

31 August 2017

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

XTD Preliminary Final Report FY2017

Cross-track digital advertising system owner and operator XTD Limited (ASX: XTD) (**XTD or the Company**) is pleased to lodge its FY2017 Appendix 4E and Preliminary Final Report.

Financial Highlights:

- Operating revenue of \$2,931,352 for the year, a decrease of 15% on FY2016 operating revenue (\$3,452,991)
- Accelerated development, seeding and launch of subsidiary Contact Light Pty Ltd to focus on designing and marketing mobile platforms for transport environments
 - Contact Light completed a capital raising during the period with the result that XTD's interest has been diluted to 45%
- Basic loss per share decreased by 12% to 1.7 cents per share (FY2016 1.9 cents per share)
- Net Asset Position at 30 June 2017 is \$4,315,220
- Cash and cash equivalents at 30 June 2017 is \$1,830,292

Operational Highlights:

- Agrees more extensive partnership with APN Outdoor
- Installs XTD system trial in New Delhi, India
- Welcomes two new Board Directors
- Successful technology trial of 'Nearcast' for communications between digital screens and mobile devices

XTD CEO Steve Wildisen said he was *"pleased with progress in the year, with a focus on core skills in digital transit communications and on expanding the Company's technology skills. The financial result for 2016/17 was disappointing however XTD is pleased to have finalised our new and more extensive agreement with APN Outdoor. This is a clear signal of the strength of digital out-of-home, the uniqueness of the Cross Track product and its favoured status on the media schedules for big brands."*

He said the Company is finalising the trialling of its Cross Track system within the Delhi Metro Rail network with a view to determining whether the Indian opportunity meets the strict ROI criteria XTD applies to all its projects. An update will be provided to shareholders in the coming weeks.

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The Company also welcomed new Board Directors Joe Copley and Quentin Gracanin. Mr Wildisen said that both Executives are highly respected and successful business leaders, with their experiences and perspectives from diverse business backgrounds being highly valuable in planning the future for XTD.

"I'd like to make special mention of XTD's innovation division, Contact Light," said Mr Wildisen. "In the past year, Contact Light has successfully proved its Nearcast technology platform that allows interaction between digital OOH screens and people's mobile devices. Also, Contact Light's patented app, EMBARK, which now has 130,000 users and the benefit of 14 months of data."

FY 2018 Outlook

XTD is currently progressing a number of potential transactions within the Australian OOH industry. These opportunities are being pursued to further showcase XTD's unique ability to combine leading OOH screen networks with connectivity to mobile devices via Contact Light's *Nearcast* technology. Together, the businesses create a unique partnership focussed on the future of data-led and data-informed communications. This is where the two fastest growing media sectors of Out-of-Home and Mobile come together.

Mr Wildisen further commented that after a less than budgeted 2H 2016/17 result, the September quarter now underway is performing significantly better and in line with XTD's expectations for the quarter and in line with the forecast improvement required in 2017/18 financial year.

For more information, contact:

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Chief Executive

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XTD Ltd

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Appendix 4E

Preliminary Final Report

Results for announcement to the market
for the year ended 30 June 2017

				30 June 2017
				\$A
Revenue	Down	14%	to	3,384,854
Loss after tax attributable to members	Down	13%	to	(2,187,909)
Loss for the period attributable to members	Down	13%	to	(2,187,909)

	30 June 2017	30 June 2016
	Cents	Cents
Net Tangible Assets per security	3.02	3.52

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	

Control gained over entities having material effect

Name of entity (or group of entities)	n/a
Date from which such profit has been calculated	n/a
Contribution to the reporting entity's result	n/a

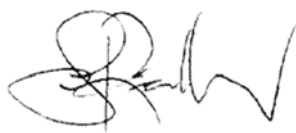
Dividend

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 have not been audited.

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 2017 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).

A handwritten signature in black ink, appearing to read 'SRW', with a large loop at the end.

