ABN 43 147 799 951

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2019

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, XTDO

Australian Company Number
ACN 147 799 951

Australian Business Number
ABN 43 147 799 951

Auditors
PKF Perth
Level 4, 35 Havelock Street
West Perth WA 6005

Solicitors
GTP Legal
68 Aberdeen St
Northbridge WA 6003

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

Share Registry
Security Transfers Registers
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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 2019.

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. Directors were in office for the entire year unless otherwise stated.

Mr Justus Wilde – Non-Executive Chairman (appointed 1 November 2018)

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 19 years spent in the Out of Home media 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 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 (appointed 1 November 2018)

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 (appointed 1 November 2018)

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 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.

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

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 Stuart Richardson

Mr Richardson has experience in capital markets in both Australia and overseas in the field of stockbroking and investment banking. He is a founding director of Blackwood Capital Limited, an Australian based investment bank operating in capital markets, advisory services and funds management in equities and private equity funds. He holds a Bachelor of Business from the Swinburne University of Technology, Melbourne, Australia, and is a CPA.

Mr Richardson is currently a Non-Executive Director of Abundant Produce Limited and Fertoz Limited. In the last three years Mr Richardson has not held any other directorships with listed entities.

Frank Hurley

Mr Hurley was previously the Chief Executive Officer of Wrays Pty Ltd and Managing Director of Wrays Lawyers. Mr Hurley is also a Board member of Focus Mobile Media and Discovery Capital and was previously responsible for international and national business development for one of Australia's largest law firms. Mr Hurley has consulted to a number of industries including, mining, aviation, banking and law. Mr Hurley has also lectured at MBA level in a number of universities in Western Australia.

Mr Hurley is not currently a director of any other listed company. In the last three years Mr Hurley has not held any other directorships.

Mr Quentin Gracanin

Quentin Gracanin is Group Chief Executive Officer of retail enterprise Spotlight Retail Group which owns and operates Spotlight Stores and outdoor Adventure chain Anaconda. The group has more than 7,000 employees working in 170 locations across Australia, New Zealand, Malaysia and Singapore. He has a 30-year career in business planning and management and has worked with emerging markets including India and in South East Asia for the past 25 years.

Mr Gracanin is not currently a director of any other listed company but is a current Board Member of the Spotlight Retail Group and the Spotlight Group Holdings.

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	Performance Shares
Mr Justus Wilde[1]	-	-
Mr Jason Byrne[1]	4,070,819	-
Mr Mark Niutta[1]	6,168,861	3,550,009
Mr Adam Cadwallader[2]	-	-
Mr Joseph Copley[3]	183,333	-
Frank Hurley[4]	-	-
Stuart Richardson[4]	-	-
Quentin Gracanin[4]	-	-
	10,423,013	**3,550,009**

Notes:

1. Appointed 1 November 2018.
2. Appointed 1 August 2019.
3. Resigned 10 July 2019.
4. Resigned 1 November 2018.

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:

2019	Directors' meetings eligible to attend	Directors' meetings attended
Directors		
Mr Justus Wilde[1]	4	4
Mr Jason Byrne[1]	4	4
Mr Mark Niutta[1]	4	4
Mr Adam Cadwallader[2]	-	-
Mr Frank Hurley[3]	4	4
Mr Stuart Richardson[3]	4	4
Mr Joseph Copley[4]	8	8
Mr Quentin Gracanin[3]	4	3

Notes:
1. Appointed 1 November 2018.
2. Appointed 1 August 2019.
3. Resigned 1 November 2018.
4. 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 emerging service provider to the growing Out-of-Home Advertising (**OOH Advertising**) sector.

6. REVIEW OF OPERATIONS

During the Period, XTD continued its focus as a provider to the growing Out-of-Home Advertising (**OOH Advertising**) sector. XTD is in a strong cash position with no debt. Over the course of the last 8 months the Board has implemented significant cost cutting measures to ensure its free cashflow is maximised. The Board is innovation focussed and continues to assess additional opportunities that will add shareholder value.

