies and companies.

² Consumer sales consist of business to consumer transactions through physical and revenue streams.

2. Cost of Sales

	Consolidated	Company
	2015	2014
Network cost	265,206	213,906
Marketing	3,521,957	809,336
Material cost	112,430	17,709
Commission due	120,674	20,904
Development expenditure	<u>29,091</u>	<u>18,745</u>
	<u><u>4,049,358</u></u>	<u><u>1,080,600</u></u>

3. Administration Expenses

	Consolidated	Company
	2015	2014
Advertising and promotion	133,310	273,243
Office equipment and general maintenance	6,902	15,384
Others costs	23,099	17,481
Professional fees	864,437	7,818
Rental	145,562	92,488
Software and stationary	25,758	10,874
Talent and recruitment	128,938	8,685
Travelling and transportation	35,688	23,835
Utilities	<u>21,936</u>	<u>4,908</u>
	<u><u>1,385,630</u></u>	<u><u>454,716</u></u>

4. Loss on Acquisition

On 18 March 2015, Flexiroam Limited issued 90,000,000 fully paid ordinary shares to Reapfield Technology Sdn Bhd as consideration for the acquisition of 100% of all the rights and title to Flexiroam Sdn Bhd (“**Flexiroam Malaysia**”). As a result, the shareholders of Flexiroam Malaysia held at the date of acquisition 77% of the issue share capital of the Flexiroam Limited, prior to the issue of shares under the prospectus.

For the purposes of AASB 3 “Business Combinations”, the acquisition is considered under the principles of reverse acquisition accounting with Flexiroam Malaysia identified as the accounting acquirer.

The reverse acquisition is treated as an acquisition of assets and liabilities of the Flexiroam Limited as at 17 March 2015.

	\$
Cash and cash equivalents	313,190
Available for sale assets	23,800
Convertible note	100,000
Prepayments	10,595
Other receivables	1,514,766
Trade creditors	(44,950)
Shares awaiting to be issued	(199,992)
Value of the asset acquisition as at 17 March 2015	1,717,409

Loss on acquisition of Flexiroam Limited:

	\$
Acquisition consideration	4,855,047 ¹
Less net assets acquired	(1,717,409)
Loss on acquisition as at 17 March 2015	3,137,638

¹As a result of the acquisition, the consideration fair value is based on the portion (23%) of Flexiroam Malaysia’s net assets as at acquisition date.

5. Cash and Cash Equivalents

On 10 June 2015, Flexiroam Limited successfully completed a public raising of \$9,259,500 under the Company’s Replacement Prospectus dated 15 April 2015.

6. Intellectual Property

The intellectual property asset is known as Flexiroam Malaysia, an international roaming service for Malaysians who travel overseas to make and receive unlimited calls at a fixed rate by linking their home number to their overseas number. It’s run on a sophisticated integrated network of services, forming a unified system known as the ‘Flexiform Web Services’ (FWS).

Investment in the intellectual property is seen to be an intangible asset with an indefinite useful life and is stated at cost. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

As at 30 June 2015, Flexiroam Malaysia holds 1 patent in Malaysia and 1 patent in India.

7. Intangible Asset

	Consolidated	Company
	2015	2014
Project marketing	902,456	565,292
Less : Accumulated amortisation	(283,084)	(103,722)
Net book value	<u>619,372</u>	<u>461,570</u>

8. Share Capital

Fully paid ordinary shares	Number	\$
2014		
Balance as at 1 July 2013	60,000,000	21,029,757
<i>No movements during the year</i>	-	-
Balance as at 30 June 2014	<u>60,000,000</u>	<u>21,029,757</u>
2015		
Balance as at 1 July 2014	60,000,000	21,029,757
Adjustment on acquisition of Flexiroam Limited	32,200,001	647,000
Elimination of the historical value of Flexiroam Limited issued capital	-	(647,000)
Elimination of Flexiroam Malaysia issued capital	(60,000,000)	-
Share issue – 18 March 2015 ¹	105,000,000	4,855,047
Share issue – 19 March 2015 ²	2,000,000	200,000
Share issue – 10 June 2015 ³	46,297,500	9,259,500
Share issue – 10 June 2015 ⁴	2,700,000	540,000
Capital raising costs	-	(565,605)
Balance as at 30 June 2015	<u>188,197,501</u>	<u>35,318,699</u>

¹ On 18 March 2015, 15,000,000 shares were issued at \$0.01 per share in repayment of loans to Flexiroam Sdn Bhd by Reapfield Technology Sdn Bhd. On 18 March 2015, 90,000,000 shares were issued at \$0.01 per share as acquisition consideration.

² On 19 March 2015, 2,000,000 shares were issued at \$0.01 per share under a Sophisticated Placement Raising.

³ On 10 June 2015, 46,297,500 shares were issued at \$0.20 per share under a Replacement Prospectus.

⁴ On 10 June 2015, 2,700,000 shares were issued at \$0.20 per share under a Replacement Prospectus.

9. Loss Per Share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the basic loss per share computations:

	Consolidated	Company
	2015	2014
	\$	\$
Loss attributable to ordinary equity holders	(4,478,029)	151,651
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	Number 85,597,117	Number 90,000,000
Basic and diluted loss per share	\$/share (0.05)	\$/share 0.002

10. Reserves

	Consolidated	Company
	2015	2014
	\$	\$
Foreign exchange reserve	(402,955)	(1,188,497)
Share based payment reserve (see note 11)	299,993	-
Balance as at 30 June 2015	(102,962)	(1,188,497)

11. Options

In June 2015, 3,000,000 options were issued by Flexiroam Limited as contemplated by its Replacement Prospectus dated 15 April 2015. The issue of options are valued at \$299,993 (2104: \$Nil). The fair value of the options is determined using the Black-Scholes option valuation methodology and applying the following inputs:

	Options
Exercise Price	\$0.20
Expiry Date	10 Dec 2018
Risk Free Rate	2.03%
Volatility	75%
Value per Option	\$0.099
Total Value of Options	\$299,993
Amount Expensed in Current Year	\$299,993
Amount to be Expensed in Future Years	\$-

12. Segment Reporting

The Consolidated Group has identified its operating segments as telecommunications and is based on the annual report that are to be audited and used by the board of directors in assessing performance and determining the allocation of resources. The reportable segment is represented by the primary consolidated statements forming the annual report for the year ended 30 June 2015.

13. Basis of Preparation

The consolidated financial statements and notes presented in this Appendix 4E are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations used by the Australian Accounting Standards Board. Flexiroam Limited is a for profit entity for the purposes of preparing financial statements.

Compliance with IFRS

These consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

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