Stuart Richardson
Director

XTD LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
Revenue from continuing operations		2,931,352	3,452,991
Other income		453,502	487,803
Amortisation of intangibles		(124,470)	(124,470)
Commission expense		(884,831)	(1,009,910)
Consultancy fees		(348,852)	(373,229)
Depreciation expense		(858,350)	(1,162,649)
Personnel expenses		(2,003,020)	(2,752,485)
Occupancy expenses		(51,686)	(70,564)
Professional fees		(436,254)	(319,932)
Share based payments		(212,774)	-
Travelling expenses		(266,323)	(277,198)
Other expenses		(820,359)	(745,877)
Loss from continuing operations before income tax		(2,622,065)	(2,895,520)
Income tax benefit		37,340	37,340
Loss from continuing operations after income tax		(2,584,725)	(2,858,180)
Items that may be reclassified to profit or loss			
Foreign currency translation of subsidiary, net of tax		(3,920)	-
Total comprehensive loss for the year		(2,588,645)	(2,858,180)
Loss for the year is attributable to:			
Owners of the company		(2,187,099)	(2,515,909)
Non-controlling interests		(397,626)	(342,271)
		(2,584,725)	(2,858,180)
Total comprehensive loss for the year attributable to:			
Owners of the company		(2,191,014)	(2,515,909)
Non-controlling interests		(397,626)	(342,271)
		(2,588,645)	(2,858,180)
Loss per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share	7	<u>Cents</u> (1.7)	<u>Cents</u> (1.9)

XTD LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

		30-Jun-17	30-Jun-16
	Notes	\$	\$
Current Assets			
Cash & cash equivalents		1,830,292	2,208,980
Trade & other receivables		150,927	247,117
Total Current Assets		1,981,219	2,456,097
Non-Current Assets			
Plant & equipment	2	2,296,282	2,850,447
Intangibles	3	497,875	622,345
Total Non-Current Assets		2,794,157	3,472,792
TOTAL ASSETS		4,775,376	5,928,889
Current Liabilities			
Trade & other payables		265,146	571,856
Provisions		45,645	54,745
Total Current Liabilities		310,791	626,601
Non-Current Liabilities			
Deferred tax liability		149,365	186,705
Total Non-Current Liabilities		149,365	186,705
TOTAL LIABILITIES		460,156	813,306
NET ASSETS		4,315,220	5,115,583
EQUITY			
Contributed equity		15,891,009	15,891,009
Reserves	4	2,487,241	1,412,879
Accumulated losses		(13,143,387)	(11,734,652)
Capital and reserves attributable to owners of the company		5,234,863	5,569,236
Non-Controlling interests		(919,643)	(453,653)
TOTAL EQUITY		4,315,220	5,115,583

XTD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital \$	Share- based Payment Reserve \$	Options Premium Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$	Non- controlling interests \$	Total Equity \$
At 1 July 2016	15,891,009	1,412,879	-	-	(11,734,652)	5,569,236	(453,653)	5,115,583
Loss for the year	-	-	-	-	(2,187,099)	(2,187,099)	(397,626)	(2,584,725)
Exchange differences on translation of foreign operations	-	-	-	(3,920)	-	(3,920)	-	(3,920)
Total comprehensive loss for the year	-	-	-	(3,920)	(2,187,099)	(2,191,019)	(397,626)	(2,588,645)
Transactions with owners in their capacity as owners:								
Share-based payment - performance shares	-	865,508	-	-	-	865,508	-	865,508
Share-based payment			212,774	-	-	212,774	-	212,774
Disposal of shares in subsidiary	-	-	-	-	778,364	778,364	(68,364)	710,000
At 30 June 2017	15,891,009	2,278,387	212,774	(3,920)	(13,143,387)	5,234,863	(919,643)	4,315,220
	Issued Capital \$	Share- based Payment Reserve \$	Options Premium Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total \$	Non- controlling interests \$	Total Equity \$
At 1 July 2015	14,091,003	1,617,539	-	-	(10,830,125)	4,878,417	-	4,878,417
Loss for the year	-	-	-	-	(2,515,909)	(2,515,909)	(342,271)	(2,858,180)
Total comprehensive loss for the year	-	-	-	-	(2,515,909)	(2,515,909)	(342,271)	(2,858,180)
Transactions with owners in their capacity as owners:								
Share-based payment - performance shares	-	1,595,346	-	-	-	1,595,346	-	1,595,346
Disposal of shares in subsidiary	-	-	-	-	1,611,382	1,611,382	(111,382)	1,500,000
Vesting of performance shares – Tranche A	900,003	(900,003)	-	-	-	-	-	-
Vesting of performance shares – Tranche B	900,003	(900,003)	-	-	-	-	-	-
At 30 June 2016	15,891,009	\$1,412,879	-	-	(11,734,652)	5,569,236	(453,653)	5,115,583

XTD LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30-Jun-17 \$	30-Jun-16 \$
Cash flows from operating activities			
Receipt from customers		3,071,727	3,342,707
Payment to suppliers and employees		(4,225,055)	(3,652,059)
Interest received		7,889	13,826
Research and development grant		354,469	399,488
Export market development grant		91,143	49,489
Net cash inflow/(outflow) from operating activities		(699,827)	153,451
Cash flows from investing activities			
Payment for property, plant and equipment		(373,650)	(390,400)
Proceeds from disposal equity investments		720,000	1,490,000
Net cash outflow/(inflow) from investing activities		346,350	1,099,600
Cash flows from financing activities			
Issue of shares and options		-	-
Net cash inflow from financing activities		-	-
Net increase in cash and cash equivalents		(353,477)	1,253,051
Cash and cash equivalents at beginning of year		2,208,980	955,929
Exchange rate adjustments		(25,211)	-
Cash and cash equivalents at end of year		1,830,292	2,208,980

1. 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 analyzed 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 annual report.