Since 1 November 2018 the XTD directors have undertaken a review of XTD's contract performance, repositioned its investment in Contact Light, significantly reduced operating expenses, investigated numerous digital out-of-home (**DOOH**) market opportunities and appointed an Out of Home industry leader, Adam Cadwallader, as Chief executive Officer (CEO) and Managing Director to lead our future direction. Whilst the strategic review is ongoing the following milestones have been achieved:

1) Removed all consultants. The XTD Directors are now taking full responsibility for its strategic direction and maximising shareholders' returns. The XTD Directors have made significant progress and with the recent appointment of Adam Cadwallader look forward to sharing our future vision for XTD shortly.

2) Restructured XTD operations. This has resulted in:
   a) Reduction in ongoing operation costs in excess of 50% effective March 2019.
   b) Improvements to how we maintain our screen network that will result in better screen up-time in CY2019 than CY2018 and maximise advertising revenue.
   c) Proposed changes to how content is delivered to operators and their commuters to optimise commuter engagement and maximise advertising revenue.

3) Commenced investigation into DOOH opportunities. The XTD Directors are actively seeking opportunities to utlise its strong cash position and the current Directors' track record for building successful businesses to make strategic investments in suitable DOOH networks.

4) Deconsolidated XTD's investment Contact Light. In the last 3 years Contact Light has incurred a net loss on average of $1.18m per annum arising from the development and commercialisation efforts of its technology (with the majority of funding raised from equity raisings). There is no committed ongoing cost to XTD in relation to Contact Light however the XTD Directors are working closely with the Contact Light team to commercialise their innovative technology at the end of H2 CY2019.

CORPORATE

During the period XTD announced the appointment to the Board of Justus Wilde, Jason Byrne and Mark Niutta as Non-Executive Directors, who bring substantial experience in commercialising technology and are well positioned to accelerate XTD's ambitions.

Subsequent to the Period the Company announced the appointment of Mr Adam Cadwallader as Chief Executive Officer (CEO) and Managing Director, succeeding interim CEO Jason Byrne effective 1 August 2019.

The XTD board has completed a significant review of opportunities and believe the future direction of the business should be led by an experienced Out of Home and media executive who has demonstrated capabilities in growing media businesses.

Contact Light

On 8 March 2018 XTD announced that it proposed to acquire the 63% interest in Contact Light that it currently did not own. On 30 July 2018 XTD subsequently advised that, as a result of a wave of M&A activity in the OOH sector that directly impacted Contact Light's negotiations to monetise its proprietary data, it had resolved to indefinitely delay the proposed acquisition.

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 2019 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 2019 totalled $2,206,527 (2018: $2,032,769). The net asset position as at 30 June 2019 was $ 3,141,732 (2018: $3,714,744). The net loss after tax for the year attributable to the members of the Group was $ 1,291,054 (2018: $619,559).

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There has been no 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 Period on 10 July 2019 the Company announced the appointment of Mr Adam Cadwallader as CEO and Managing Director, succeeding interim CEO Jason Byrne effective 1 August 2019.

No other matter or circumstance has arisen since 30 June 2019 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

The Directors intend to maximise returns from existing cross track digital media assets and expect to significantly improve operating profit from these assets in FY2020. Simultaneously the Directors are actively investigating other digital out-of-home (DOOH) market opportunities to take advantage of the new Board's substantial proven experience in DOOH and in building successful technology companies.

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 (appointed 1 November 2018)
Mr Adam Cadwallader – Managing Director (appointed 1 August 2019)
Mr Jason Byrne – Non-Executive Director (appointed 1 November 2018)
Mr Mark Niutta – Non-Executive Director (appointed 1 November 2018)
Mr Francis Hurley – Non-Executive Chairman (resigned 1 November 2018)
Mr Stuart Richardson – Non-Executive Director (resigned 1 November 2018)
Mr Joseph Copley – Non-Executive Director (resigned 10 July 2019)
Mr Quentin Gracanin – Non-Executive Director (resigned 1 November 2018)

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 2018 Annual General Meeting
The Company received 99.55% of "yes" proxy votes on its remuneration report for the 2018 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 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)

30/06/2018	Short-term benefits			Post-employment benefits	Share-based payment			Percentage remuneration consisting of performance options for the year
	Salary & fees $	Cash bonus $	Annual and Long Service Leave $	Superannuation $	Performance shares $	Options	Total $	
Directors								
Mr Hurley (ii)	50,000	-	-	-	33,053	153,678	236,731	79%
Mr Richardson	36,000	-	-	-	-	288,615	324,615	89%
Mr Copley	94,875	-	-	-	-	224,895	319,770	70%
Mr Gracanin	36,000	-	-	-	-	-	36,000	-
Other KMP								
Mr Wildisen (i) (ii)	177,299	-	-	16,843	56,025	168,671	418,838	54%
Total	**394,174**	**-**	**-**	**16,843**	**89,078**	**835,859**	**1,335,954**	**69%**

