

28 August 2015

Market Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

XTD Delivers Positive Results in Short Time Frame

Cross-track digital advertising system owner and operator XTD Limited (ASX: XTD) (**XTD** or the **Company**) is pleased to lodge its FY2015 Appendix 4E and Preliminary Final Report.

Financial highlights include:

- Successfully completed IPO and listed on 23 December 2014.
- Operating revenue includes \$1,211,723 of income from Melbourne screens (operational mid October 2014) and Brisbane screens (operational from mid-June 2015).
- September quarter advertising commitments to XtrackTV very strong after re-launch of Eastern seaboard offering in June 2015.
- Significant investment in mobile interactive technology
- XTD's operating loss of \$8,943,251 for the year includes the following:
 - A one-off \$5,616,010 non-cash share based payment representing cost of Lunalite International Pty Ltd listing on the ASX via XTD Ltd.
 - Non-cash share based payments expense of \$1,617,539 relating to four tranches of performance shares issued to directors (\$765,482) and employees (\$852,057). The performance milestone for Class A performance shares was achieved during the year.

Operational highlights include:

- 32 Cross Track Digital Media Screens installed in Melbourne on time and on budget, generating revenue from October 2014.
- 13 Cross Track Digital Media Screens installed in Brisbane on time and on budget, generating revenue from June 2015.
- Eastern Seaboard (Brisbane, Sydney, Melbourne) connected network provides attractive offering marketed by APN Outdoor.
- XTD is developing technology to facilitate interaction between its digital media system and mobile devices.
- XTD is actively pursuing international expansion plans in North America and Asia.

XTD Chief Executive Steve Wildisen said: "It has been an exciting year of development for XTD. We've delivered two fully operational systems on budget and on time in Melbourne and Brisbane, ramped up international development and approved the spin out of an exciting developing technology around interaction between the XTD media systems and mobile devices."

"The 1H 2015/16 outlook is well ahead of budget estimates and bodes well for advertisers and commuters ongoing engagement with the XTD metro rail network system."

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Outlook

The outdoor advertising market continues to increase share over traditional advertising mediums. Globally, OOH media is the traditional advertising medium benefitting the most from digitisation with CAGR of 13.2%¹.

In Australia YTD, OOH market revenue to July compared to the same period is up 17.5%¹. Digital is 24% of the total, up from 15.5% for the corresponding period last year. XTD continues to benefit from this trend¹.

XTD is confident that the operations are generating strong positive operational cashflow in Q1 2015/16 and the outlook remains very buoyant with regard forward advertising bookings. Developments in international markets are progressing with a demonstration of the XTD system targeted to be operational in New York City beginning of October 2015. Major North American rail networks will be invited to attend demonstrations of the system.

XTD Limited is the world's first, large format, cross-track digital media and technology system designed for metro transit environments. The system broadcasts high-resolution digital video, supported by high fidelity sound, in both open air and underground locations.

For more information visit www.xtd.tv or contact:

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¹ [2015 PWC Global Entertainment & Media Outlook](#)

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XTD Ltd

ABN 43 147 799 951

Appendix 4E

Preliminary Final Report

Results for announcement to the market
for the year ended 30 June 2015

				30 June 2015
				\$A
Revenue	Up	76,005%	to	1,247,354
Profit/(Loss) after tax attributable to members	Up	632%	to	(8,943,251)
Net Profit/(Loss) for the period attributable to members	Up	632%	to	(8,943,251)

	30 June 2015	30 June 2014
	Cents	Cents
Net Tangible Assets per security	3.33	3.34

Dividend

The Directors recommend that no dividend be paid. No dividends have been paid or declared during the year.

Status of Audit

The report is based on financial accounts which are in the process of being audited.

Comments by directors

XTD delivers positive results in short time frame

Cross-track digital advertising system owner and operator XTD Limited (ASX: XTD) (XTD or the Company) is pleased to lodge its FY2015 Financials.

Financial highlights include:

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- Operating revenue includes \$1,211,723 of income from Melbourne screens (operational mid October 2014) and Brisbane screens (operational from mid-June 2015).
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- Non-cash share based payments expense of \$1,617,539 relating to four tranches of performance shares issued to directors (\$765,482) and employees (\$852,057). The performance milestone for Class A performance shares was achieved during the year.

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- 32 Cross Track Digital Media Screens installed in Melbourne on time and on budget, generating revenue from October 2014.
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"The 1H 2015/16 outlook is well ahead of budget estimates and bodes well for advertisers and commuters ongoing engagement with the XTD metro rail network system."