30 June 2017	XTD Ltd	Contact Light	Total
	\$	\$	\$
Income	3,009,712	365,142	3,384,854
Expenses	(4,695,886)	(1,186,563)	(5,882,449)
Income tax expense	37,340	-	37,340
Operating loss	(1,648,834)	(821,421)	(2,460,255)
Other significant items:			
Amortisation of intangibles	(124,470)	-	(124,470)
Net loss before tax	(1,763,304)	(821,421)	(2,584,725)
Assets			
Cash and cash equivalents	1,585,331	244,961	1,830,292
Trade and other receivables	124,854	26,073	150,927
Plant & equipment	2,288,893	7,389	2,296,282
Intangibles	497,875	-	497,875
	4,496,953	278,424	4,775,376
Liabilities			
Trade and other payables	197,260	67,886	265,146
Provisions	19,846	25,799	45,645
Deferred tax liability	149,365	-	149,365
	366,470	93,686	460,156

1. SEGMENT INFORMATION (continued)

30 June 2016	XTD Ltd	Contact Light	Total
	\$	\$	\$
Income	3,870,924	69,870	3,940,794
Expenses	(5,574,951)	(1,136,893)	(6,711,844)
Income tax expense	37,340	-	37,340
Operating loss	(1,666,687)	(1,067,023)	(2,733,710)
Other significant items:			
Amortisation of intangibles	(124,470)	-	(124,470)
Net loss before tax	(1,791,157)	(1,067,023)	(2,858,180)
Assets			
Cash and cash equivalents	1,786,074	422,906	2,208,980
Trade and other receivables	236,417	10,700	247,117
Plant & equipment	2,834,206	16,241	2,850,447
Intangibles	622,345	-	622,345
	5,479,042	449,847	5,928,889
Liabilities			
Trade and other payables	452,144	119,712	571,856
Provisions	20,769	33,976	54,745
Deferred tax liability	186,705	-	186,705
	659,618	153,688	813,306

2. PLANT AND EQUIPMENT

	30-Jun-17	30-Jun-16
	\$	\$
Plant and equipment	2,296,282	2,850,447
	2,296,282	2,850,447
Reconciliation:		
Balance at the beginning of the year	2,850,447	3,772,244
Additions	304,185	240,852
Depreciation expense	(858,350)	(1,162,649)
Balance at the end of the year	2,296,282	2,850,447

3. INTANGIBLES

	30-Jun-17	30-Jun-16
	\$	\$
Contract rights (a)		
At cost	871,285	871,285
Accumulated amortisation	(373,410)	(248,940)
	<u>497,875</u>	<u>622,345</u>

(a) Business combination – Outdoor Digital Solutions Pty Ltd

On 2 January 2013, the Company acquired 100% of the issued capital of Outdoor Digital Solutions Pty Ltd. The consideration for the acquisition was made up of a \$90,000 cash deposit and a \$520,000 cash payment on settlement. Outdoor Digital Solutions owns the rights to each of the Melbourne and Queensland rail advertising contracts. The commencement date of the contract was 1 July 2014. A deferred tax liability of \$261,385 was recognised in respect of this acquisition. The contract is being amortised on a straight line basis over the contract term (7 years).

4. RESERVES

	30-Jun-17	30-Jun-16
	\$	\$
Share-based payments reserve	2,278,387	1,412,879
Options premium reserve	212,774	-
Foreign currency translation reserve	(3,920)	-
Balance at the end of the year	<u>2,487,241</u>	<u>1,412,879</u>

	30-Jun-17	30-Jun-16
	\$	\$
Share-based payments reserve		
Balance at the beginning of the year	1,412,879	1,617,539
Valuation of performance shares issued 19 December 2014	865,508	1,595,346
Conversion of Tranche A and B performance shares to ordinary shares	-	(1,800,006)
Balance at the end of the year	<u>2,278,387</u>	<u>1,412,879</u>

Refer to note 5 for further details on the performance shares issued.