(i) Mr Wildisen (Chief Executive Officer) (resigned on 15 December 2017)
(ii) Performance rights share based payments are Class C only as Class D were reversed in the year.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		At risk – STI**		At risk – LTI *	
	2019	2018	2019	2018	2019	2018
Director						
Mr Hurley (ii)	-	35%	-	-	-	79%
Mr Richardson	-	11%	-	-	-	89%
Mr Copley	-	30%	-	-	-	70%
Mr Niutta	-	-	-	-	-	-
Mr Wilde	-	-	-	-	-	-
Mr Byrne	-	-	-	-	-	-
Mr Gracanin	-	100%	-	-	-	-

*Long term incentives are provided by way of the performance shares issued with long term performance milestones (Class D) and incentive options with long term performance milestones in Contact Light Pty Ltd. The percentages disclosed reflect the fair value of remuneration consisting of the performance shares and Contact Light Pty Ltd incentive options, based on the value of the performance shares and incentive options expensed during the year.

** Cash bonuses are dependent on meeting certain performance measures which are determined by the Board.

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).

D Share-based Compensation

Short term and long-term incentives

In the 2015 financial year Mr Niutta, Mr Hurley and Mr Wildisen were issued performance shares in connection with the acquisition of Lunalite. These performance shares were issued to provide key management personnel and Directors effective incentives for their work and ongoing commitment and contribution to the Company.

The performance shares were issued in four classes, each with different performance milestones. Details of the performance shares issued are as follows:

Class	Director and Other KMP	Number Issued	Grant Date	Exercise Price	Expiry Date of Milestone Achievements	Underlying Share Price on Grant Date ($)	Total Fair Value ($)
A	Mr Niutta Mr Hurley Mr Wildisen	1,050,003 1,050,003 1,950,005	19/12/14	Nil	19/12/16	0.20	210,000 210,000 390,001
B	Mr Niutta Mr Hurley Mr Wildisen	1,050,003 1,050,003 1,950,005	19/12/14	Nil	19/12/16	0.20	210,000 210,000 390,001
C	Mr Niutta Mr Hurley Mr Wildisen	1,050,003 1,050,003 1,950,005	19/12/14	Nil	19/12/17	0.20	210,000 210,000 390,001
D	Mr Niutta Mr Hurley Mr Wildisen	3,750,009 3,750,009 6,000,015	19/12/14	Nil	19/12/19	0.20	750,002 750,002 1,200,003

The performance milestones attached with each of the classes are detailed below:

A. First revenue to Lunalite from Queensland Contract. This milestone expires two years from completion of the acquisition (19 December 2014). This milestone was achieved during the 2015 financial year.
B. Security mobile application being developed and either being adopted by one rail operator, or achieving a minimum of 200,000 subscribers. This milestone expires two years from completion of the acquisition (19 December 2014). This milestone was achieved during the 2018 financial year.
C. Lunalite generating total revenue of at least $5 million in any 12 month period. This milestone expires three years from completion of the acquisition (19 December 2014). Class C has expired.
D. Lunalite being awarded an offshore XTD contract of at least 40 screens and that contract being successfully installed and generating revenue to Lunalite. This milestone expires within five years from completion of the acquisition (19 December 2014).

Refer to Note 28 for further details in respect to the performance shares granted.

E 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 (2018: Nil).

F Value of options to Directors

Incentive Options – Employees and Management

In the prior year a subsidiary of the group, Contact Light Pty Ltd (Contact Light), issued 445,000 incentive options to key management and consultants as part of their remuneration.

Options are granted in lieu of cash fees for no consideration and for a period not exceeding fifteen 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	23 Feb 2018	23 Feb 2032	$0.001	$1.4993	Between 23 Feb 2018 and 23 Feb 2032	90%	-	2032	-

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 Contact Light Pty Ltd. Further information on the options is set out in Note 28 to the Financial Statements.

G 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.