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this should be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by XTD Ltd during the reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules and Corporations Act 2001 (Cth).



Stuart Richardson
Director

Summary Information:

Reporting Period: 30 June 2015

Previous Corresponding Period: 30 June 2014

Results for announcement to the market

				\$'000
Revenues from ordinary activities	Up	76,005%	to	1,247
Profit/(Loss) from ordinary activities after tax attributable to members	Up	632%	to	(8,943)
Net Profit/(Loss) for the period attributable to members	Up	632%	to	(8,943)
Dividends (distributions)		Amount per security		Franked amount per security
Final dividend		Nil		Nil
Interim dividend		Nil		Nil
Previous corresponding period		Nil		Nil
Record date for determining entitlements to the dividend.	No dividends are proposed			

<i>NTA backing</i>	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	3.33 cents	3.34 cents

Control gained over entities having material effect

Name of entity (or group of entities)	XTD Ltd
Date from which such profit has been calculated	19/12/2014
Contribution to the reporting entity's result	(\$1,969,830)

Refer to Note 16 of the attached preliminary final report for details regarding the reverse acquisition accounting in relation to the above.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	30-Jun-15 \$	30-Jun-14 \$
Revenue from continuing operations	4	1,247,354	1,639
Other Income		128,898	-
Amortisation of intangibles		(124,470)	-
Commission expense		(421,410)	-
Consultancy fees		(325,864)	(175,168)
Depreciation expense	6	(603,094)	(13,551)
Finance costs	5	(90,465)	-
Personnel expenses	5	(2,312,754)	(580,801)
Motor vehicle expenses		-	(17,844)
Occupancy expenses		(27,767)	(6,006)
Professional fees	5	(150,344)	(37,997)
Project fees		-	(300,000)
Share based payments	16	(5,616,010)	-
Travelling expenses		(284,486)	(37,624)
Other expenses	5	(400,179)	(54,694)
Loss from continuing operations before income tax		(8,980,591)	(1,222,046)
Income tax benefit		37,340	-
Loss from continuing operations after income tax		(8,943,251)	(1,222,046)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year		(8,943,251)	(1,222,046)
Loss for the year is attributable to:			
Owners of the Company		(8,943,251)	(1,222,046)
		(8,943,251)	(1,222,046)
Total comprehensive loss for the year attributable to:			
Owners of the company		(8,943,251)	(1,222,046)
		(8,943,251)	(1,222,046)
		Cents	Cents
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and dilutive loss per share	14	(10.4)	(2.1)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the preliminary report

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

		30-Jun-15	30-Jun-14
	Notes	\$	\$
Current Assets			
Cash & cash equivalents		955,929	276,373
Trade & other receivables		178,701	1,537,935
Total Current Assets		1,134,630	1,814,308
Non-Current Assets			
Property, plant & equipment	6	3,772,244	97,696
Intangibles	7	746,815	871,285
Total Non-Current Assets		4,519,059	968,981
TOTAL ASSETS		5,653,689	2,783,289
Current Liabilities			
Trade and other payables		551,227	974,212
Borrowings		-	179,990
Total Current Liabilities		551,227	1,154,202
Non-Current Liabilities			
Deferred tax liability		224,045	261,385
Total Non-Current Liabilities		224,045	261,385
TOTAL LIABILITIES		775,272	1,415,587
NET ASSETS		4,878,417	1,367,702
EQUITY			
Equity attributable to the equity holders of the Company			
Contributed equity	8	14,091,003	3,254,576
Share-based payment reserve	9	1,617,539	-
Accumulated losses	10	(10,830,125)	(1,886,874)
TOTAL EQUITY		4,878,417	1,367,702

The above consolidated statement of financial position is to be read in conjunction with the notes to the preliminary report