4. RESERVES (continued)

	30-Jun-17	30-Jun-16
	\$	\$
Options premium reserve		
Balance at the beginning of the year	-	-
Valuation of options issued 28 June 2017	212,774	-
Balance at the end of the year	212,774	-

Refer to note 5 for further details on the options issued.

	30-Jun-17	30-Jun-16
	\$	\$
Foreign currency translation reserve		
Balance at the beginning of the year	-	-
Exchange difference arising on translation of foreign operations	(3,920)	-
Balance at the end of the year	(3,920)	-

(a) Nature and Purposes of Reserves

(i) Share-based Payment and Options Premium Reserves

This reserve is used to record the value of equity benefits to employees, management personnel, chairman, non-executive directors and consultants as part of their remuneration. When the performance shares vest the amount recorded in the Share-based Payment Reserve relevant to those performance shares is transferred to share capital.

(ii) Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities. The exchange differences arising are recognised in other comprehensive income as and accumulated within a separate reserve within equity. The cumulative amount is reclassified to the statement of profit or loss and other comprehensive income when the net investment is disposed of.

5. SHARE-BASED PAYMENTS

(a) Performance shares

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. Class A and Class B Performance milestones was however achieved during the year. Accordingly, the full expense was recognised for 30 June 2016.

5. SHARE-BASED PAYMENTS (continued)

The details of each class are tabled below:

Class	Number	Grant 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

(a) Performance shares (continued)

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 expense arising from share based payment transactions recognised during the period in relation to the performance shares issued was \$865,508 (2016: \$1,595,346).

(b) Shares Issued to Other Parties

No shares were granted to brokers during 2017 (2016: \$nil).

(c) Options

There have been no options issued to current directors and executives as part of their remuneration.

5,000,000 listed options were issued during the year to Asenna Capital. The options have an exercise price of 22 cents each and expire on 28 June 2020. The option value was calculated using the Black-Scholes Model. The value of the options has been determined using the Black-Scholes Model as they were issued in accordance with an agreement rather than on receipt of a vendor invoice. The option reserve records items recognised on valuation of director, employee and contractor share options as well as share options issued during the course of a business combination.

5. SHARE-BASED PAYMENTS (continued)

The assessed fair values of the options were determined using a Black-Scholes option pricing model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The inputs to the model used were:

Dividend Yield	-
Expected volatility (%)	94
Risk-free interest rate (%)	1.5
Expected life of options (years)	3.0
Option exercise price	0.22
Share price at grant date	0.010
Value of option (\$)	0.0425

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

6. NON-CONTROLLING INTERESTS

	30-Jun-17	30-Jun-16
	\$	\$
Balance at the beginning of the year	(453,653)	-
Interest in:		
Fair value of net assets acquired by the minority	(68,364)	(111,382)
Share of the loss for the current period	(397,626)	(342,271)
Balance at the end of the year	(577,372)	(453,653)

A subsidiary of the group, Contact Light Pty Ltd (Contact Light), raised funds via a private placement to unrelated parties during the period. Contact Light raised a total of \$710,000 on 8 June 2017. As a result, XTD's ownership of Contact Light has been diluted to 45.16% at reporting date. The non-controlling interest's share of the net operating loss of Contact Light Pty Ltd between 1 July 2016 and 30 June 2017 is \$397,626. The fair value of net liabilities acquired by the minority in 2017 totals \$68,364 and the excess paid by the minority for the issued shares totalling \$778,364 has been transferred to accumulated losses attributable to the owners of XTD Ltd.

7. EARNINGS PER SHARE

Basic loss per share

The calculation of basic loss per share at 30 June 2017 was based on the loss attributable to ordinary shareholders of \$2,515,909 and a weighted average number of ordinary shares outstanding during the year ended 30 June 2016 of 129,555,739 calculated as follows:

	30-Jun-17	30-Jun-16
	\$	\$
Loss attributable to ordinary shareholders	(2,187,099)	(2,515,909)
Weighted average number of ordinary shares	132,986,077	129,555,739
Basic loss per share (cents per share)	<u>(1.7)</u>	<u>(1.9)</u>

Diluted loss per share

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

8. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the Period on 17 July 2017, XTD advised it had signed a new reseller agreement with Australia's largest outdoor media companies, APN Outdoor. The new agreement will see APN Outdoor continue to act as the content sales agency for XTD's digital screen networks in the Melbourne and Brisbane metro rail networks. The new agreement with APN Outdoor increases the scope of the partnership with XTD, with the new term set to run for the next 18 months, with considerations for an additional extension term of 18 months.

No other matter or circumstance has arisen since 30 June 2017 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.