XTD™

Annual Report

For the year ended 30 June 2020

CEO's letter to shareholders

To our valued shareholders,

• **EBITDA**	**$ 447,343**	**+**	**164%**
• **Revenue**	**$2,888,955**	**-**	**8%**
• **Net profit/(loss) before tax**	**($ 72,205)**	**+**	**94%**

On behalf of the Board and our team at XTD, I am pleased with the results we have achieved this year in the face of COVID-19 challenges. This period has also given rise to new opportunities. I am very enthusiastic about our recently announced capital raising, a combination of Rights and Placement issues. This will provide XTD a strengthened cash position, debt free and be poised to take advantage of emerging possibilities with agility.

The XTD business is evolving as a truly different digital marketing and media company. Our business model has the capacity to reach substantial audiences in niche environments. We are offering our customers a differentiated experience and are extremely confident of the future direction and success.

Pipeline for future growth

As mentioned in my letter to shareholders earlier this month, 2019-20 has been a year of change and we have been preparing for potential growth opportunities that are burgeoning within the Out-Of-Home/Place Based and AdTech sectors. We continue to work diligently, evaluating these opportunities for businesses and concepts that represent meaningful value to XTD. The team and the Board have developed a strong framework and evaluation capabilities that allow XTD to critically determine all aspects of each opportunity at pace. This ensures our time is allocated for the most valuable opportunities.

Our Cross-Track Business

Our relationships with our Partners, JCDecaux, MTM & Queensland Rail have allowed us to work through the Covid_19 period with aligned goals. XTD has played its part in working alongside these partners in challenging conditions. I would like to take this opportunity to extend my thanks to the key team members within these organisations for working with us and providing clear pathways for XTD.

Last year, we reached an agreement with Queensland Rail to extend our contract until June 2022 across our 13 large format displays in its premium platform environment noting QR's plan to go into tender later this year across its portfolio including Cross Track.

Our equipment is in good condition and thanks to our technical partners, they continue to perform at optimum levels. XTD has been trialling new content opportunities through its new Content & Creative Services company Enormity. Enormity has received high quality praise from our audiences and operators in the Brisbane and Melbourne markets.

We anticipate further challenges in this sector and continue to adjust the business to meet these changes in the best way possible.

Adline acquisition.

Since our acquisition of Adline in January we have been hard at work developing its business plan and capabilities. Adline (named after the Advantage line) is building organically into key environments, 'where people play for fun'. These past few months, Adline's indoor sports and leisure partners have been through challenging times. Most indoor sports locations have reported almost 100% return of audiences in the markets that are permitted to operate (as at writing, Victoria is still in lockdown).

Over the past 3 months, we have been running video based software training programs, assisting partners with digital marketing and working with them on business practices that will ensure a stronger outcome for our collective businesses as we emerge COVID-19. This had led to an increase in software engagement from existing and new customers. The Adline team has upskilled and educated our centre owners. Our engagement with these businesses has been of the highest quality and with a true commitment to partnership**,** something we take very seriously in our business.

Our exclusive software partnership in Australia with Spawtz continues to grow and we have been working diligently to make key developments and upgrades including contact tracing, payment upgrades and expanding our ability to communicate with our customer base at a more sophisticated level.

(Adline acquisition continued) Our commitment to growing the Adline business organically is still on plan, but naturally, we have delayed the deployment of new Centre Information and Media display capital whilst we regain revenue momentum.

Enormity

Enormity is new, developing, and exciting. Enormity is a content and creative company specialising in out-of-home and place based digital marketing networks for local and global audiences. Launched at the beginning of the month, Enormity is already working with existing media partners including on our Cross-Track Network, trialling engaging ways to entertain and inform audiences in long dwell time environments, increasing value for advertisers.

Enormity has begun work with select digital screen hardware companies and is in early stage development with Content Management System companies that control digital signage networks.

Enormity has the possibility to create fresh content for digital marketing networks that make them feel alive. We are developing the business which is already cash-flow neutral, into a marketplace for private screen networks both here and across the globe as well as bespoke advertising creative specifically for out-of-home & place based digital marketing environments.

This is an exciting proposition that has the possibility to break borders and provides a disruption model in a marketplace environment.

Acquisition of oOh!media's Digital Screen Network in the largest Medical Centres across Australia.

The early performance of XTD's newly acquired medical centre screen network is pleasing. This network has played a critical part in the Federal & State Governments communication over the past 3 months and continues to do so. We have also developed high quality communications tools for Medical Centre Practice Managers across our network. These tools allow the centres to digitally display important information relating to the customers (patients) in the centre rapidly, giving the Practice team safety and efficiency in their everyday operations.

Enormity has also added the highest quality, long dwell time (non-advertising) content on our screens. This content is purpose built for these environments with stunning video, photography, news, fun facts. The highlight of the content is our localised trivia platform. This emphasis on customer experience has received positive feedback from patients in centre and Practice Managers.

We have reached an agreement with the centres to expand our existing network, changing our footprint in these centres from 77 to 170 displays. This will give our brand and agency partners maximum impact whilst allowing the practices to have synchronised content in all centres, centrally managed by our team on a national basis. In concert with this we are working with the centres to deepen our understanding of the customer base, including peak times and demography of the location, to help our advertisers connect with the right people, at the right time and with digital marketing precision.

Our commitment to this sector is strong and we continue to evaluate organic and acquisition possibilities to grow our presence and footprint in this sector. There is no doubt that the acquired network is the preeminent health & wellness network in Australia. This has enabled XTD the platform to grow as a Digital Marketing leader across the many facets of the healthcare sector.

The launch of our Media Sales company Motio.

Without doubt, one of the most exciting and rewarding moves this year has been the creation and launch of Motio, our Digital Marketing & Media company that kicked off operations on July 1st this year. Whilst it's early days, we have built strong momentum and presence across the National and Local marketplaces. Despite the headwinds facing the media sector, the team has had a strong start, connecting with many of Australia's most awarded and coveted agencies. These agencies have provided Motio with early wins across our 3 sectors of Health, Convenience and Sport – These are known as Motio Health, Motio Go and Motio Play.

Our business emphasis is on media networks with first party data sets. This provides our brand partners with unique and usable insights, particularly when matching Motio's data with their own data platforms. This concept has already had early success, allowing our customers to target locations, providing efficacy to their campaigns and high relevance to the audiences. The team is continuing to build our capability and refinement around our data offering to our agency partners.

Motio has made a commitment to working differently to other media companies. The business has been founded on practical necessity and adapting to the changing conditions of the media environment, markets and importantly the needs of our customers and evolving our team.

(Motio continued) The business is developing rapidly and flexibility, technology and real information that positively changes the outcomes allows us to create a 'next generation' Digital Marketing business.

Along with the XTD owned Health and Adline networks, Motio also won the rights to represent Swift Media's (ASX:SW1) Medical Media channel and successfully won the bid to represent the Caltex Petro Convenience network operated by Engagis. These networks are vast, with nearly 2,500 displays across metropolitan and regional Australia.

Where we will play.

Earlier this year we detailed our 4 key areas of strategic development that are critical to our success as a growth Digital Marketing & Media company specialising in Out-Of-Home and Place Based environments.

1. **Media ownership** – We will continue to acquire networks that are rich (or have the possibility to be) in first party customer data in niche environments that are scalable.

2. **Media representation –** Represent media networks that offer scale, data and are complementary and accretive to our owned media networks with companies that are a **partnership** fit.

3. **Content & Creative for Out-Of-Home & Place Based Digital marketing environments** – Continue to build our content and creative practice and advisory – providing an agnostic service for OOH locally & globally.

- Agnostic service for Out-Of-Home locally & worldwide
- Develop a scalable self-service marketplace model for customers to access centralised OOH content
- Make content and creative affordable and so it works for ours and other companies' customers

4. **Adtech & Sportech** - Invest in AdTech/Sportech & Data that enhances customer experience, increase engagement, and provide accessibility to brands and business in the out-of-home arena or 'where people play' for fun.

- Management and Investment into PMP, Programmatic and Bid based systems for OOH that fulfil specific market segments
- Scalable AdTech and peripherals that service the efficiency of Out Of Home
- Sportech that increases ease, profitability and/or increases our footprint 'where people play'

Our business

XTD has been re-set for growth over the next 3+ years. The team has created a true and realistic foundation, established management systems and processes with strong integrity. We are developing a culture that is hardworking, flexible, and steeped in partnership with our team, our customers and our suppliers. We are set to take advantage of growth and whilst we are prudent about the immediate future, we are relentless in our drive and ambition to build a company that provides a platform for exceptional performance in all aspects of its being.

Again, thank you for your continued support of XTD.

Kind regards,

Adam Cadwallader | CEO
XTD Limited

Directors
Mr Justus Wilde – Non-Executive Chairman
Mr Adam Cadwallader – Managing Director
Mr Jason Byrne – Non-Executive Director
Mr Mark Niutta – Non-Executive Director

Company Secretary
Mr Matthew Foy

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Level 8, 99 St Georges Terrace
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Stock Exchange
Australian Securities Exchange Limited (ASX)
Home Exchange – Perth
Ticker: XTD

Australian Company Number
ACN 147 799 951

Australian Business Number
ABN 43 147 799 951

Auditors
PKF Perth
Level 5, 35 Havelock Street
West Perth WA 6005

Solicitors
JDK Legal
1 Castlereagh Street
Sydney NSW 2000 Australia

Bankers
Westpac Banking Corporation
Level 4, Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

Share Registry
Automic Pty Ltd
Level 2, 267 St Georges Tce
Perth WA 6000

T: +61 (02)9698 5414
W: www.automicgroup.com.au

Domicile and Country of Incorporation
Australia

The Directors submit their report on the consolidated entity (referred to hereafter as the **Group**) consisting of XTD Limited (the **Company, XTD**) and the entities it controlled for the year ended 30 June 2020.

1. DIRECTORS AND COMPANY SECRETARY

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. The Directors were in office for the entire year unless otherwise stated.

Mr Justus Wilde – Non-Executive Chairman

Mr Wilde is a digital retail executive with 20 years' experience working in consultancy, technical and business leadership roles across Australia, USA, Hong Kong/China and New Zealand. Justus founded Amblique, a leading digital commerce consultancy, and spent 16 years growing it. In 2013 STW Group, now WPP ANZ (ASX:SGN), acquired a minority stake and in 2015 eCargo (ASX:ECG) acquired the entire business. Following this he spent time in China as CTO for MyMM, a JV between Wharf Holdings, Lane Crawford Joyce Group and eCargo Limited establishing a new eCommerce platform.

Mr Wilde is not currently a director of any other listed entities. In the last three years Mr Wilde has not held any other directorships with listed entities.

Mr Adam Cadwallader – Managing Director (appointed 1 August 2019)
Mr Cadwallader has been in the media industry for over 25 years with the last 20 years spent in the Out of Home media media and marketing sector where most recently he was Group Sales Strategy Director for ASX 200 listed oOh!media Limited (oOh!), Australia's largest Out of Home company.

Mr Cadwallader has extensive experience in building and marketing digital marketing networks, building teams and commercialising media and data assets.

Mr Cadwallader is not currently a director of any other listed entities. In the last three years Mr Cadwallader has not held any other directorships with listed entities.

Mr Jason Byrne – Non-Executive Director
Jason has 25 years' experience building technology businesses in a wide variety of industries - legal, procurement and logistics, e-commerce, offshore development, and bookmaking. In this time Jason has successfully commercialised and exited three businesses to listed/multi-national companies - Wolters Kluwer N.V. (AMS:WKL), Sonepar (French multinational) and eCargo Ltd (ASX:ECG).

