OZ BREWING LIMITED (TO BE RENAMED 333D LIMITED)

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	OZB Unaudited as at 30-Jun-16 $	333D Unaudited as at 30-Jun-16 $	Subsequent events $	Pro forma adjustments $	Pro forma after Offer $
CURRENT ASSETS						
Cash and cash equivalents	2	2,135,907	70,603	-	1,180,386	3,386,896
Trade and other receivables		43,350	244,843	-	-	288,193
Inventory		-	48,332	-	-	48,332
Other assets	3	198,883	7,235	-	(172,147)	33,971
TOTAL CURRENT ASSETS		2,378,140	371,013	-	1,008,239	3,757,392
NON CURRENT ASSETS						
Other financial assets		-	101,443	-	-	101,443
Property, plant & equipment		-	60,461	-	-	60,461
Intangible assets		-	539,346	-	-	539,346
TOTAL NON CURRENT ASSETS		-	701,250	-	-	701,250
TOTAL ASSETS		2,378,140	1,072,263	-	1,008,239	4,458,642
CURRENT LIABILITIES						
Trade and other payables	4	2,409,626	714,998	-	(2,294,614)	830,010
Borrowings	5	200,000	310,296	-	(200,000)	310,296
Provisions		-	23,209	-	-	23,209
TOTAL CURRENT LIABILITIES		2,609,626	1,048,503	-	(2,494,614)	1,163,515
NON CURRENT LIABILITIES						
Borrowings		-	23,100	-	-	23,100
TOTAL NON CURRENT LIABILITIES		-	23,100	-	-	23,100
TOTAL LIABILITIES		2,609,626	1,071,603	-	(2,494,614)	1,186,615
NET ASSETS		(231,486)	660	-	3,502,853	3,272,027
EQUITY						
Contributed equity	6	2,997,719	851,001	-	2,663,069	6,511,789
Reserves	7	130,762	-	-	1,475,488	1,606,250
Accumulated losses	8	(3,359,967)	(850,341)	-	(635,704)	(4,846,012)
TOTAL EQUITY		(231,486)	660	-	3,502,853	3,272,027

The Pro Forma Consolidated Statement of Financial Position after the Offer is as per the Consolidated Statement of Financial Position before the Offer adjusted for any subsequent events and the transactions relating to the issue of shares pursuant to this Prospectus. The Pro Forma Consolidated Statement of Financial Position is to be read in conjunction with the notes to and forming part of the Historical Financial Information.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

Basis of preparation of historical financial information

The Historical Financial Information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001 (Cth).

Going Concern

The Historical Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the success of the fundraising under the Prospectus. The Directors believe that the Company will continue as a going concern. As a result the financial information has been prepared on a going concern basis. However should the fundraising under the Prospectus be unsuccessful, the entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Company not continue as a going concern.

Reporting Basis and Conventions

The report is also prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Goodwill

Goodwill is carried at cost less any accumulated impairment losses.

The value of goodwill recognised on acquisition of each subsidiary in which the company holds a less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The company can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). In such circumstances, the company determines which method to adopt for each acquisition and this is stated in the respective notes to the financial statements disclosing the business combination.

Goodwill is tested for impairment annually and is allocated to the company's cash-generating units or groups of cash-generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

b) Income tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c) Fair value of assets and liabilities

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standards.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, including building and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	*Depreciation Rate*
Plant and equipment	15–30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the company will obtain ownership of the asset, or over the term of the lease. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

g) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116

Property, Plant and Equipment'). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

h) Employee benefits

Short-term employee benefits

Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

i) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

k) Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement by the company in those goods.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All dividends received shall be recognised as revenue when the right to receive the dividend has been established except for dividends received from associates, which are accounted for in accordance with the equity method of accounting.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Investment property revenue is recognised on a straight-line basis over the period of the lease term so as to reflect a constant periodic rate of return on the net investment.