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2014	3,254,576	-	(1,886,874)	1,367,702
Loss for the year	-	-	(8,943,251)	(8,943,251)
Total comprehensive loss for the year	-	-	(8,943,251)	(8,943,251)
Transactions with owners in their capacity as owners:				
Share-based payment - acquisition	5,971,651	-	-	5,971,651
Share-based payment - performance shares	-	1,617,539	-	1,617,539
Share-based payment - introductory fee	25,000	-	-	25,000
Issue of share capital	3,000,500	-	-	3,000,500
Issue of share capital	2,140,000	-	-	2,140,000
Capital raising costs	(300,724)	-	-	(300,724)
At 30 June 2015	14,091,003	1,617,539	(10,830,125)	4,878,417
	Issued Capital \$	Share-based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
At 1 July 2013	1,482,076	-	(664,828)	817,248
Loss for the year	-	-	(1,222,046)	(1,222,046)
Total comprehensive loss for the year	-	-	(1,222,046)	(1,222,046)
Transactions with owners in their capacity as owners:				
Issue of share capital	1,772,500	-	-	1,772,500
At 30 June 2014	3,254,576	-	(1,886,874)	1,367,702

The above consolidated statement of changes in equity is to be read in conjunction with the notes to the preliminary report

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	30-Jun-15 \$	30-Jun-14 \$
Cash flows from operating activities			
Receipt from customers		1,125,732	-
Payment to suppliers and employees		(2,160,014)	(337,586)
Interest received		19,628	1,639
Research and development grant		128,898	122,166
Net cash outflow from operating activities	13	(885,756)	(213,781)
Cash flows from investing activities			
Payment for property, plant and equipment		(4,383,058)	-
Project development expenditure		-	(96,455)
Other (cash acquired)		34,200	-
Net cash outflow/(inflow) from investing activities		(4,348,858)	(96,455)
Cash flows from financing activities			
Issue of shares and options		5,600,500	445,000
Proceeds from borrowings		600,000	15,000
Repayment of borrowings		-	(18,469)
Proceeds from issue of convertible note		-	150,000
Costs of capital raising		(286,330)	-
Net cash inflow from financing activities		5,914,170	591,531
Net increase in cash and cash equivalents		679,556	281,295
Cash and cash equivalents at beginning of year		276,373	(4,922)
Cash and cash equivalents at end of year		955,929	276,373

The above consolidated statement of cash flows is to be read in conjunction with the notes to the preliminary report

1. BASIS OF PREPARATION

This preliminary final report for the year ended 30 June 2015 relates to the consolidated entity consisting of XTD Ltd, the Company, and its controlled entities.

The preliminary final report has been prepared on an accrual basis and a historical cost basis except for certain current and non-current assets and financial instruments which are measured at fair value or where otherwise stated.

Cost is based on the fair value of consideration given in exchange for assets.

This preliminary final report does not include all the notes of the type normally included in an annual financial report. Accordingly, this should be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by XTD Ltd during the reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules and Corporations Act 2001 (Cth).

2. STATEMENT OF COMPLIANCE

The preliminary final report is a general purpose financial report and has been prepared in accordance with applicable Australian Accounting Standards, other pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. The preliminary final report is also in compliance with ASX Listing Rules 4.3.A and the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards include Australian equivalents of International Reporting Standards ("AIFRS").

The consolidated financial statements were approved by the Board of Directors on the date the directors' report and declaration was signed. XTD Ltd is a for-profit entity for the purpose of preparing the financial statements.

3. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about 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 segments are consistent with the internal management reporting information that is regularly reviewed by the chief operating decision maker.

The Group engages in one business in Australia, activity from which it earns revenues, and its results are analysed as a whole by the chief operating decision maker. Consequently revenue, profit and net assets for the operating segment and geographical segment are reflected in this preliminary report.

4. REVENUE

	30-Jun-15	30-Jun-14
	\$	\$
Revenue		
Revenue from continuing operations	1,247,354	1,639

5. EXPENSES

Loss for the year includes the following specific expenses:

	30-Jun-15	30-Jun-14
	\$	\$
Other expenses		
Bookkeeping fees	11,745	3,538
Advertising and marketing	63,692	73
Hire of plant and equipment	-	12,386
Insurance expense	34,559	2,242
Interest expense	2,836	21,290
Telephone and internet expenses	21,184	5,775
Other expenses	266,163	9,390
	400,179	54,694
Finance costs		
Conversion Fee – convertible note	90,465	-
	90,465	-
Personnel expenses		
Wages and salaries	505,057	37,500
Employee MV expenses	20,000	-
Superannuation	40,203	3,469
Employee benefits expense	852,057	189,832
Directors fees	129,955	-
Directors benefits expense	765,482	350,000
	2,312,754	580,801
Professional fees		
Accounting expenses	69,017	11,550
Audit expenses	31,060	12,000
Company secretarial expenses	25,500	-
Patent	10,914	-
Legal expenses	13,853	14,447
	150,344	37,997