Mr Byrne is not currently a director of any other listed entities. In the last three years Mr Byrne has not held any other directorships with listed entities.

Mr Mark Niutta – Non-Executive Director
Mark Niutta has been involved in stockbroking since 1986 whilst working at the Perth Stock Exchange (now ASX). In addition to corporate experience he has been extensively involved in capital raising and IPOs. Mark was an authorised representative and unit holder of Australia's largest retail broker for 13 years (now Morgan Stockbroking). Mark has formerly been a director of XTD Limited and was instrumental in the company's ASX listing. As such he has extensive knowledge of XTD's Cross Track Digital systems.

Mr Niutta is not currently a director of any other listed entities. In the last three years Mr Niutta has not held any other directorships with listed entities.

Mr Matthew Foy, Company Secretary
BCom, GradDipAppFin, GradDipACG, SAFin, FGIA, FCG

Mr Foy, previously a Senior Adviser at the ASX has twelve years' experience in facilitating the compliance of listed companies. Mr Foy is a member of Governance Institute of Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia. Mr Foy is Company Secretary to several ASX listed companies.

Former Directors
Mr Joseph Copley – Non-Executive Director (resigned 10 July 2019)
Joe Copley has a proven record in leadership roles in the Australian media industry. He is formerly the founding managing director of Posterscope in Australia, having launched and established the business in what is now a leading market for the world's largest out-of-home specialist agency network. He is currently Principal at Joe Copley Consulting Pty Ltd, Chairman of Contact Light Pty Ltd and Director of Partnerships at Seedooh Pty Ltd.
Mr Copley is not currently a director of any other listed company. In the last three years Mr Copley has not held any other directorships.

2. DIRECTORS' SHAREHOLDINGS

The following table sets out each current Director's relevant interest in shares and rights or options to acquire shares of the Company or a related body corporate as at the date of this report.

	Fully Paid Ordinary Shares	Options ex 4.0¢ exp 20/12/2022	Performance Shares
Mr Justus Wilde	1,896,971	3,645,833	-
Mr Jason Byrne	6,109,179	3,645,833	-
Mr Mark Niutta	6,168,861	1,822,917	-
Mr Adam Cadwallader[1]	1,003,221	-	4,166,667
	15,178,232	**9,114,583**	**4,166,667**

Notes:
1. Appointed 1 August 2019.

3. DIVIDENDS

No dividend has been paid during the year and no dividend is recommended for the year.

4. DIRECTORS' MEETINGS

The following directors' meetings (including meetings of committees of directors) were held during the year and the number of meetings attended by each of the directors during the year were:

2020	Directors' meetings eligible to attend	Directors' meetings attended
Directors		
Mr Justus Wilde	4	4
Mr Jason Byrne	4	4
Mr Mark Niutta	4	4
Mr Adam Cadwallader[1]	4	4
Mr Joseph Copley[2]	0	0

Notes:
1. Appointed 1 August 2019.
2. Resigned 10 July 2019.

For details of the function of the Board, Audit Committee and Remuneration Committee, please refer to the Corporate Governance Statement on the Company's website.

5. PRINCIPAL ACTIVITIES

XTD Limited is an Australian-based digital marketing and media company in the Australian Out-of-Home Advertising (**OOH Advertising**) sector. In the past 12 months, XTD has undergone change, adding to its existing business by growing its digital marketing capabilities principally in the out-of-home and place-based media sector.

6. REVIEW OF OPERATIONS

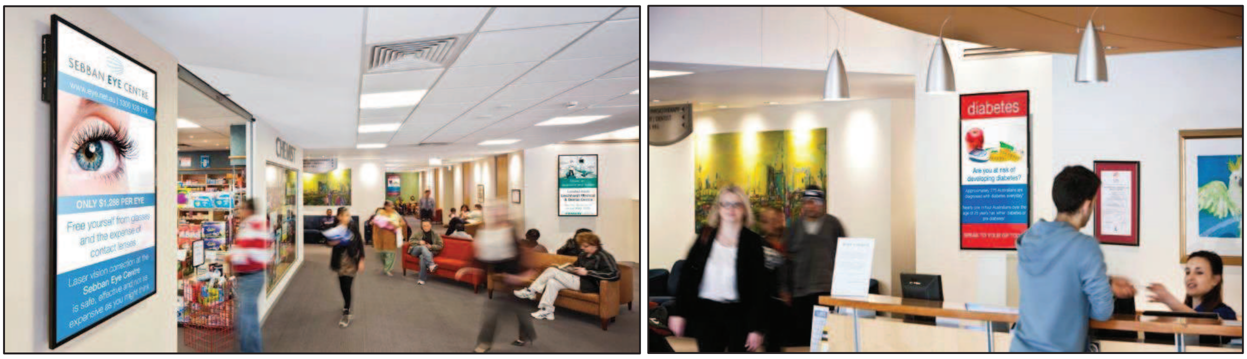
During the year XTD focussed on diversifying the Company's revenue base, pursuing opportunities in the digital out-of-home sector including AdTech/Sportech, Media and Content & Creative service businesses.

The Company launched specialist out-of-home media sales company **MOTIO** and appointed Jack Mortlock, the former Commercial Director of Tonic Health Media, as General Manager. Jack has a tremendous track record in the place-based media space achieving significant growth of people and business. Motio, which has been operating now for four months, has made a positive impact with media agencies. Its customer focussed, flexible and transparent approach has provided early traction with brands and their agencies.

Mega Medical Centre Digital Screen Media Acquisition

In April 2020 the Company announced it had entered into an asset sale and purchase agreement with oOh! Media for its national 'Health' network that operates in 58 'mega' medical & dental facilities owned by ASX-listed Healius Limited (ASX:HLS) with an exclusive 5+2-3 year media contract. The network includes 77 digital displays positioned prominently within the medical & dental facilities in all major states.

XTD Managing Director Adam Cadwallader said "Since August last year we have been working on a vision to create a customer facing team that enables our own and partner based networks, rich in customer data to team up and benefit from the experiences we have in the 'place based' out-of-home sector".



(PICTURED: XTD's Digital Marketing network in mega medical centres across Australia)

"This is, without doubt, an opportunistic investment for XTD expanding our interests in high quality digital-out-of-home environments with the benefit to expand in the highest quality medical and dental practitioner locations in Australia at a low operating cost as well as providing a natural launchpad for our sales company, Motio."

"Healius are a key stakeholder in the network and use it daily to communicate important messaging to customers in their large scale, multi-disciplinary medical centres providing a true, usable amenity alongside rich content that XTD will continue to develop". Healius operates 70-plus Medical Centres with most locations having an on-site chemist, dental, pathology and radiology services."

Caltex In-Store Screen Media Network

In June 2020 the Company advised that Motio had been awarded the exclusive five-year media sales rights to the Caltex in-store digital screen network that comprises over 1,000 high definition digital displays in more than 500 petro-convenience locations across Australia, operated by Engagis Pty Ltd.

Motio was awarded the exclusive five-year media sales rights contract to the Caltex in-store digital screen network operated by Engagis Pty Ltd, one of Australia's leading customer experience companies.

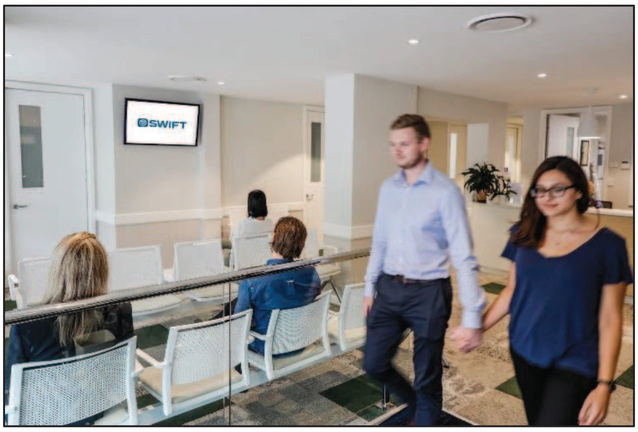
The Caltex network comprises over 500 petro-convenience locations across metropolitan and regional Australia and is fully operational with over 1,000 digital displays in-store and point of purchase 'pinch points' making it the most compelling and widely scaled on-the-go convenience offerings in the Australian market.

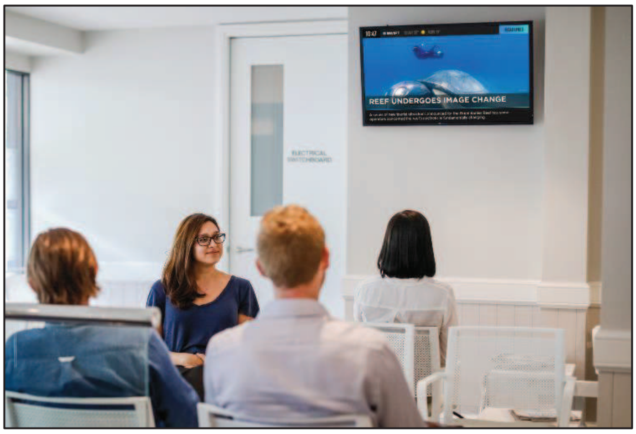
(PICTURED: Caltex in-store screen media network By Engagis)

Motio Awarded Health & Wellbeing Screen Network

In June 2020 XTD advised that Motio had been awarded a three and a half year (+2 year option) national agency and programmatic sales rights for Swift Media Limited's (ASX:SW1) (**Swift**) Health and Wellbeing 1,400-strong screen network (formally Medical Media). Pursuant to the agreement, Motio will oversee national agency and programmatic display sales for Swift's Health and Wellbeing network. The combination of Swift's wide-reaching network with XTD's place-based out-of-home expertise is anticipated to drive future national advertising revenue growth.

The deal combines XTD's deep experience in the out-of-home and digital place-based sector with Swift's wide-reaching national network centrally managed for instantaneous information, content and campaign delivery, adding to Motio's extensive network. Motio will oversee national and programmatic display sales, while Swift continues to monetise its network using its highly successful local in-house sales force.





(PICTURED: Swift's Health & Wellness Network, Medical Media)

Acquisition of Out-of-Home & Integrated Marketing & Media Network Company Adline Media Pty Ltd

During the year the Company announced it had entered into a binding sale and purchase agreement to acquire 100% of Adline Media Pty Ltd (**Adline**). Adline specialises in indoor and recreational sporting environments and delivers out-of-home, online advertising, content as well as software reseller agreements and amenity based, buying group agreements (**Acquisition**).

Adline's growing network includes more than 100 centres, 65 of which are large scale indoor sporting locations boasting high-definition digital displays, online and direct-to-customer communication platforms and Wi-Fi hotspots. These provide advertisers both local and national with access to engaged, diverse and active people and their communities Australia-wide who play sport for fun in a positive and social environment.

The audience segment, nicknamed the "Active lifestyler'' is synonymous with Australia grass roots and family sport, coming together weekdays and weekends to play and watch indoor and community sport. Adline grows indoor sports, community and leisure centres across Australia with the exclusive rights to re-sell efficient user software with contracted customers enabling players to seamlessly access information such as players stats, fixtures and game times as well as enabling centres to manage court bookings and competition management.

Adline provides sport, leisure and community centres with an integrated marketing ecosystem that drives growth by unlocking incremental revenue through supply deals, reducing costs, creating efficiencies and engaging diverse audiences who play for fun.