All revenue is stated net of the amount of goods and services tax.

l) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

m) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (‘ATO’).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

p) Accounting estimates and judgements

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial information.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill

The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash-generating units, using a value in use discounted cash flow methodology, to which the goodwill is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill are assessed by the Company. If any of these estimates were to significantly change, it may have a material impact on the reported amount of goodwill.

Recoverability of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences which the Directors consider probable that future taxable profits will be available to utilise those temporary differences.

Valuation of share based payment transactions

The valuation of share-based payment transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using the Black Scholes model taking into account the terms and conditions upon which the instruments were granted.

Convertible notes

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption.

NOTE 2. CASH AND CASH EQUIVALENTS	Unaudited 30-Jun-16 $	Pro forma after Offer $
Cash and cash equivalents	2,135,907	3,386,896
Balance of OZB at 30 June 2016		2,135,907
Balance of 333D at 30 June 2016		70,603
Pro-forma adjustments:		
Remaining proceeds from shares issued under the Offer		1,405,500
Payment of remaining capital raising costs		(175,114)
Payment of Facilitation Cash		(50,000)
		1,180,386
Pro-forma Balance		3,386,896

NOTE 3. OTHER ASSETS	Unaudited 30-Jun-16 $	Pro forma after Offer $
Other assets	198,883	33,971
Balance of OZB at 30 June 2016		198,883
Balance of 333D at 30 June 2016		7,235
Pro-forma adjustments:		
Transfer of prepaid capital raising costs		(172,147)
		(172,147)
Pro-forma Balance		33,971

NOTE 4. TRADE AND OTHER PAYABLES	Unaudited 30-Jun-16 $	Pro forma after Offer $
Trade and other payables	2,409,626	830,010
Balance of OZB at 30 June 2016		2,409,626
Balance of 333D at 30 June 2016		714,998
Pro-forma adjustments:		
Transfer of subscription monies received following issue of shares		(2,119,500)
Payment of remaining capital raising costs		(175,114)
		(2,294,614)
Pro-forma Balance		830,010

NOTE 5. BORROWINGS	Unaudited 30-Jun-16 $	Pro forma after Offer $
Borrowings	200,000	310,296
Balance of OZB at 30 June 2016		200,000
Balance of 333D at 30 June 2016		310,296
Pro-forma adjustments:		
Shares issued under the Convertible Note Offer		(200,000)
		(200,000)
Pro-forma Balance		310,296

NOTE 6. CONTRIBUTED EQUITY	Unaudited 30-Jun-16 $	Pro forma after Offer $
Contributed equity	2,997,719	6,511,789
	Number of shares	$
Fully paid ordinary share capital of OZB*	171,476,269	2,997,719
Fully paid ordinary share capital of 333D	-	851,001
Pro-forma adjustments:		
Proceeds from shares issued under the Offer	175,000,000	3,525,000
Transfer of prepaid capital raising costs		(172,147)
Shares issued under the Vendor Offer	354,166,648	1,774,602
Elimination of OZB contributed equity on Acquisition	-	(2,997,719)
Shares issued under the Convertible Note Offer	16,666,665	200,000
Shares issued under the Facilitation Offer	16,666,665	333,333
	562,499,978	2,663,069
Pro-forma Balance	733,976,247	6,511,789

*Number of shares are shown on a post Capital Consolidation basis

Performance Shares on issue following the Offer	Number
Class A Performance Shares	27,500,000
Class B Performance Shares	21,250,000
Total Performance Shares on issue following the Offer	48,750,000

Refer Section 2 of this Report for the conversion milestones for each tranche

NOTE 7. RESERVES	Unaudited 30-Jun-16 $	Pro forma after Offer $
Reserves	130,762	1,606,250
Balance of OZB at 30 June 2016		130,762
Balance of 333D at 30 June 2016		-
Pro-forma adjustments:		
Elimination of OZB reserves on Acquisition		(130,762)
Issue of Tranche 1 Advisory Options		1,062,500
Issue of Tranche 2 Advisory Options		543,750
		1,475,488
Pro-forma Balance		1,606,250