2019	Opening Balance	Received as Remuneration	Received During Year on Exercise of Options	Net Change Other	Closing Balance
Directors					
Mr Justus Wilde[1]	-	-	-	-	-
Mr Jason Byrne[1]	4,070,819	-	-	-	**4,070,819**
Mr Mark Niutta[1]	5,968,861	-	-	200,000	**6,168,861**
Mr Adam Cadwallader[2]	-	-	-	-	-
Mr Frank Hurley[3]	6,273,198	-	-	(6,273,198)	**-**
Mr Stuart Richardson[3]	2,372,598	-	-	(2,372,598)	**-**
Mr Joseph Copley[4]	183,333	-	-	(183,333)	**-**
Mr Quentin Gracanin[3]	442,833	-	-	(442,833)	**-**
	19,311,642	**-**	**-**	**(9,071,962)**	**10,239,680**

Notes:
1. Appointed 1 November 2018.
2. Appointed 1 August 2019.
3. Resigned 1 November 2018.
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 year.

**** Deferred performance shares for which the likelihood of these shares converting to ordinary shares was assessed by management to be highly unlikely. The expectation is that they will crystalise to nil shares and accordingly cumulative expenditure in relation to same has been reversed in full.

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:

	2019	2018	2017	2016	2015
Loss for the year	$1,291,054	$619,559	$2,584,725	$2,858,180	$8,943,251
Closing Share Price	2.00 cents	3.0 cents	10.0 cents	18.0 cents	21.0 cents
KMP Incentives	-	$835,859	$670,161	$1,435,812	$1,455,785
Total KMP Remuneration	$372,067	$1,335,954	$1,156,553	$1,851,980	$1,703,332

End of Audited Remuneration Report

14.SHARES UNDER OPTION

Unissued ordinary shares of the Group under option at the date of this report are as follows:

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*.

	2019	2018
	$	$
Non-Audit Services		
PKF Perth – Income Tax	8,910	8,030
Total of non- audit services provided to the Group	**8,910**	**8,030**

18.AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 17.

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

Mr Adam Cadwallader
Perth, Western Australia
Date: 30 August 2019

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 2019, 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.

PKF PERTH

SIMON FERMANIS
PARTNER

30 AUGUST 2019
WEST PERTH
WESTERN AUSTRALIA

Level 4, 35 Havelock Street, West Perth, WA 6005
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	Note	30-Jun-19 $	30-Jun-18 $
Revenue from continuing operations	8	2,918,273	3,100,863
Other income	8	218,586	356,593
Amortisation of intangibles		(124,470)	(124,470)
Commission expense		(888,920)	(842,085)
Consulting and advisory fees		(421,166)	(261,371)
Depreciation expense		(499,636)	(670,128)
Personnel expenses	9	(360,026)	(1,670,421)
Occupancy expenses		(93,456)	(90,524)
Professional fees		(235,179)	(344,955)
Share based payments - options	18	-	(1,300,643)
Reversal of performance rights share based payments	18	-	2,117,556
Travelling expenses		(68,670)	(105,368)
Impairment of assets		-	(235,526)
Share of loss in associate	21	(68,648)	-
Loss from loss of control of subsidiary		(867,619)	-
Other expenses		(837,463)	(586,420)
Loss from continuing operations before income tax		**(1,328,394)**	**(656,899)**
Income tax benefit	10	37,340	37,340
Loss from continuing operations after income tax		**(1,291,054)**	**(619,559)**
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		367	(1,359)
Total comprehensive loss for the year		**(1,290,687)**	**(620,918)**
Loss for the year is attributable to:			
Owners of the company		(1,377,646)	300,106
Non-controlling interests		86,592	(919,665)
		(1,291,054)	(619,559)
Total comprehensive loss for the year attributable to:			
Owners of the company		(1,377,279)	298,747
Non-controlling interests		86,592	(919,665)
		(1,290,687)	(620,918)
		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	27	(1.04)	0.2

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 22 to 52.