Material Terms of the Adline Acquisition

XTD agreed to acquire 100% of the share capital in Adline for consideration comprising:

- 5,000,000 ordinary shares in XTD (**Consideration Shares**);
- up to 14,400,000 ordinary shares in XTD (**Deferred Consideration Shares**) as follows:
  - up to 5,000,000 ordinary shares in XTD (**Tranche A Deferred Consideration Shares**) upon XTD determining using audited or management accounts of Adline (at its discretion) and prepared in accordance with the Accounting Standards for the calendar year ending 2020, that those accounts demonstrate that EBITDA is greater than $350,000 (**Milestone A**); and
  - up to 9,400,000 ordinary shares in XTD (**Tranche B Deferred Consideration Shares**) upon XTD determining using audited or management accounts of Adline (at its discretion) and prepared in accordance with the Accounting Standards for the calendar year ending 2021, that those accounts demonstrate that EBITDA is greater than $480,000 (**Milestone B**);
- Upfront cash consideration of $468,000 in cash (**Cash Consideration**);
- Payment of the Cash Consideration and issue of the Consideration Shares is only payable if Adline's management accounts for the period from 1 September 2018 to 31 August 2019 demonstrate that Adline's EBITDA is greater than $135,000;

- A deferred cash payment of up to $400,000 cash subject to XTD determining that Milestone A has been achieved in whole or in part (**Deferred Consideration**). If Milestone A is not achieved by the calendar year ending 2020, XTD will reassess the achievement of Milestone A at the end of the financial year ending 30 June 2021 and if Milestone A is not achieved in full the amount of the Deferred Consideration and the number of Tranche A Deferred Consideration Shares to be issued will be reduced so that for every 1% EBITDA is less than $350,000 for the financial year ending 30 June 2021, the cash payment and number of shares to be issued at the end of financial year ending 30 June 2021 is reduced by 1.5% until EBITDA is less than $245,000 where no payment or issue of Tranche A Deferred Shares will be made; and
- If Milestone B is not achieved by the calendar year ending 2021, XTD will reassess the achievement of Milestone B at the end of the financial year ending 30 June 2022 and if Milestone B is not achieved in full the number of Tranche B Deferred Consideration Shares to be issued will be reduced so that for every 1% EBITDA is less than $480,000 for the financial year ending 30 June 2021, the number of shares to be issued at the end of financial year ending 30 June 2022 is reduced by 1.5% until EBITDA is less than $336,000 where no issue of Tranche B Deferred Consideration Shares will be made.

On 6 January 2020 XTD advised it had completed the Acquisition of Adline and had appointed Mr Michael Johnstone as XTD's Chief Operating Officer.

Following completion of the Acquisition XTD commenced its diversified media future enabling the growth of the business in the community sport and leisure sector with clearly identified plans to expand the Adline business in the pursuit of reaching people that play for fun.

Queensland Rail Grants XTD 2 Year Extension to June 2022

During the year XTD advised that Queensland Rail (**QR**) had granted the Company an extension to its exclusive contract for its cross-track digital screens across five Brisbane rail stations until June 2022. QR also advised it will be taking all contracts to tender subject to its Board approval in 2021.

CORPORATE

Board Changes

During the year XTD announced the appointment of Out of Home industry leader, Adam Cadwallader, as Chief Executive Officer and Managing Director effective 1 August 2019, succeeding interim CEO Jason Byrne.

Mr Cadwallader has been in the media industry for over 25 years with the last 20 years spent in the Out of Home media sector.

The appointment of Mr Cadwallader as Managing Director saw interim CEO Jason Byrne return to his Non-Executive Director role. In addition Non-Executive Director Joe Copley stepped down from the board effective 10 July 2019.

Share Registry Update

On 20 January 2020 the Company advised that Automic Pty Ltd had been appointed as the Company's share registry service provided. The new share registry contact details are as follows:

Level 2, 267 St Georges Tce
Perth WA 6000
T: +61 (0) 2 9698 5414
W: www.automicgroup.com.au

Placement & Underwritten Rights Issue to Raise up to $2.3 Million

Subsequent to the year on 19 August 2020 the Company announced its intention to undertake a non-renounceable rights issue offered on the basis of one new share for every five shares held (**Rights Issue**) at $0.039 per share together with (1) free attaching option for every two new Shares subscribed for, to raise up to approximately $1.22 million (before costs). In addition, the Company has received firm commitments to raise $1,035,014 by way of a two-tranche placement on the same terms as the Rights Issue (**Placement**).

Taylor Collison Ltd (**Taylor Collison**) has been appointed as the Lead Manager of the Placement and Underwriter to the Rights Issue (which is fully underwritten). Directors Adam Cadwallader, Jason Byrne, Justus Wilde and COO Michael Johnstone will seek shareholder approval to subscribe for up to a total of $170,000 of shares on the same terms as the Placement.

The funds raised will be used to take advantage of opportunities emerging from the COVID-19 pandemic, to expand the Company's product offerings including the doubling of screens within the Motio Health channel within its Medical Centre locations, accelerating the growth of Motio's media sales team and accelerating its marketing, and for working capital and to meet the costs of the Rights Issue.

Corporate Governance

The Board of Directors of XTD Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of XTD Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

XTD Limited's corporate governance practices were in place throughout the year ended 30 June 2020 and were compliant with the ASX Governing Council's best practice recommendations, unless otherwise stated.
Information on Corporate Governance is available on the Company's website at:
http://xtd.tv/investor-information/

7. FINANCIAL RESULTS

The cash and cash equivalents as at 30 June 2020 totalled $1,644,942 (2019: $2,206,527). The net asset position as at 30 June 2020 was $3,264,743 (2019: $3,141,732). The net loss after tax for the year attributable to the members of the Group was $72,205 (2019: $1,291,054).

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year the Company acquired Adline Media Pty Ltd that specialises in indoor and recreational sporting environments and delivers out-of-home, online advertising, content as well as software reseller agreements and amenity based, buying group agreements.

In addition and in light of recent Australian and Global macroeconomic events, including though not limited to the impact of the COVID-19, Australian Bush Fires and other factors the Company's operating and financial performance have been affected, including to its cross-track digital business where relief measures have been agreed between XTD and its partners. Management has undertaken a number of cost saving initiatives to significantly reduce the impact on the company during the ongoing advertising downturn.

There have been no other significant changes in the state of affairs of the Group during the financial year.

9. EVENTS SINCE THE END OF THE FINANCIAL YEAR

Subsequent to the year on 19 August 2020 the Company announced its intention to undertake a non-renounceable rights issue offered on the basis of one new share for every five shares held (**Rights Issue**) at $0.039 per share together with (1) free attaching option for every two new Shares subscribed for, to raise up to approximately $1.22 million (before costs). In addition, the Company has received firm commitments to raise $1,035,014 by way of a two-tranche placement on the same terms as the Rights Issue (**Placement**).

In addition and in light of recent Australian and Global macroeconomic events, including though not limited to the impact of the COVID-19, Australian Bush Fires and other factors the Company's operating and financial performance have been effected, including to its cross-track digital business where relief measures have been agreed between XTD and its partners. Management has undertaken a number of cost saving initiatives to significantly reduce the impact on the company during the ongoing advertising downturn.

No other matter or circumstance has arisen since 30 June 2020 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.

10. LIKELY FUTURE DEVELOPMENTS, PROSPECTS AND EXPECTED RESULTS OF OPERATIONS

Directors continue to actively investigate other digital marketing, Adtech and Place Based market opportunities to take advantage of the new Board's substantial proven experience and expertise in these areas

11.ENVIRONMENTAL REGULATIONS

The Group is not subject to any significant environmental regulations under either Commonwealth or State legislation. The Board is not aware of any breach of environmental requirements as they apply to the Group.

12. GREENHOUSE GAS AND ENERGY DATA REPORTING REQUIREMENTS

The Group is cognisant of the reporting requirements under the Energy Efficiencies Opportunity Act 2006 or the National Greenhouse Energy Efficient Reporting Act 2007, and believes it has adequate processes in place to ensure compliance with these Acts.

13. REMUNERATION REPORT (Audited)

The remuneration report is set out under the following main headings:

- A Remuneration Governance
- B Remuneration Structure
- C Details of Remuneration
- D Share-based compensation
- E Equity instruments issued on exercise of remuneration options
- F Value of options to Directors
- G Equity instruments disclosures relating to key management personnel
- H Other transactions with key management personnel
- I Additional statutory information

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration arrangements detailed in this report are for the key management personnel of the Group as follows:

Mr Justus Wilde – Non-Executive Chairman
Mr Adam Cadwallader – Managing Director (appointed 1 August 2019)
Mr Jason Byrne – Non-Executive Director
Mr Mark Niutta – Non-Executive Director
Mr Joseph Copley – Non-Executive Director (resigned 10 July 2019)

Use of remuneration consultants

The Company did not employ services of consultants to review its existing remuneration policies.

Voting and comments made at the Company's 2019 Annual General Meeting

The Company received 99.32% of "yes" proxy votes on its remuneration report for the 2019 financial year, inclusive of discretionary proxy votes. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

A Remuneration Governance

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group and Executives of the Group. The performance of the Group depends upon the quality of its key management personnel. To prosper the Group must attract, motivate and retain appropriately skilled directors and executives.

The Group's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality. The Group does not engage the services of any remuneration consultants.

B Remuneration Structure

Non-Executive remuneration arrangements

The remuneration of Non-Executive Directors (**NED**) consists of Directors' fees, payable in arrears. They serve on a month to month basis and there are no termination benefits payable. They do not receive retirement benefits but are able to participate in share option-based incentive programmes in accordance with Group policy.

Directors are paid consulting fees on time spent on Group business, including reasonable expenses incurred by them on business of the Group, details of which are contained in the Remuneration Table disclosed in Section C of this Report. Remuneration of Non-Executive Directors are based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors.

The Group has provided variable remuneration incentive schemes to certain Non-Executive Directors associated with the acquisition of Lunalite as detailed in Note 28.

Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which will be periodically recommended for approval by shareholders. The maximum currently stands at $250,000 per annum as per the Group's constitution and may be varied by ordinary resolution of the shareholders in general meeting.

C Details of Remuneration

The key management personnel ("KMP") of the Group are the Directors and management of XTD Limited detailed in the table below. Details of the remuneration of the Directors of the Group are set out below:

	Short-term benefits			Post-employment benefits	Share-based Payment			Percentage remuneration consisting of performance rights/options for the year
30/06/2020	Salary & fees $	Cash bonus $	Annual and Long Service Leave $	Superannuation $	Other $	Options \Rights	Total $	
Directors								
Mr Copley (i)	1,000	-	-	-	-	-	1,000	-
Mr Niutta	34,200	-	-	-	-	3,884	38,084	10%
Mr Wilde	47,500	-	-	-	-	7,769	55,269	14%
Mr Byrne	34,200	-	-	-	66,667	7,769	108,636	7%
Mr Cadwallader (ii)	247,026	-	13,045	21,726	9,787	13,791	305,375	5%
Total	**363,926**	**-**	**13,045**	**21,726**	**76,454**	**33,213**	**508,364**	**7%**

(i) Mr Copley (resigned on 10 July 2019)
(ii) Mr Cadwallader (appointed 1 August 2019)

	Short-term benefits			Post-employment benefits	Share-based Payment			Percentage remuneration consisting of performance options for the year
30/06/2019	**Salary & fees $**	**Cash bonus $**	**Annual and Long Service Leave $**	**Superannuation $**	**Other $**	**Options**	**Total $**	
Directors								
Mr Hurley (i)	78,291	-	-	6,250	-	-	84,541	-
Mr Richardson (i)	12,000	-	-	-	-	-	12,000	-
Mr Copley	36,000	-	-	-	12,860	-	48,860	-
Mr Niutta	24,000	-	-	-	-	-	24,000	-
Mr Wilde	33,333	-	-	-	-	-	33,333	-
Mr Byrne	24,000	-	-	-	133,333	-	157,333	-
Mr Gracanin (i)	12,000	-	-	-	-	-	12,000	-
Total	**219,624**	**-**	**-**	**6,250**	**146,193**	**-**	**372,067**	**-**

(i) Mr Hurley, Mr Richardson and Mr Gracanin (resigned on 1 November 2018)

Remuneration Policy
Non-Executive Directors

Total remuneration for all Non-executive Directors, is not to exceed $250,000 per annum as approved by shareholders. This does not include Consulting Fees.