**NOTES TO THE PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015**

	30-Jun-15	30-Jun-14
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment	3,772,244	97,696
	<u>3,772,244</u>	<u>97,696</u>
Reconciliation:		
Balance at the beginning of the year	97,696	111,247
Additions	4,277,642	-
Depreciation expense	(603,094)	(13,551)
Balance at the end of the year	<u>3,772,244</u>	<u>97,696</u>

7. INTANGIBLES

Contract rights	746,815	871,285
	<u>746,815</u>	<u>871,285</u>

8. ISSUED CAPITAL

(a) Share Capital

	30-Jun-15	
	\$	No.
Fully paid ordinary shares	14,091,003	123,986,051
	<u>14,091,003</u>	<u>123,986,051</u>
	30-Jun-14	
	\$	No.
Fully paid ordinary shares	3,254,576	14,844,753
	<u>3,254,576</u>	<u>14,844,753</u>

8. ISSUED CAPITAL (CONTINUED)

(b) Movements in ordinary share capital

Issue of ordinary shares during the year	30-Jun-15		
	\$	No.	Issue price per ordinary share
Opening balance – Shares for share exchange (i)	3,254,576	398,102,531	-
Consolidation of share capital	-	(378,944,276)	-
Seed capital raising	2,140,000	10,700,000	\$0.200
Prospectus – capital raising	3,000,500	15,002,499	\$0.200
Acquisition adjustment - Lunalite International Pty Ltd	5,971,651	78,750,297	-
Issue of shares – introductory fee	25,000	375,000	\$0.067
Share issue expenses	(300,724)	-	-
Balance at 30 June 2015	14,091,003	123,986,051	

- (i) Following the capital restructure, the number of shares outstanding represents the contributed equity of the legal entity, being XTD Limited.

Issue of ordinary shares during the year	30-Jun-14		
	\$	No.	Issue price per ordinary share
Opening balance	1,482,076	6,004,753	-
Issue of shares	1,772,500	8,840,000	\$0.20
Balance at 30 June 2014	3,254,576	14,844,753	

9. RESERVES	30-Jun-15	30-Jun-14
	\$	\$
Share-based payments reserve		
Balance at the beginning of the year	-	-
Valuation of performance shares issued 19/12/2014	1,617,539	-
Balance at the end of the year	<u>1,617,539</u>	-

(a) Nature and Purposes of Reserves

(i) Share-based Payment Reserves

This reserve is used to record the value of equity benefits to management personnel, chairman and non-executive directors as part of their remuneration and various Brokers to the Initial Public Offering. When the options are exercised the amount recorded in the Share-based Payment Reserve relevant to those options is transferred to share capital.

10. ACCUMULATED LOSSES

	30-Jun-15	30-Jun-14
Accumulated losses at the beginning of the financial year	(1,886,874)	(664,828)
Net loss attributable to members of the Group	(8,943,251)	(1,222,046)
Accumulated losses at the end of the financial year	<u>(10,830,125)</u>	<u>(1,886,874)</u>

11. CONTINGENT LIABILITIES

No contingent liabilities were noted for the Group for the year ended 30 June 2015.

12. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the period the Company advised that the following securities were released from escrow:

- 10,400,061 fully paid ordinary shares on 2 July 2015; and
- 3,150,013 fully paid ordinary shares on 22 August 2015.

In addition on 25 August 2015, 4,500,013 Class A Performance Shares were converted into 4,500,013 fully paid ordinary shares following satisfaction of the Class A Performance Shares milestone being first revenue from the Queensland Contract.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

- (i) the Group's operations in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the Group's state of affairs in future financial years.

13. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Reconciliation of net loss after income tax to net cash flows from operating activities.	30-Jun-15 \$	30-Jun-14 \$
Net loss after income tax	(8,943,251)	(1,222,046)
Adjustments for:		
Amortisation of intangibles	124,470	-
Depreciation	603,094	13,551
Doubtful Debts	50,000	-
Directors benefits expense	765,482	-
Employee benefits expense	852,057	-
Provision for employee leave expense	20,015	-
Share based payment	5,616,010	-
Project fees	-	311,947
Interest accrual	-	14,844
Research and Development Grant	(128,898)	-
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	1,359,234	122,166
Increase/(decrease) in trade and other payables	(1,203,969)	545,757
Net cash outflow from operating activities	(885,756)	(213,781)

14. EARNINGS PER SHARE

a. Basic loss per share

The calculation of basic loss per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of \$8,943,251 and a weighted average number of ordinary shares outstanding during the year ended 30 June 2015 of 199,417,115 calculated as follows:

	30-Jun-15 \$	30-Jun-14 \$
Loss attributable to ordinary shareholders	(8,943,251)	(1,222,046)
Weighted average number of ordinary shares	85,603,400	5,951,768
Basic loss per share (cents per share)	(10.4)	(2.1)

Diluted loss per share

Potential ordinary shares are not considered dilutive, thus diluted loss per share is the same as basic loss per share.