	Notes	30-Jun-19 $	30-Jun-18 $
Current Assets			
Cash & cash equivalents	11	2,206,527	2,032,769
Trade & other receivables	12	123,853	314,249
Total Current Assets		**2,330,380**	**2,347,018**
Non-Current Assets			
Plant & equipment	13	956,702	1,478,741
Investments	21	38, 813	–
Intangibles	14	248,935	373,405
Total Non-Current Assets		**1,244,450**	**1,852,146**
TOTAL ASSETS		**3,574,830**	**4,199,164**
Current Liabilities			
Trade & other payables	15	358,413	341,633
Provisions	16	-	30,762
Total Current Liabilities		**358,413**	**372,395**
Non-Current Liabilities			
Deferred tax liability		74,685	112,025
Total Non-Current Liabilities		**74,685**	**112,025**
TOTAL LIABILITIES		**433,098**	**484,420**
NET ASSETS		**3,141,732**	**3,714,744**
EQUITY			
Contributed equity	17	15,891,009	15,891,009
Reserves	18	207,862	1,227,019
Accumulated losses	19	(12,957,139)	(11,579,493)
Capital and reserves attributable to owners of the company		3,141,732	5,538,535
Non-Controlling interests	20	-	(1,823,791)
TOTAL EQUITY		**3,141,732**	**3,714,744**

The above consolidated statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 22 to 52.

XTD LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued Capital $	Share-based Payment Reserve $	Options Premium Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $	Non-controlling interests $	Total Equity $
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**
At 1 July 2017	**15,891,009**	**2,278,387**	**212,774**	**(3,920)**	**(13,417,571)**	**4,960,679**	**(895,459)**	**4,065,220**
Loss for the year	-	-	-	-	300,106	300,106	(919,665)	(619,559)
Exchange differences on translation of foreign operations	-	-	-	(1,359)	-	(1,359)	-	(1,359)
Total comprehensive loss for the year	**-**	**-**	**-**	**(1,359)**	**300,106**	**298,747**	**(919,665)**	**(620,918)**
Transactions with owners in their capacity as owners:								
Share-based payment – incentive options	-	1,300,643			-	1,300,643	-	1,300,643
Share-based payment – performance rights	-	739,172	-	-	-	739,172	-	739,172
Expiry of performance rights	-	(900,003)	-	-	900,003	-	-	-
Reversal of Share-based payment	-	(2,117,556)	-	-	-	(2,117,556)	-	(2,117,556)
Exercise of options in subsidiary		(281,119)	-	-	276,841	(4,278)	4,278	-
Disposal of shares in subsidiary	-	-	-	-	361,128	361,128	(12,945)	348,183
At 30 June 2018	**15,891,009**	**1,019,524**	**212,774**	**(5,279)**	**(11,579,493)**	**5,538,535**	**(1,823,791)**	**3,714,744**

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 22 to 52.

	Note	30-Jun-19 $	30-Jun-18 $
Cash flows from operating activities			
Receipts from customers		3,245,669	2,970,804
Payment to suppliers and employees		(3,004,439)	(3,380,342)
Interest received		4,275	5,510
Research and development grant		202,311	351,083
Net cash inflow/(outflow) from operating activities	26	**447,816**	**(52,945)**
Cash flows from investing activities			
Payment for property, plant and equipment		(1,245)	(109,674)
Deposits for business evaluation		(50,000)	-
Proceeds from the disposal of property, plant and equipment		10,000	-
Loss of cash from deconsolidation		(269,799)	342,178
Net cash inflow from investing activities		**(311,044)**	**232,504**
Net increase in cash and cash equivalents		136,772	179,559
Cash and cash equivalents at beginning of year		2,032,769	1,830,292
Effects of exchange rate changes		36,986	22,918
Cash and cash equivalents at end of year		**2,206,527**	**2,032,769**

The above consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 22 to 52.

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 2019.

The financial statements were authorised for issue by the Board of Directors on 30 August 2019.

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. During the year Class D performance shares were assessed at a nil probability of crystalising into shares and accordingly the cumulative expense was written back.

(ii) Estimated impairment of non-current 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 recognized as deferred tax assets. The utilization 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 utilized. Deferred tax assets are only recognized to the extent that it's probable that future maintainable profits will utilize the carry forward losses.

3. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

New, revised or amending Accounting Standards and Interpretations adopted
The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The Adoption did not have a material impact on the financial report.

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

(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 2019 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.

(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) Plant and equipment

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%

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.

(f) Trade and other receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts. 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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).

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 (Research and Development and Export Market)

Research and Development and Export Market grants of $202,311 are included in the “Other Income” line item in the Statement of Profit or Loss and Other Comprehensive Income. These grants re recognized 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.