Using the Black-Scholes option valuation methodology the fair value of the Advisor Options to be issued has been calculated. The following inputs were used:

Advisory Options to be issued	Tranche 1	Tranche 2
Number of options	125,000,000	62,500,000
Underlying share price	$ 0.020	$ 0.020
Exercise price	$ 0.020	$ 0.024
Expected volatility	90%	90%
Expiry date (years)	1.5	2
Expected dividends	Nil	Nil
Risk free rate	1.79%	1.79%
Value per Option	$ 0.0085	$ 0.0087

NOTE 8. ACCUMULATED LOSSES	Unaudited 30-Jun-16 $	Pro forma after Offer $
Accumulated losses	(3,359,967)	(4,846,012)
Balance of OZB at 30 June 2016		(3,359,967)
Balance of 333D at 30 June 2016		(850,341)
Pro-forma adjustments:		
Elimination of OZB accumulated losses on Acquisition		3,359,967
Amount recognised as share based payment on Acquisition		(2,006,088)
Shares issued under the Facilitation Offer		(333,333)
Payment of Facilitation Cash		(50,000)
Issue of Tranche 1 Advisory Options		(1,062,500)
Issue of Tranche 2 Advisory Options		(543,750)
		(635,704)
Pro-forma Balance		(4,846,012)

NOTE 9: ACQUISITION ACCOUNTING

Provisional accounting for the Acquisition

A summary of the details with respect to the Acquisition as included in our Report is set out below. These details have been determined for the purpose of the pro-forma adjustments as at 30 June 2016, and will require re-determination based on the identifiable assets and liabilities as at the successful acquisition date, which may result in changes to the value as disclosed below.

Under the acquisition, OZB acquires all the shares in 333D by issuing a total of 354,166,648 Ordinary Shares to the 333D Vendors and 27,500,000 Class A Performance Shares and 21,250,000 Class B Performance Shares which will convert to Ordinary Shares when certain milestones are met (as disclosed in Section 2).

The 333D Vendors will obtain a controlling interest in OZB, equating to a controlling interest in the combined entity following the Acquisition. 333D has thus been deemed the acquirer for accounting purposes as its shareholders will own approximately 67.38% (354,166,648 / 525,642,917) of the consolidated entity (prior to the shares issued in relation to the Offers and conversion of any Performance Shares). The acquisition of 333D by OZB is not deemed to be a business combination, as OZB is not considered to be a business under *AASB 3 Business Combinations*.

As such the consolidation of these two companies is on the basis of the continuation of 333D with no fair value adjustments, whereby 333D is deemed to be the accounting parent. Therefore the most appropriate treatment for the transaction is to account for it under *AASB 2 Share Based Payments*, whereby 333D is deemed to have issued shares to OZB shareholders in exchange for the net assets held by OZB.

In this instance, the value of the OZB shares provided has been determined as the notional number of equity instruments that the shareholders of 333D would have had to issue to OZB to give the owners of OZB the same percentage ownership in the combined entity. We have deemed this to be $1,774,602.

The pre-acquisition equity balances of OZB are eliminated against this increase in Share Capital upon consolidation and the balance is deemed to be the amount paid for the ASX listing status of OZB, being $2,006,088, and is treated as a share based payment.

The net assets acquired, and the amount recognised as an ASX listing expense, are as follows:

NOTE 9. PROVISIONAL ACCOUNTING FOR THE ACQUISITION	Acquiree's carrying amount before Acquisition ($)
Net assets acquired:	
Cash and cash equivalents	2,135,907
Trade and other receivables	43,350
Other assets	198,883
Trade and other payables	(2,409,626)
Borrowings	(200,000)
Adjusted net assets of OZB prior to Acquisition	(231,486)
Fair value of consideration for Acquisition	1,774,602
Total adjusted OZB net assets acquired	(231,486)
Amount recognised as ASX listing expense upon Acquisition	2,006,088

NOTE 10: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 11: COMMITMENTS AND CONTINGENCIES

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.