15. SHARE-BASED PAYMENTS

As part of the Lunalite acquisition on 19 December 2014, XTD Ltd issued 28,500,076 performance shares to management personnel, the Chairman and a non-executive director. These performance shares were issued in four classes, each with different performance milestones. Each performance share will convert into 1 ordinary share of XTD Ltd upon achievement of the performance milestone.

The company has assessed each class as being probable of being achieved and have therefore recognised an expense over the expected vesting period. Tranche A Performance milestone was however achieved during the current financial period. Accordingly, the full expense has been recognised for 30 June 2015.

The details of each class are tabled below:

Class	Number	Start Date	Exercise Price	Expiry Date of Milestone Achievements	Underlying Share Price	Total Fair Value
A	4,500,013	19/12/14	Nil	19/12/16	\$0.20	\$900,003
B	4,500,013	19/12/14	Nil	19/12/16	\$0.20	\$900,003
C	4,500,013	19/12/14	Nil	19/12/17	\$0.20	\$900,003
D	15,000,037	19/12/14	Nil	19/12/19	\$0.20	\$3,000,007

Performance Milestones:

- A. First revenue to Lunalite from Queensland Contract. This milestone expires two years from completion of the acquisition (19 December 2014).
- B. Security mobile application being developed and either being adopted by one rail operator, or achieving a minimum of 200,000 subscribers. This milestone expires two years from completion of the acquisition (19 December 2014).
- C. Lunalite generating total revenue of at least \$5 million in any 12 month period. This milestone expires three years from completion of the acquisition (19 December 2014).
- D. Lunalite being awarded an offshore XTD contract of at least 40 screens and that contract being successfully installed and generating revenue to Lunalite. This milestone expires within five years from completion of the acquisition (19 December 2014).

The total director and employee benefits expense arising from share based payment transactions recognised during the period in relation to the performance shares issued was \$1,617,539 (2014:\$nil).

16. REVERSE ACQUISITION ACCOUNTING

XTD Ltd made a takeover offer for all of the securities in Lunalite International Pty Ltd (Lunalite International). The takeover offer was affected through an off-market takeover bid for all of the ordinary shares in Lunalite International on the basis of 3 XTD Ltd shares for every 1 Lunalite International share held on a post consolidation basis.

Under the acquisition, XTD Ltd acquired all of the shares in Lunalite International by issuing 78,750,297 shares in XTD Ltd to Lunalite International shareholders, giving Lunalite International a controlling interest in XTD Ltd and equating to a controlling interest in the combined entity. Lunalite International was thus deemed the acquirer for accounting purposes as it owned 72.51% of the consolidated entity. The acquisition of Lunalite International by XTD Ltd is not deemed to be a business combination, as XTD Ltd is not considered to be a business under AASB 3 Business Combinations.

As such the consolidation of these two companies was on the basis of the continuation of Lunalite International with no fair value adjustments, whereby Lunalite International was deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction was to account for it under AASB 2 'Share Based Payments', whereby Lunalite International is deemed to have issued shares to XTD Ltd Shareholders in exchange for the net assets held by XTD Ltd.

In this instance, the value of the XTD Ltd shares provided has been determined as the notional number of equity instruments that the shareholders of Lunalite International would have had to issue to XTD Ltd to give the owners of XTD Ltd the same percentage ownership in the combined entity. This has been deemed to be \$5,971,651.

The pre-acquisition equity balances of XTD Ltd are eliminated against this increase in Share Capital of \$5,971,651 on consolidation and the balance is deemed to be the amount paid for the listing status of XTD Ltd, being \$5,616,010 (recognised as a share based payment in the statement of profit or loss).

The equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of XTD Ltd, including the equity instruments issued by XTD Ltd to effect the acquisition.

The results for the year ended 30 June 2015 comprise the results of Lunalite International Pty Ltd, and the results of XTD Ltd subsequent to the acquisition.