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, it’s carrying value is written off.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Investments and Other Financial Assets (continued)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) New standards and interpretation not yet adopted

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the consolidated group (or the company) but are not yet effective. This assumes the following have not been adopted in preparation of the financial statements at the reporting date. The impact of adoption those standards has not been determined.

Australian Accounting Standards

AASB No.	Title	Application date of standard *	Issue date
AASB 2017-4	Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments	1 January 2019	July 2017
AASB 2017-6	Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	1 January 2019	December 2017
AASB 2017-7	Amendments to Australian Accounting Standards – Long-term Interests in Associates and Joint Ventures	1 January 2019	December 2017
AASB 2018-1	Amendments to Australian Accounting Standards – Annual Improvements 2015-2017 Cycle	1 January 2019	February 2018
AASB 2018-2	Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement	1 January 2019	March 2018
AASB 2018-5	Amendments to Australian Accounting Standards - Deferral of AASB 1059	1 January 2019	October 2018
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 2018
AASB 2019-1	Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	May 2019
AASB 16	Leases	1 January 2019	February 2016
AASB 1059	Service Concession Arrangements: Grantors	1 January 2020	July 2017
AASB Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019	June 2017

* 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-19	30-Jun-18
	$	$
Financial assets		
Cash and cash equivalents	2,206,527	2,032,769
Trade and other receivables	123,853	249,501
	2,330,380	2,282,270
Financial liabilities		
Trade and other payables	358,413	341,633
	358,413	341,633

5. FINANCIAL RISK MANAGEMENT (continued)

(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-19		30-Jun-18	
	Weighted average interest rate	$	Weighted average interest rate	$
Financial assets				
Cash & cash equivalents	0.059%	2,206,527	0.25%	2,032,769

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.

		Interest rate risk			
		- 100 bps		+ 100 bps	
	Carrying amount $	Profit AUD $	Equity AUD $	Profit AUD $	Equity AUD $
30 June 2019 Financial Assets					
Cash & cash equivalents	2,206,527	(1,302)	(1,302)	22,065	22,065
30 June 2018 Financial Assets					
Cash & cash equivalents	2,032,769	(5,082)	(5,082)	20,327	20,327

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

5. FINANCIAL RISK MANAGEMENT (continued)

(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-19**	**30-Jun-18**
	$	**$**
National Australia Bank –AA3	15,546	1,623,464
Westpac –AA3	2,190,981	405,605
HSBC – INDA1+	-	3,700

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.

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.

2019	**<6 months $**	**6-12 months $**	**>12 months $**	**Total Contractual Cash Flows $**	**Carrying Amount $**
Financial liabilities					
Trade and other payables	358,413	-	-	358,413	358,413
2018					
Financial liabilities					
Trade and other payables	341,633	-	-	341,633	341,633

6. 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.

7. 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 mobile app development for integration with out-of-home transit digital advertising systems (Contact Light).

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 2019, $2,918,273 (2018: $ 2,867,863) 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 2019	**XTD Ltd**	**Contact Light**	**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. SEGMENT INFORMATION (continued)

30 June 2018	**XTD Ltd**	**Contact Light**	**Total**
	$	**$**	**$**
Income	3,072,185	385,271	3,457,456
Commission - rail operators	(842,085)	-	(842,085)
Expenses	(1,822,531)	(732,883)	(2,555,414)
Income tax expense	37,340	-	37,340
Operating profit/(loss)	**444,909**	**(347,612)**	**97,297**
Other significant items:			
Share based payments	1,378,385	(1,300,643)	77,742
Depreciation	(665,062)	(5,066)	(670,128)
Assets			
Cash and cash equivalents	1,929,764	103,005	2,032,769
Trade and other receivables	292,825	21,424	314,249
Plant & equipment	1,476,418	2,323	1,478,741
Intangibles	373,405	-	373,405
	4,072,412	**126,752**	**4,199,164**
Liabilities			
Trade and other payables	331,670	9,963	341,633
Provisions	6,000	24,762	30,762
Deferred tax liability	112,025	-	112,025
	449,695	**34,725**	**484,420**

8. REVENUE

The Group derives the following types of revenue:

	30-Jun-19	**30-Jun-18**
	$	**$**
Sales Revenue		
Rental income	2,918,273	2,867,863
Other Revenue and Other Income		
Interest income	4,275	5,510
Miscellaneous Income	-	10,000
Other	12,000	223,000
Research and development grant	202,311	351,083
	218,586	589,593
Total revenue and other income from continuing operations	**3,136,859**	**3,457,456**

Revenues of $2,918,273 (2018: $2,867,863) are derived from a single external customer. These revenues relate to leasing income.