Non-executive directors, received a fixed fee for their services of $36,000 per annum (excl. GST) for services performed. Mr Justus Wilde is paid an additional $14,000 per annum as Chairman of the Board.

The Group has provided variable remuneration incentive schemes to certain Non-Executive Directors associated with the acquisition of Lunalite as detailed in Note 28. There are no termination or retirement benefits for non-executive directors (other than statutory superannuation).

Managing Director - Mr Adam Cadwallader

Mr Cadwallader's Executive Services Agreement with Company specifies an annual salary of $275,000 plus statutory superannuation. Either party may terminate the Executive Services Agreement by giving six months written notice.

Mr Cadwallader took a voluntary salary reduction of 20% for the period 1 April 2020 to 30 June 2020.

D Equity Instruments Issued on Exercise of Remuneration Options

No equity instruments were issued during the year to Directors or key management as a result of exercising remuneration options (2019: Nil).

E Value of options to Directors

Performance Rights – Employees and Management

During the year XTD Ltd issued 6,166,667 performance rights in two tranches to key management and consultants as part of their remuneration.

Performance rights are granted in lieu of cash fees for no consideration and for a period not exceeding three years. There are various performance conditions attached to performance rights for each recipient. The key management or consultant must maintain employment or exercise/forfeit their rights (where vested).

Type of Options	Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable	% vested during the year	% forfeited during the year	Financial year options vest	Range of possible values relating to future payments
Directors and consultants – Tranche 1	22 Nov 2019	22 Nov 2022	$0.000	$0.0175	Between 22 Nov 2019 and 22 Nov 2022	-	-	2022	-
Directors and consultants – Tranche 2	22 Nov 2019	22 Nov 2022	$0.000	$0.0146	Between 22 Nov 2019 and 22 Nov 2022	-	-	2022	-

Performance rights granted under the Plan carry no dividend or voting rights. All rights were provided at no cost to the recipients. When exercisable, each right is convertible into one ordinary share of XTD Ltd. Further information on the performance options is set out in Note 28 to the Financial Statements.

Performance Options – Employees and Management

During the year XTD Ltd issued 11,514,583 performance options in two tranches to key management and consultants as part of their remuneration.

Performance options are granted in lieu of cash fees for no consideration and for a period not exceeding three years. There are various performance conditions attached to options for each recipient. The key management or consultant must maintain employment or exercise/forfeit their options (where vested).

Type of Options	Grant date	Expiry date	Exercise price	Value per option at grant date	Date exercisable	% vested during the year	% forfeited during the year	Financial year options vest	Range of possible values relating to future payments
Directors and consultants – Tranche 3	22 Nov 2019	22 Nov 2022	$0.000	$0.0102	Between 22 Nov 2019 and 22 Nov 2022	-	-	2022	-
Directors and consultants – Tranche 4	22 Nov 2019	22 Nov 2022	$0.000	$0.0110	Between 22 Nov 2019 and 22 Nov 2022	-	-	2022	-

Performance options granted under the Plan carry no dividend or voting rights. All options were provided at no cost to the recipients. When exercisable, each option is convertible into one ordinary share of XTD Ltd. Further information on the performance options is set out in Note 28 to the Financial Statements.

F Equity instruments disclosures relating to key management personnel

Share holdings

The numbers of shares in the Company held during the financial year by each Director and other key management personnel (KMP) of the Group are set out below.

2020	Opening Balance	Received as Remuneration	Received During Year on Exercise of Options	Net Change Other	Closing Balance
Directors					
Mr Justus Wilde[1]	-	-	-	1,896,971	**1,896,971**
Mr Jason Byrne[2]	**4,070,819**	-	-	2,038,360	**6,109,179**
Mr Mark Niutta	**6,168,861**	-	-	-	**6,168,861**
Mr Adam Cadwallader[3]	-	-	-	1,003,221	**1,003,221**
Mr Joseph Copley[4]	**-**	-	-	-	**-**
	10,239,680	**-**	**-**	**4,938,552**	**15,178,232**

Notes:
1. 1,426,971 ordinary shares purchased at $0.021 on 20 December 2019 by JJ Ventures Ltd an entity associated with both Mr Wilde and Mr Byrne, purchased 470,000 ordinary shares purchased at $0.05 per share on 17 June 2020.
2. 1,426,971 ordinary shares purchased at $0.021 on 20 December 2019 by JJ Ventures Ltd an entity associated with both Mr Wilde and Mr Byrne, 611,389 shares purchased at $0.047 on 18 June 2020.
3. Appointed 1 August 2019. Purchased 506,975 ordinary shares at $0.039 per share on 11 December 2019, purchased 496,246 shares at $0.031 per share on 3 January 2020.
4. Resigned 10 July 2019.

Performance Rights

The numbers of performance rights in the Company held during the financial year by each Director and other key management personnel (KMP) of the Group are set out below.

2020	Opening Balance	Received as Remuneration	Received During Year on Exercise of Rights	Net Change Other	Closing Balance
Directors					
Mr Justus Wilde	-	-	-	-	**-**
Mr Jason Byrne	-	-	-	-	**-**
Mr Mark Niutta	-	-	-	-	**-**
Mr Adam Cadwallader[1]	-	4,166,667	-	-	**4,166,667**
Mr Joseph Copley[2]	-	-	-	-	**-**
	-	**4,166,667**	**-**	**-**	**4,166,667**

Notes:
1. Appointed 1 August 2019. On 22 November 2019 shareholders approved the issue of 2,500,000 Class A Performance Rights and 1,666,667 Class B Performance Rights.
2. Resigned 10 July 2019.

Performance Options

The numbers of performance options in the Company held during the financial year by each Director and other key management personnel (KMP) of the Group are set out below.

2020	**Opening Balance**	**Received as Remuneration**	**Received During Year on Exercise of Options**	**Net Change Other**	**Closing Balance**
Directors					
Mr Justus Wilde[1]	-	3,645,833	-	-	3,645,833
Mr Jason Byrne[2]	-	3,645,833	-	-	3,645,833
Mr Mark Niutta	-	1,822,917	-	-	1,822,917
Mr Adam Cadwallader[3]	-	-	-	-	-
Mr Joseph Copley[4]	-	-	-	-	-
	-	**9,114,583**	-	-	**9,114,583**

Notes:

1. On 22 November 2019 shareholders approved the issue of 3,645,833 options exercisable at $0.04 expiring 20 December 2022.
2. On 22 November 2019 shareholders approved the issue of 3,645,833 options exercisable at $0.04 expiring 20 December 2022.
3. On 22 November 2019 shareholders approved the issue of 1,822,917 options exercisable at $0.04 expiring 20 December 2022.
4. Resigned 10 July 2019.

Deferred performance shares holdings

The table shows how many deferred KMP performance shares were granted, vested and forfeited during the year.

	Year Granted	No Granted	Grant Date Value per share	Vested %	Vested Number	Forfeited %	Financial Years in which the shares may vest	Maximum value yet to vest
Mr Niutta								
Class A *	2015	1,050,003	$0.20	100	1,050,003	-	2015	-
Class B**	2015	1,050,003	$0.20	100	1,050,003	-	2016	-
Class C***	2015	1,050,003	$0.20	-	-	-	2019	-
Class D****	2015	3,750,009	$0.20	-	-	-	2020	-
Mr Hurley								
Class A *	2015	1,050,003	$0.20	100	1,050,003	-	2015	-
Class B**	2015	1,050,003	$0.20	100	1,050,003	-	2016	-
Class C***	2015	1,050,003	$0.20	-	-	-	2019	-
Class D****	2015	3,750,009	$0.20	-	-	-	2020	-
Mr Wildisen								
Class A*	2015	1,950,005	$0.20	100	1,950,005	-	2015	-
Class B**	2015	1,950,005	$0.20	100	1,950,005	-	2016	-
Class C***	2015	1,950,005	$0.20	-	-	-	2019	-
Class D****	2015	6,000,015	$0.20	-	-	-	2020	-

* Deferred performance shares which vested during the period as a result of the performance milestone being achieved were issued to Directors and Other KMP on 25 August 2015.

** Deferred performance shares which vested during the period as a result of the performance milestone being achieved were issued to Directors and Other KMP on 25 February 2016.

*** Deferred performance shares expired during the prior year.

**** Deferred performance shares expired during the year.

I Additional statutory information

Relationship between remuneration and the Group's performance

The following table shows key performance indicators for the Group over the last five years:

	2020	2019	2018	2017	2016
Loss for the year	$72,205	$1,291,054	$619,559	$2,584,725	$2,858,180
Closing Share Price	5.60 cents	2.00 cents	3.0 cents	10.0 cents	18.0 cents
KMP Incentives	$33,213	-	$835,859	$670,161	$1,435,812
Total KMP Remuneration	$508,364	$372,067	$1,335,954	$1,156,553	$1,851,980

End of Audited Remuneration Report

14.SHARES UNDER OPTION

5,000,000 listed options expired on 28 June 2020. There are nil unissued ordinary shares of the Group under option at the date of this report.

XTD Ltd

Expiry Date	Exercise price	Balance at start of year	Issued during the year	Cancelled/ lapsed during the year	Balance at the end of the year
28 June 2020	22 cents	5,000,000	-	(5,000,000)	-

15.PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purposes of taking responsibility on behalf of the Group for all or part of those proceedings.

16.INDEMNIFYING OFFICERS

During the financial year the Group insured the directors and officers of the company and its Australian based controlled entities against a liability incurred as such a director or officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such as an officer or auditor.

17.NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

The Board of Directors advises that non-audit services were provided by the Group's auditors during the year. Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporation Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professionals Accountant*.

	2020 $	2019 $
Non-Audit Services		
PKF Perth – Income Tax	4,800	8,910
Total of non- audit services provided to the Group	**4,800**	**8,910**

18.AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 20.

Signed in accordance with a resolution of the Board of Directors.

Mr Adam Cadwallader
Perth, Western Australia
Date: 31 August 2020

Advisory • Audit
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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF XTD LIMITED

In relation to our audit of the financial report of XTD Limited for the year ended 30 June 2020, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

This declaration is in respect of XTD Limited and the entities it controlled during the financial year.

PKF Perth

PKF PERTH

SIMON FERMANIS
AUDIT PARTNER

31 AUGUST 2020
WEST PERTH
WESTERN AUSTRALIA

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	Note	30-Jun-20 $	30-Jun-19 $
Revenue from continuing operations	7	2,671,902	2,918,273
Other revenues	7	217,053	218,586
Cost of sales		(125,947)	-
Commission expense		(521,847)	(888,920)
Gross profit		2,241,161	2,247,939
Amortisation of intangibles		(124,470)	(124,470)
Consulting and advisory fees		(191,973)	(421,166)
Depreciation expense		(426,748)	(499,636)
Personnel expenses	8	(881,762)	(360,026)
Occupancy expenses		(1,383)	(93,456)
Professional fees		(201,081)	(235,179)
Share based payments – rights and options	17	(44,946)	-
Travelling expenses		(43,567)	(68,670)
Share of loss in associate	20	(18,841)	(68,648)
Loss from loss of control of subsidiary		-	(867,619)
Other expenses		(415,935)	(837,463)
Loss from continuing operations before income tax		**(109,545)**	**(1,328,394)**
Income tax benefit	9	37,340	37,340
Loss from continuing operations after income tax		**(72,205)**	**(1,291,054)**
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		(9,169)	367
Total comprehensive loss for the year		**(81,374)**	**(1,290,687)**
Loss for the year is attributable to:			
Owners of the company		(72,205)	(1,377,646)
Non-controlling interests		-	86,592
		(72,205)	(1,291,054)
Total comprehensive loss for the year attributable to:			
Owners of the company		(81,374)	(1,377,279)
Non-controlling interests		-	86,592
		(81,374)	(1,290,687)
		Cents	Cents
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of the Company:			
Basic and diluted profit/(loss) per share	26	(0.05)	(1.04)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 25 to 62.

	Notes	30-Jun-20 $	30-Jun-19 $
Current Assets			
Cash & cash equivalents	10	1,644,942	2,206,527
Trade & other receivables	11	290,696	123,853
Total Current Assets		**1,935,638**	**2,330,380**
Non-Current Assets			
Property, plant & equipment	12	1,015,113	956,702
Investments	20	19,971	38,813
Intangibles	13	124,465	248,935
Goodwill	4(a)	654,353	-
Right of use assets	14	313,151	-
Total Non-Current Assets		**2,127,053**	**1,244,450**
TOTAL ASSETS		**4,062,691**	**3,574,830**
Current Liabilities			
Trade & other payables	15	414,031	358,413
Provisions	16	33,179	-
Operating lease liability		118,711	-
Total Current Liabilities		**565,921**	**358,413**
Non-Current Liabilities			
Deferred tax liability		37,345	74,685
Operating lease liability		194,952	-
Total Non-Current Liabilities		**232,297**	**74,685**
TOTAL LIABILITIES		**798,218**	**433,098**
NET ASSETS		**3,264,473**	**3,141,732**
EQUITY			
Contributed equity	17	16,041,009	15,891,009
Reserves	18	30,865	207,862
Accumulated losses	19	(12,807,401)	(12,957,139)
Capital and reserves attributable to owners of the company		3,264,473	3,141,732
Non-Controlling interests	20	-	-
TOTAL EQUITY		**3,264,473**	**3,141,732**

The above consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 25 to 62.

	Issued Capital $	Share-based Payment Reserve $	Options Premium Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
At 1 July 2019	**15,891,009**	**-**	**212,774**	**(4,912)**	**(12,957,139)**	**3,141,732**	**-**	**3,141,732**
Loss for the year	-	-	-	-	(72,205)	(72,205)	-	(72,205)
Exchange differences on translation of foreign operations	-	-	-	(9,169)	9,169	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(9,169)**	**(13,020,175)**	**3,069,527**	**-**	**3,069,527**
Transactions with owners in their capacity as owners:								
Issue of shares for business acquisition – Adline Media	150,000	-	-	-	-	150,000	-	150,000
Reversal of options premium reserve – options expired	-	-	(212,774)	-	212,774	-	-	-
Share-based payment – performance rights and options	-	44,946	-	-	-	44,946	-	44,946
At 30 June 2020	**16,041,009**	**44,946**	**-**	**(14,081)**	**(12,807,401)**	**3,264,473**	**-**	**3,264,473**
At 1 July 2018	**15,891,009**	**1,019,524**	**212,774**	**(5,279)**	**(11,579,493)**	**5,538,535**	**(1,823,791)**	**3,714,744**
Loss for the year	-	-	-	-	(1,377,646)	(1,377,646)	86,592	(1,291,054)
Exchange differences on translation of foreign operations	-	-	-	367	-	367	-	367
Total comprehensive loss for the year	**-**	**-**	**-**	**(4,912)**	**(12,957,139)**	**4,161,256**	**(1,737,199)**	**2,424,057**
Transactions with owners in their capacity as owners:								
Decrease on deconsolidation – Contact Light	-	(1,019,524)	-	-	-	(1,019,524)	1,737,199	717,675
At 30 June 2019	**15,891,009**	**-**	**212,774**	**(4,912)**	**(12,957,139)**	**3,141,732**	**-**	**3,141,732**

The above consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on page 25 to 62.

	Note	30-Jun-20 $	30-Jun-19 $
Cash flows from operating activities			
Receipts from customers		2,629,459	3,245,669
Payment to suppliers and employees		(2,455,387)	(3,004,439)
Interest received		1,881	4,275
Income taxes paid		(9,011)	-
Government grants		89,643	-
Research and development grant		-	202,311
Net cash inflow/(outflow) from operating activities	25	**256,585**	**447,816**
Cash flows from investing activities			
Payment for property, plant and equipment		(462,010)	(1,245)
Deposits for business evaluation		-	(50,000)
Payment to acquire business net of cash acquired	4	(389,094)	-
Proceeds from the disposal of property, plant and equipment		20,000	10,000
Loss of cash from deconsolidation		-	(269,799)
Net cash inflow from investing activities		**(831,104)**	**(311,044)**
Cash flows from financing activities			
Leasing payments		(17,435)	-
Net cash inflow from financing activities		**(17,435)**	**-**
Net increase in cash and cash equivalents		(591,954)	136,772
Cash and cash equivalents at beginning of year		2,206,527	2,032,769
Effects of exchange rate changes		30,369	36,986
Cash and cash equivalents at end of year		**1,644,942**	**2,206,527**

The above consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 25 to 62.

1. REPORTING ENTITY

XTD Limited (the “Company” or “XTD”) is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (“ASX”). The addresses of its registered office and principal place of business are disclosed in the Corporate Directory at the beginning of the Annual Report.

The consolidated financial statements of the Company and its subsidiaries are for the year ended 30 June 2020.

The financial statements were authorised for issue by the Board of Directors on 31 August 2020.

The nature of the operations and principal activities of the Group are described in the Directors’ Report.

2. BASIS OF PREPARATION

(a) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

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

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis, modified where applicable, by the measurement of fair value of selected non-current assets, financial assets and financial liabilities.

(c) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency and the presentation currency of the Group.

(d) Use of estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

(i) Note 28 – Share-based payment arrangements – In relation to performance shares, the Group measures the cost of equity settled share-based payments at fair value at the grant date. The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income considers management's assessment of the associated performance milestones being achieved.

(ii) Estimated impairment of non-current assets other than goodwill and other indefinite life intangible assets - The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. The directors believe no trigger exist and the cash generating unit related to non-current assets continues to be profitable.

(iii) Intangible assets (contract rights) - Contract rights have a finite useful life and are carried at cost less accumulated amortization and impairment losses.

(iv) Deferred tax assets – The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets. The utilisation of tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are expected to be utilised. Deferred tax assets are only recognized to the extent that its probable that future maintainable profits will utilise the carry forward losses.

(v) *Coronavirus (COVID-19) pandemic*
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. As has been addressed in specific notes, the Company's operating and financial performance have been affected, including to its cross-track digital business where relief measures have been agreed between XTD and its partners, which include a reduction in minimum guarantees and subsequent relief of rentals imposed on the Company. There are uncertainties that exist with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic. Revenue from a minimum guarantee from a large client was reduced for part of the year due to COVID-19.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued)

(vi) *Estimation of useful lives of assets*
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(vii) *Lease term*
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(viii) *Incremental borrowing rate*
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(ix) *Business combinations*
As discussed in note 4(w), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

(x) *Goodwill and other indefinite life intangible assets*
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 4(t). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 4(a) for further information.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

When adopting AASB 16 from 1 July 2019, the consolidated entity has applied the following practical expedients:

- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by the Group entities.

(a) Principles of consolidation

On 6 January 2020 XTD Ltd, acquired 100% of the ordinary shares of Adline Media Pty Limited ('Adline Media') for the total consideration transferred of $684,225. Adline specialises in indoor and recreational sporting environments and delivers out-of-home, online advertising, content as well as software reseller agreements and amenity based, buying group agreements. The goodwill of $654,352 represents the commencement of XTD's diversified media future enabling the growth of the business in the community sport and leisure sector with clearly identified plans to expand the Adline business in the pursuit of reaching people that play for fun. The acquired business contributed revenues of $363,012 to the consolidated entity for the period from 6 January 2020 to 30 June 2020. If the acquisition occurred on 1 July 2019, the full year contributions would have been revenues of $918,103. The values identified in relation to the acquisition of Adline Media are provisional as at 30 June 2020.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	95,131
Trade receivables	63,329
Prepayments	20,985
Plant and equipment	34,395
Right of use assets	89,204
Trade payables	(187,964)
Employee benefits	(8,772)
Lease liabilities	(76,436)
Net assets acquired	29,872
Goodwill	654,353
Acquisition-date fair value of the total consideration transferred	684,225
Representing:	
Cash paid or payable to vendor	518,000
Shares issued	150,000
Legal fees	16,225
Total acquisition price	684,225
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	518,000
Legal fees	16,225
Less: cash and cash equivalents	(95,131)
Less: payments made in prior periods	(50,000)
Net cash used	389,094

This business combination has been accounted for on a provisional basis. Refer to the Business Combination accounting policy note for more detail.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Principles of consolidation (continued)

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of Lunalite International Pty Ltd (the "Company" or "Parent Entity") as at 30 June 2020 and the results of its subsidiaries for the year. Lunalite International Pty Ltd and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

(ii) Transactions eliminated on consolidation

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(iii) Goodwill

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period approved by management.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model:
- 8.5% pre-tax discount rate;
- 16% per annum projected revenue growth rate;
- 15% per annum increase in operating costs and overheads.

The discount rate of 8.5% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for Adline Media, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 16% revenue growth rate and 15% increase in operating costs and overheads is prudent and justified, based on the following:
- Sports centres across Australia have opened subsequent to the year-end after a three month shutdown of these centres in response to the COVID-19 pandemic.
- Synergies will be created within the XTD group after new businesses were generated during the financial year, and after the financial year, resulting in employment cost efficiencies.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation (continued)

Sensitivity
As disclosed in note 2(x), the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 0.1% for Adline Media before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 0.7% for Adline Media before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of Adline Media's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge for Adline Media's goodwill.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

(c) Foreign currency translation

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial instruments

(i) Non-derivative financial assets

Financial assets are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Non-derivative financial assets comprise deposits, loans and receivables and cash and cash equivalents.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method. They are included in current assets except those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Loans and receivables comprise trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial liabilities comprise loans and borrowings and trade and other payables. They are recognised initially at fair value and subsequently at amortised cost.

(iii) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in Groups that share similar credit risk characteristics.

All impairment losses are recognised in the profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not shown in the accounts at a value in excess of the recoverable amount of the asset.

Depreciation on assets is calculated using the diminishing value method to allocate their cost, net of their residual values, as follows:

Office equipment	15-40%
Screens	15-30%
Leasehold Improvements	12%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Gains and losses on disposals are determined by comparing the proceeds from disposal with the net carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

(f) Trade and other receivables

Trade and other receivables are recorded at amounts due less any expected credit losses. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(g) Other financial assets

The Group classifies its investments in the following categories: loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in receivables in the Statement of Financial Position.

Investments in subsidiaries are carried at cost, net of any impairment losses.

(h) Intangible assets (contract rights)

Contract rights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Contract rights are tested for impairment when a trigger of impairment is evident.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

(j) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Employee Benefits

(i) Share-based payment transactions
In relation to performance shares, the Group measures the cost of equity settled share-based payments at fair value at the grant date. The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income takes into account management's assessment of the associated performance milestones being achieved.

The fair value of the shares granted is recognised as an employee or director expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the expected vesting period.

(ii) Wages, salaries and annual leave
Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the consolidated entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(l) Revenue recognition

Revenue from the sale of goods is recognised when the goods are delivered to customers and substantially all risks and rewards of ownership have passed to the customer. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of Goods & Services Tax (GST).

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Revenue recognition (continued)

The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability

Lease income from operating leases is recognised as income over the lease term and on a variable basis, being the fair value of consideration received or receivable from APN Outdoor. Lease income of XTD is not fixed.

Interest income is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method.

(m) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(n) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(o) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(p) Government Grants

Government grants of $188,172 are included in the “Other Income” line item in the Statement of Profit or Loss and Other Comprehensive Income. These grants are recognised when a right to receive payment has been established following the successful lodgment of a claim.

(q) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realized or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realized within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Current and Non-Current Classification (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(r) Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost at fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Investments and Other Financial Assets (continued)

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(s) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the consolidated entity's share of net assets of the associate.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.
The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(t) Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(v) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(w) Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) New standards and interpretation not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB No.	Title	Application date of standard *	Issue date
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contributions of Assets between an Investor and its Associate or Joint Venture	1 January 2022	December 2014
AASB 2018-6	Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	December 2018
AASB 2018-7	Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	December
AASB 2019-1	Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	May 2019
AASB 2019-2	Amendments to Australian Accounting Standards – Implementation of AASB 1059	1 January 2020	September 2019
AASB 2019-3	Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform	1 January 2020	October 2019
AASB 2019-5	Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia	1 January 2020	November 2019
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022	March 2020
AASB 2020-2	Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities	1 July 2021	March 2020
AASB 2020-3	Amendments to Australian Accounting Standards – Annual Improvements 2018 – 2020 and Other Amendment	1 January 2022	June 2020
AASB 2020-4	Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions	1 June 2020	June 2020
AASB 1060	General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)	1 July 2021	March 2020

* Annual reporting periods beginning after

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. The Board of Directors co-ordinate domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group holds the following financial instruments:

	30-Jun-20 $	30-Jun-19 $
Financial assets		
Cash and cash equivalents	1,644,942	2,206,527
Trade and other receivables	345,020	123,853
	1,989,962	2,330,380
Financial liabilities		
Trade and other payables	414,031	358,413
	414,031	358,413

(a) Market risk

(i) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group manages foreign exchange risk by monitoring forecast cash flows in currencies other than the Australian dollar.

The Group has minimal exposure to foreign currency risk at the end of the year.

(ii) Price risk

The Group does not hold external investments and therefore is not exposed to equity securities price risk.

(iii) Interest rate risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	30-Jun-20		30-Jun-19	
	Weighted average interest rate	$	Weighted average interest rate	$
Financial assets				
Cash & cash equivalents	0.043%	1,644,942	0.059%	2,206,527

The Group does not have significant interest-bearing assets and percentage changes in interest rates would not have a material impact on the results. Group sensitivity to movement in interest rates is shown in the summarised sensitivity analysis table below.

5. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

		Interest rate risk			
		- 100 bps		+ 100 bps	
	Carrying amount $	Profit AUD $	Equity AUD $	Profit AUD $	Equity AUD $
30 June 2020 Financial Assets					
Cash & cash equivalents	1,644,942	(970)	(970)	16,449	16,449
30 June 2019 Financial Assets					
Cash & cash equivalents	2,206,527	(1,302)	(1,302)	22,065	22,065

Trade and other payables and trade and other receivables are not subject to interest rate risk.

(b) Credit risk

The Group has a significant concentration of credit risk with one main long term client. This client is legally bound to utilise the resources of the Group, and is part of a major international group. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings. The Group does not hold any collateral.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group has no long term or short-term debt and its risk with regard to liquidity relates to its ability to maintain its current operations.

Cash at bank	30-Jun-20 $	30-Jun-19 $
National Australia Bank –AA3	1,159,301	15,546
Westpac –AA3	427,288	2,190,981
ANZ -AA3	58,353	-

The Group's ability to raise equity funding in the market is paramount in this regard.

The Group manages liquidity by monitoring forecast and actual cash flows.

5. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

2020	**<6 months $**	**6-12 months $**	**>12 months $**	**Total Contractual Cash Flows $**	**Carrying Amount $**
Financial liabilities					
Trade and other payables	414,031	-	-	414,031	414,031
2019					
Financial liabilities					
Trade and other payables	358,413	-	-	358,413	358,413

Determination of Fair Values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability. Due to the short term nature of financial assets and liabilities, varying values approximate fair values.

6. 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 is organized into two operating segments: cross-track digital system installation and maintenance (XTD Ltd), and media sales (Media Advertising).

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.

Intersegment transactions
There were no intersegment transactions during the year.

Major customer
During the year ended 30 June 2020, $2,324,558 (2019: $2,918,273) of the Group's revenue was derived from sales to a major Australian Out-Of-Home advertising firm from lease of the Group's digital advertising assets in Melbourne and Brisbane.

30 June 2020	**XTD Ltd $**	**Media Advertising $**	**Total $**
Income	2,462,345	426,609	2,888,954
Commission - rail operators	(521,847)	-	(521,847)
Expenses	(1,473,491)	(406,998)	(1,880,488)
Income tax expense	37,340	-	37,340
Operating profit	**504,348**	**19,611**	**523,959**
Other significant items:			
Depreciation	(398,707)	(28,041)	(426,748)
Amortisation of intangibles	(124,470)	-	(124,470)
Share based payments	(44,946)	-	(44,946)
Net profit/(loss) before tax	**(63,775)**	**(8,430)**	**(72,205)**
Assets			
Cash and cash equivalents	1,585,555	59,387	1,644,942
Trade and other receivables	101,061	189,635	290,696
Plant & equipment	951,438	63,675	1,015,113
Investments	19,971	-	19,971
Intangibles	124,465	-	124,465
Goodwill	654,353	-	654,353
Right of use assets	235,335	77,816	313,151
	3,672,178	**390,513**	**4,062,690**

6. SEGMENT INFORMATION (continued)

Liabilities			
Trade and other payables	295,141	118,890	414,031
Provisions	27,243	5,936	33,179
Deferred tax liability	37,345	-	37,345
Operating lease liability	253,285	60,378	313,663
	613,014	**185,204**	**798,218**

30 June 2019	**XTD Ltd $**	**Media Advertising $**	**Total $**
Income	2,847,401	289,458	3,136,859
Commission - rail operators	(757,877)	-	(757,877)
Expenses	(2,051,973)	(133,679)	(2,185,652)
Income tax expense	37,340	-	37,340
Operating profit	**74,891**	**155,779**	**230,670**
Other significant items:			
Loss on deconsolidation	(897,618)	-	(897,618)
Depreciation	(498,837)	(799)	(499,636)
Amortisation of intangibles	(124,470)	-	(124,470)
Net profit/(loss) before tax	**(1,446,034)**	**154,980**	**(1,291,054)**
Assets			
Cash and cash equivalents	2,206,527	-	2,206,527
Trade and other receivables	123,853	-	123,853
Plant & equipment	956,702	-	956,702
Investments	38,813	-	38,813
Intangibles	248,935	-	248,935
	3,574,829	-	**3,574,829**
Liabilities			
Trade and other payables	358,413	-	358,413
Deferred tax liability	74,685	-	74,685
	433,098	**-**	**433,098**

7. REVENUE

The Group derives the following types of revenue:

	30-Jun-20 $	30-Jun-19 $
Revenue from Continuing Operations		
Rental income	2,324,558	2,918,273
Media and other sales	347,344	-
Other Revenue and Other Income		
Interest income	1,881	4,275
Miscellaneous Income	27,000	-
Other	-	12,000
Government grants	188,172	-
Research and development grant	-	202,311
	229,053	218,586
Total revenue and other income from continuing operations	**2,888,955**	**3,136,859**

Revenues of $2,324,558 (2018: $2,918,273) are derived from a single external customer. These revenues relate to leasing income.

8. EXPENSES

Loss for the year includes the following specific expenses:

	30-Jun-20 $	30-Jun-19 $
Personnel expenses		
Wages and salaries (including provisions)	643,233	277,192
Superannuation	54,962	23,397
Payroll Tax Expense	-	58,857
Directors fees	183,567	322,149
	881,762	**681,595**

9. INCOME TAX EXPENSES

	30-Jun-20 $	30-Jun-19 $
(a) Income tax expense:		
Current income tax	-	-
Deferred income tax	(37,340)	(37,340)
Current income tax benefit	-	-
	(37,340)	(37,340)

10. INCOME TAX EXPENSES (continued)

	30-Jun-20 $	30-Jun-19 $
(b) Reconciliation of Income tax expense to prima facie tax payable:		
Loss before income tax	(109,545)	(1,328,394)
Prima facie income tax at 27.5%	(30,125)	(365,308)
Non-deductible expenditure	(11,010)	(24,570)
Impact of reduction in future corporate income tax rate	80,809	-
Timing differences not recognised	(77,014)	352,538
Income tax benefit not recognized	-	-
Income tax expense/(benefit)	(37,340)	(37,340)
(c) Unrecognised deferred tax assets arising on timing differences and losses		
Carry forward revenue losses-Australia	687,085	911,585
Carry forward revenue losses-Foreign	-	32,908
Property, plant and equipment	-	14,714
Deductible temporary differences	23,267	33,876
Unrecognised deferred tax assets	**710,352**	**993,083**
(d) Deferred tax liabilities		
Business combination – intangible	39,606	77,796
Other temporary differences	20,968	24,641
Property, plant and equipment	25,726	25,726
	86,300	**128,163**

The tax benefits of the above deferred tax assets will only be obtained if:

a. The Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
b. The Group continues to comply with the conditions for deductibility imposed by law; and
c. No changes in income tax legislation adversely affect the consolidated entity from utilising the benefits.

(e) Tax consolidation

XTD Ltd and its wholly-owned Australian subsidiaries implemented the tax consolidation regime as of 1 July 2019. The formal notification of formation of the income tax consolidated group has been lodged with the Australian Taxation Office.

(f) Change in corporate tax rate

There has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

11. CASH AND CASH EQUIVALENTS

(a) Reconciliation to cash at the end of the year

	30-Jun-20 $	30-Jun-19 $
Cash at bank and in hand	1,644,942	2,206,527
	1,644,942	**2,206,527**

The Group does not have any restrictions on any cash held at bank or on hand.

The above figures agree to the cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

(b) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 5(a)(iii).

11. TRADE & OTHER RECEIVABLES

	30-Jun-20 $	30-Jun-19 $
Trade and other receivables	238,292	71,568
Prepayments	52,404	52,286
	290,696	**123,854**

(a) Expected credit losses

There were no expected credit losses.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 5 for more information on the risk management policy of the group and the credit quality of the Group's trade receivables.

12. PROPERTY, PLANT AND EQUIPMENT

	30-Jun-20 $	30-Jun-19 $
Property, plant and equipment	1,015,113	956,702
	1,015,113	956,702
Reconciliation:		
Balance at the beginning of the year	956,702	1,478,741
Additions	462,010	3,745
Acquired via acquisition of Adline Media	34,395	-
Provision for impairment	-	3,757
Loss on disposal of property, plant and equipment	(19,444)	(29,905)
Disposals	20,000	
Depreciation expense	(398,550)	(499,636)
Balance at the end of the year	1,015,113	956,702

See note 2(d)(iii) for impairment considerations

13. INTANGIBLES

	30-Jun-20 $	30-Jun-19 $
Contract rights (a)		
At cost	871,285	871,285
Accumulated amortisation	(746,820)	(622,350)
	124,465	248,935

See note 2(d)(iii) for impairment considerations

(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 recognized in respect of this acquisition. The contract is being amortized on a straight-line basis over the contract term (7 years).

14. RIGHT OF USE ASSETS

	30-Jun-20 $	30-Jun-19 $
Land and buildings - right-of-use	366,022	-
Less: Accumulated depreciation	(52,871)	-
	313,151	**-**

Additions to the right-of-use assets during the year were $252,145, and $89,204 were consolidated on acquisition of Adline Media Pty Ltd.

The consolidated entity leases land and buildings for its offices under agreements of three years with, in some cases, options to extend. On renewal, the terms of the leases are renegotiated.

15. TRADE & OTHER PAYABLES

	30-Jun-20	30-Jun-19
	$	$
Trade creditors	193,113	65,121
Accrued expenses	177,845	273,772
Other payables	43,073	19,520
	414,031	**358,413**

Trade and other payables are non-interest-bearing liabilities stated at cost and are predominantly settled within 30 days.

The carrying amounts of trade and other payable are assumed to be the same as their fair values, due to their short-term nature.

16. PROVISIONS

	30-Jun-20	30-Jun-19
	$	$
Provision for annual leave	33,179	-
	33,179	**-**

17. ISSUED CAPITAL

(a) Share Capital

	30-Jun-20	
	$	No.
Issued Capital	17,264,647	
Cost of shares issued	(1,223,638)	
Fully paid ordinary shares	16,041,009	137,986,077

	30-Jun-19	
	$	No.
Issued Capital	17,114,647	
Cost of share issued	(1,223,638)	
Fully paid ordinary shares	15,891,009	132,986,077

(b) Movements in ordinary share capital

	30-Jun-20		
	$	No.	Issue price per ordinary share
Opening balance	15,891,009	132,986,077	
Issue of shares – acquisition of Adline Media	150,000	5,000,000	0.03
Balance at 30 June 2020	**16,041,009**	**137,986,077**	

17. ISSUED CAPITAL (continued)

(b) **Movements in ordinary share capital** (continued)

	30-Jun-19		
	$	**No.**	**Issue price per ordinary share**
Opening balance	15,891,009	132,986,077	
Balance at 30 June 2019	**15,891,009**	**132,986,077**	

Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the entity in proportion to the number of shares held. Shares have no par values.

At shareholders' meetings, each ordinary share is entitled to one vote per share when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital risk management

The Group's capital includes share capital, reserves and accumulated losses. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Group manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to achieve this, the Group may issue new shares in order to meet its financial obligations. The group does not have externally imposed capital requirements.

(c) Options

XTD Ltd issued nil listed options during the year.

(d) Performance Rights and Options – Employees and Management

During the year XTD Ltd issued performance rights and options to key management and consultants as part of their remuneration of $44,946. Refer to note 28 for further details on the performance rights and options issued.

18. RESERVES

	30-Jun-20 $	30-Jun-19 $
Share-based payments reserve	44,946	-
Options premium reserve	-	212,774
Foreign currency translation reserve	(14,081)	(4,912)
Balance at the end of the year	**30,865**	**207,862**

	30-Jun-20 $	30-Jun-19 $
Share-based payments reserve		
Balance at the beginning of the year	-	1,019,524
Performance rights and options vesting expense	44,946	-
Deconsolidation of Contact Light	-	(1,019,524)
Balance at the end of the year	**44,946**	**-**

Refer to note 28 for further details on the performance shares issued.

	30-Jun-20 $	30-Jun-19 $
Options premium reserve		
Balance at the beginning of the year	212,774	212,774
Expiry of options	(212,774)	-
Balance at the end of the year	**-**	**212,774**

Refer to note 28 for further details on the options issued.

	30-Jun-20 $	30-Jun-19 $
Foreign currency translation reserve		
Balance at the beginning of the year	(4,912)	(5,279)
Exchange difference arising on translation of foreign operations	(9,169)	367
Balance at the end of the year	**(14,081)**	**(4,912)**

(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.

19. ACCUMULATED LOSSES

	30-Jun-20	30-Jun-19
	$	$
Accumulated losses at the beginning of the financial year	(12,957,139)	(11,579,493)
Net profit/(loss) attributable to members of the Company	(72,206)	(1,377,646)
Expiry of options	212,774	-
Exchange differences on translation of foreign operations	9,169	-
Accumulated losses at the end of the financial year	(12,807,401)	(12,957,139)

20. NON-CONTROLLING INTERESTS

	30-Jun-20	30-Jun-19
	$	$
Balance at the beginning of the year	**-**	**(1,823,791)**
Interest in:		
Fair value of net liabilities acquired by the minority	-	-
Deconsolidation in Contact Light	-	1,737,199
Share of the loss for the current period	-	86,592
Balance at the end of the year	**-**	**-**

Contact Light Pty Ltd (Contact Light) was a subsidiary of the group up to 31 October 2018. Up until this date XTD maintained control over Contact Light by a combination of a 44.13% shareholding and board control. All three directors of Contact Light Pty Ltd were also directors of XTD Ltd up to 31 October. On 1 November 2018, three new directors were appointed to the board of XTD Ltd and three existing directors resigned. From 1 November 2018 up until 10 July 2019 there was one common director between XTD Ltd and Contact Light. From 11 July 2019 up to today's date there are no common directors between XTD Ltd and Contact Light. The board of XTD Ltd has determined that this has resulted in a loss of control of Contact Light, and deconsolidated Contact Light from XTD's account from 1 November 2018 and have equity accounted from this date onwards.

21. INTERESTS IN ASSOCIATES

Interest in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

	Country of incorporation	Ownership interest 2020	Ownership interest 2019
Contact Light Pty Ltd	Australia	43%	42%

Summarised financial information

	Contact Light Pty Ltd	
	30-Jun-20 $	30-Jun-19 $
Summarised statement of financial position		
Current assets	75,410	157,710
Non-current assets	898	2,233
Total assets	76,308	159,943
Current liabilities	29,750	67,241
Non-current liabilities	-	-
Total liabilities	29,750	67,241
Net assets	46,558	92,702
Summarised statement of profit or loss and other comprehensive income		
Revenue	159,125	93,500
Expenses	(255,270)	(245,025)
Profit before income tax	(96,145)	(151,525)
Income tax expense	-	-
Profit after income tax	(96,145)	(151,526)
Other comprehensive income	-	-
Total comprehensive income	(96,145)	(151,526)
Reconciliation of the consolidated entity's carrying amount		
Carrying amount at date of loss of control	107,461	107,461
Share of loss after income tax	(87,490)	(68,648)
Closing carrying amount	19,971	38,818

XTD Ltd maintains significant influence over Contact Light via its 42.90% ownership. The board of XTD Ltd has impaired the value of the investment in Contact Light to $19,971 (2019: $38,813) during the period as a result of strategic review of XTD Ltd's business.

21. RELATED PARTY TRANSACTIONS

(a) Parent entities

The parent entity within the Group is Lunalite International Pty Ltd.

(b) Subsidiaries

The Group Structure, from an accounting perspective, reflects Lunalite International Pty Ltd as the parent entity and XTD Ltd as a subsidiary following a reverse acquisition.

Group structure

	Country of incorporation	Class of shares	Ownership interest 2020	Ownership interest 2019
Parent Entity				
Lunalite International Pty Ltd	Australia	Ordinary	-	-
Subsidiaries				
Motio Pty Ltd (formerly Red Hawk Resources Ltd)	Australia	Ordinary	100%	100%
Enormity Pty Ltd	Australia	Ordinary	100%	-
Adline Media Pty Ltd	Australia	Ordinary	100%	-
XTD Ltd	Australia	Ordinary	100%	100%
Outdoor Digital Solutions Pty Ltd	Australia	Ordinary	100%	100%
XTD India Private Limited	India	Ordinary	-	100%
Associate				
Contact Light Pty Ltd	Australia	Ordinary	42%	42%

Motio Pty Ltd (formerly Red Hawk Resources Ltd) was incorporated on 16 May 2011 and set up as a trading business on 1 April 2020.
Enormity Pty Ltd was incorporated on 13 November 2019 and set up as a trading business on 1 July 2020.
Adline Media Pty Ltd was incorporated on 5 September 2008 and consolidated in the group on 6 January 2020.
Lunalite International Pty Ltd was incorporated on 16 August 2005.
Contact Light Pty Ltd was incorporated on 7 August 2014.
Outdoor Digital Solutions Pty Ltd was incorporated on 3 July 2009.
XTD India was incorporated on 15 February 2019.

XTD as at 31 October 2018 no longer has control over Contact Light Pty Ltd as common control of Contact Light Pty Ltd has been lost due to the resignation of XTD board members.

22. RELATED PARTY TRANSACTIONS (continued)

(c) Key management personnel compensation

The key management personnel compensation is as follows:

	30-Jun-20	30-Jun-19
	$	$
Short-term benefits	443,638	365,817
Post-employment benefits	21,726	6,250
Share-based payments	43,000	-
	508,364	372,067

23. REMUNERATION OF AUDITORS

	30-Jun-20	30-Jun-19
	$	$
Amounts received or due and receivable by PKF Perth for:		
(i) An audit or review of the financial report of the entity	28,765	47,950
Amounts received or due and receivable by PKF Perth for:		
(ii) Other services in relation to the entity and any other entity in the consolidated group – Income tax	4,800	8,910
	4,800	8,910
Total of non-audit services provided to the Group	4,800	8,910

24. GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No other guarantee or contingent liabilities/assets were noted for the Group for the year ended 30 June 2020.

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the year on 19 August 2020 the Company announced its intention to undertake a non-renounceable rights issue offered on the basis of one new share for every five shares held (**Rights Issue**) at $0.039 per share together with (1) free attaching option for every two new Shares subscribed for, to raise up to approximately $1.22 million (before costs). In addition, the Company has received firm commitments to raise $1,035,014 by way of a two-tranche placement on the same terms as the Rights Issue (**Placement**).

In addition and in light of recent Australian and Global macroeconomic events, including though not limited to the impact of the COVID-19, Australian Bush Fires and other factors the Company's operating and financial performance have been affected, including to its cross-track digital business where relief measures have been agreed between XTD and its partners. Management has undertaken a number of cost saving initiatives to significantly reduce the impact on the company during the ongoing advertising downturn.

No other matter or circumstance has arisen since 30 June 2020 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.

26. 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-20 $	30-Jun-19 $
Net loss after income tax	**(72,205)**	**(1,291,054)**
Adjustments for:		
Amortisation of intangibles	124,470	124,470
Depreciation	426,748	499,636
Impairment of property, plant and equipment	-	119,514
Impairment - carrying value of Contact Light investment	18,841	68,648
Interest on unwinding of lease	4,661	-
Loss on disposal of property, plant and equipment	19,444	29,905
Share-based payments	44,946	-
Removal of cash from deconsolidation	-	269,799
Deconsolidation in Contact Light	-	867,618
Change in assets and liabilities		
(Increase)/decrease in trade and other receivables	(132,528)	(190,396)
Increase/(decrease) in trade and other payables (operating)	-	16,780
Increase/(decrease) in trade and other payables	(164,859)	(29,765)
Increase/(decrease) in provisions	24,407	-
Increase/(decrease) in deferred tax liability	(37,340)	(37,340)
Net cash inflow/(outflow) from operating activities	**256,585**	**447,816**

27. EARNINGS PER SHARE

Basic profit/ (loss) per share

The calculation of basic profit/(loss) per share at 30 June 2020 was based on the profit attributable to ordinary shareholders of $(72,205) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2020 of 135,767,460 calculated as follows:

	30-Jun-20 $	30-Jun-19 $
Loss attributable to ordinary shareholders	(72,205)	(1,377,646)
Weighted average number of ordinary shares	135,767,460	132,986,077
Basic profit/ (loss) per share (cents per share)	(0.05)	(1.04)

Diluted loss per share

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

28. SHARE-BASED PAYMENTS

(a) Performance Rights – Employees and Managing Director – 22 November 2019

XTD Ltd issued 6,166,667 performance options to three individuals in two tranches, comprising Tranche 1 (3,700,000 performance rights) and Tranche 2 (2,466,667 performance rights). Each performance right will convert into 1 ordinary share of XTD Ltd upon achievement of the performance milestones. The determined fair value is to be recognised over the life of the performance rights. The performance milestones for each tranche of performance right is as follows:

Tranche 1: A 60 day VWAP of $0.08
Tranche 2: A 60 day VWAP of $0.12

The assessed fair values of the performance rights were determined using a Monte Carlo pricing model, taking into account the exercise price, term of performance rights, 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 performance rights. The inputs to the model used were:

Dividend Yield	-
Expected volatility (%)	100
Risk-free interest rate (%)	0.73
Expected life of options (years)	3.0
Option exercise price ($)	-
Share price at grant date ($)	0.03
Value of performance rights ($) – Tranche 1	0.0175
Value of performance rights ($) – Tranche 2	0.0146

The total expense arising from share based payment transactions recognised during the year in relation to the performance rights issued amounts to $20,410 (2019: $nil).

(b) Performance Options – Employees and Management - 22 November 2019

XTD Ltd issued 11,514,583 performance options to five individuals in two tranches, comprising Tranche 3 (6,908,750 options) and Tranche 4 (4,605,833 options). Each performance option will convert into 1 ordinary share of XTD Ltd upon exercise of the options. The determined fair value is to be recognised over the life of the performance options. The performance milestones for each tranche of performance option is as follows:

Tranche 3: A 60 day VWAP of $0.08
Tranche 4: A 60 day VWAP of $0.12

28. SHARE-BASED PAYMENTS (continued)

The assessed fair values of the options were determined using a Monte Carlo 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 (%)	100
Risk-free interest rate (%)	0.73
Expected life of options (years)	3.0
Option exercise price ($)	0.04
Share price at grant date ($)	0.03
Value of option ($) – Tranche 3	0.0102
Value of option ($) – Tranche 4	0.0110

The total expense arising from share based payment transactions recognised during the year in relation to the performance options issued amounts to $24,536 (2019: $nil).

29. PARENT ENTITY FINANCIAL INFORMATION

	30-Jun-20 $	30-Jun-19 $
Current Assets	2,296,763	1,145,274
Non-Current Assets	709,773	916,623
Total Assets	**3,006,536**	**2,061,897**
Current Liabilities	172,521	172,848
Non-Current Liabilities	37,345	74,685
Total liabilities	**209,866**	**247,533**
Contributed equity	5,108,554	5,108,554
Accumulated losses	(2,311,884)	(3,294,190)
Total equity	**2,796,670**	**1,814,364**
Profit/(Loss) for the year	845,380	(99,389)
Other comprehensive loss for the year	-	-
Total comprehensive profit/(loss) for the year	**845,380**	**(99,389)**

a. Guarantees and Contingent Liabilities

Refer to note 24 for details of guarantees and contingent liabilities.

b. Contractual Commitments

There are no significant commitments.

In the opinion of the Directors of XTD Limited (the "Company"):

1. The attached consolidated financial statements, notes thereto and the additional disclosures included in the Directors' Report designated as audited are in accordance with the Corporations Act 2001, including:

   (a) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

   (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

   (c) the financial statements also complies with International Financial Reporting Standards as disclosed in note 2(a) to the financial statements.

2. There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with sections 295A of the Corporations Act 2001 for the financial year ended 30 June 2020.

On behalf of the Directors

Mr Adam Cadwallader
Managing Director
Perth, Western Australia
31 August 2020

PKF Perth

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF XTD LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of XTD Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the financial report of XTD Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matter

A key audit matter are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate audit opinion on this matter. Our description of how our audit addressed the matter is provided in that context.

Impairment of Property, Plant & Equipment and Goodwill

Why significant	How our audit addressed the key audit matter
At the reporting date, the consolidated entity has Property, Plant & Equipment and Goodwill which total $1,015,113 (Note 12) and $654,353 (Note 4(a)) respectively. All of the above assets, except for goodwill, have definite useful lives. The carrying amount of Property, Plant & Equipment and Goodwill is a key audit matter due to the level of judgement applied in evaluating management's assessment of impairment. Under Australian Accounting Standards, an entity shall assess whether at the end of the reporting period there is any indication that finite useful life assets are impaired. If any such indication exists, the entity shall determine the recoverable amount of the asset. As at 30 June 2020 and as indicated in Note 2 (d) (ii), the consolidated entity concluded that there are no indicators of impairment. As outlined in Note 2(x), management assessed the carrying amount of goodwill through impairment testing utilising a value in use model in which significant judgements are applied in determining key assumptions. These assumptions include the assessment of future earnings before interest and tax, growth expected to be achieved, as well as applying an appropriate discount factor. The judgements made in determining the underlying assumptions in the model have a significant impact on the carrying amount of goodwill and accordingly the amount of any impairment charge to be recorded in the current financial year.	In assessing this key audit matter, our audit procedures included; • Challenging management's assessment that there have been no indicators of impairment. • Evaluating management's methodology for determining the carrying amount of goodwill by comparing the value in use model with generally accepted valuation methodology and accounting standard requirements. • Challenging the key assumptions used in management's value in use model by: - assessing the reasonableness of the anticipated future inflows from each cash generating unit; - evaluating the adequacy of the discount rate set by management. • Conducting sensitivity analysis on key assumptions. • Assessing the appropriateness of the related disclosures.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report and the Chief Executive Officer's letter to shareholders. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Directors' Responsibilities for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of XTD Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

SIMON FERMANIS
AUDIT PARTNER

31 AUGUST 2020
WEST PERTH
WESTERN AUSTRALIA

The following additional information was applicable as at 21 August 2020.

There are a total of 137,986,077 ordinary fully paid shares on issue and number of shareholdings with less than marketable a parcel of shares is 388.

1. DISTRIBUTION OF SHARE HOLDERS

Category (size of holding)	No. of Holders	No. of Units
1 – 1,000	172	61,508
1,001 – 5,000	168	443,140
5,001 – 10,000	81	658,757
10,001 – 100,000	269	10,537,723
100,001 – and over	149	126,284,949
Total	**839**	**137,986,077**

2. VOTING RIGHTS

a. Ordinary Shares

Subject to any rights or restrictions for the time being attached to any class or classes (at present there are none) at general meetings of shareholders or classes of shareholders:

(a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

(b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

(c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

b. Options

There are no voting rights attached to any class of options that are on issue

c. 20 Largest Shareholders — Ordinary Shares as at 21 August 2020

Rank	Name	Ordinary Shares Held	% of Issued Capital
1	F H C WILSON PTY LTD <F H C & B H WILSON S/F A/C>	10,925,402	7.92%
2	KENERIC NOMINEES PTY LTD <B&C GAVRANICH FAMILY A/C>	7,189,390	5.21%
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	6,858,325	4.97%
4	S LOADER PTY LTD <S LOADER SUPERFUND A/C>	4,846,765	3.51%
5	MR GREGORY JOSEPH WILDISEN	4,456,228	3.23%
6	SAILORS OF SAMUI PTY LTD	4,279,311	3.10%
7	MARK NIUTTA PTY LTD <MARK NIUTTA FAMILY A/C>	4,126,689	2.99%
8	MAYACARA PTY LTD <MAYACARA INVESTMENT A/C>	4,084,455	2.96%
9	MR PAUL BLEASDALE	4,012,589	2.91%
10	SPICERACK PTY LTD <MYZL FAMILY A/C>	3,250,000	2.36%
11	FANDEXA NOMINEES PTY LTD <THE BYRNE SETTLEMENT A/C>	2,970,819	2.15%
12	MR STEVEN ANTHONY WILDISEN	2,593,653	1.88%
13	WISEUP INVESTMENTS PTY LTD <THE DELTA A/C>	2,068,418	1.50%
14	BOSTON FIRST CAPITAL PTY LTD	2,022,844	1.47%
15	CAPITAL H MANAGEMENT PTY LTD <CAPITAL H A/C>	2,000,000	1.45%
16	CCK (WA) PTY LTD <ET&CM ATHERTON S/F A/C>	1,881,004	1.36%
17	MARK NIUTTA PTY LTD <MARK NIUTTA S/F A/C>	1,842,172	1.34%
18	DR FRANCIS HAROLD CHRISTIAN WILSON	1,792,735	1.30%
19	BRAHAM INVESTMENTS PTY LTD <BRAHAM STAFF SUPER FUND A/C>	1,546,240	1.12%
20	JJ VENTURES LIMITED	1,426,971	1.03%
	Total	**74,174,010**	**53.75%**
	Balance of register	**63,812,067**	**46.25%**
	Grand total	**137,986,077**	**100.00**

d. Substantial Shareholders

As at 21 August 2020 the following shareholders held 5% or more of the issued capital of the Company:

Interest	Class
9.22%	Frank Wilson & Associates
5.21%	KENERIC NOMINEES PTY LTD <B&C GAVRANICH FAMILY A/C>

e. Unquoted Securities – as at 21 August 2020

Set out below are the classes of unquoted securities currently on issue.

Number	Class
11,514,583	Options exercisable at 4.0¢ on or before 20/12/2022 with 60% of the options vest upon the 60-day VWAP being at least 8¢ and 40% vest upon 60-day VWAP being at least 12¢, expiring 20/12/2022
3,700,000	Class A Performance Rights that vest upon the 60-day VWAP being at least 8¢ expiring 20/12/2022
2,466,667	Class B Performance Rights that vest upon the 60-day VWAP being at least 12¢ expiring 20/12/2022

f. Unquoted Equity Security Holders with Greater than 20% of an Individual Class

As at 21 August 2020 there were no class of unquoted securities that had holders with greater than 20% of that class on issue.

	Class/Name	Number of Securities Held	% Held
Options exercisable at 4.0¢ each on or before 20 December 2022			
1.	Jason Byrne	3,645,833	31.66%
2.	Justus Wilde	3,645,833	31.66%
Class A Performance Rights expiring 20/12/2022			
1.	Adam Cadwallader	2,500,000	67.57%
Class B Performance Rights expiring 20/12/2022			
1.	Adam Cadwallader	1,666,667	67.57%

g. Securities Subject to Escrow

No securities are currently subject to any escrow provisions.

h. On-market Buy-Back

Currently there is no on-market buy-back of the Company's securities.

i. Corporate Governance

Pursuant to the ASX Listing Rules, the Company's Corporate Governance Statement will be released in conjunction with this report. The Company's Corporate Governance Statement is available on the Company's website at: http://xtd.tv/investor-information/

j. Domicile

XTD Limited, incorporated and domiciled in Australia, is a public listed Company limited by Shares.