9. EXPENSES

Loss for the year includes the following specific expenses:

	30-Jun-19	30-Jun-18
	$	$
Personnel expenses		
Wages and salaries (including provisions)	277,192	627,730
Employee motor vehicle expenses	-	10,499
Superannuation	23,397	59,148
Payroll Tax Expense	58,857	-
Employee benefits share based payment (Note 27) (i)	-	557,638
Directors fees	322,149	232,680
Directors benefits share based payment (Note 27) (i)	-	182,726
	681,595	**1,670,421**

(i) Employee and director share based payments relate to the vesting expense of Class C and Class D performance rights issued in the 2015 financial year. Class C expired in the previous period. Class D were reassessed at 30 June 2018 and it was determined that there was nil probability of these performance rights crystallising into shares and accordingly the cumulative expense recognised to 30 June 2018 was reversed resulting in a $2,117,556 credit to the consolidated statement of profit or loss.

10. INCOME TAX EXPENSES

	30-Jun-19	30-Jun-18
	$	$
(a) Income tax expense:		
Current income tax	-	-
Deferred income tax	(37,340)	(37,340)
Current income tax benefit	-	-
	(37,340)	(37,340)
(b) Reconciliation of Income tax expense to prima facie tax payable:		
Loss before income tax	(1,328,394)	(656,899)
Prima facie income tax at 27.5%	(365,308)	(180,647)
Non-deductible expenditure	(24,570)	(89,923)
Timing differences not recognized	352,538	233,230
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	911,585	1,073,529
Carry forward revenue losses-Foreign	32,908	16,193
Property, plant and equipment	14,714	128,017
Deductible temporary differences	33,876	42,739
Unrecognised deferred tax assets	**993,083**	**1,260,478**
(d) Deferred tax liabilities		
Business combination – intangible	77,796	102,688
Other temporary differences	24,641	14,418
Property, plant and equipment	25,726	-
	128,163	**117,106**

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.

11. CASH AND CASH EQUIVALENTS

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

	30-Jun-19	30-Jun-18
	$	$
Cash at bank and in hand	2,206,527	2,032,769
	2,206,527	**2,032,769**

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).

12. TRADE & OTHER RECEIVABLES

	30-Jun-19	30-Jun-18
	$	$
Trade and other receivables	71,568	249,501
Prepayments	52,286	64,748
	123,854	**314,249**

(a) Trade receivables past due but not impaired

There were no trade receivables past due but not impaired.

(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.

13. PLANT AND EQUIPMENT

	30-Jun-19 $	30-Jun-18 $
Plant and equipment	956,702	1,478,741
	956,702	1,478,741
Reconciliation:		
Balance at the beginning of the year	1,478,741	2,296,282
Additions	3,745	87,708
Provision for impairment	3,757	(235,121)
Loss on disposal of property, plant and equipment	(29,905)	-
Depreciation expense	(499,636)	(670,128)
Balance at the end of the year	956,702	1,478,741

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

14. INTANGIBLES

	30-Jun-19 $	30-Jun-18 $
Contract rights (a)		
At cost	871,285	871,285
Accumulated amortisation	(622,350)	(497,880)
	248,935	373,405

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).

15. TRADE & OTHER PAYABLES

	30-Jun-19 $	30-Jun-18 $
Trade creditors	65,121	135,728
Accrued expenses	273,772	145,638
Other payables	19,520	60,267
	358,413	**341,633**

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-19	30-Jun-18
	$	$
Provision for annual leave	-	30,762
	-	**30,762**

17. ISSUED CAPITAL

(a) Share Capital

	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

	30-Jun-18	
	$	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-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**	

17. ISSUED CAPITAL (continued)

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

	30-Jun-18		
	$	**No.**	**Issue price per ordinary share**
Opening balance	15,891,009	132,986,077	
Balance at 30 June 2018	**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) Incentive Options – Employees and Management

In the previous year a former subsidiary of the group, Contact Light Pty Ltd (Contact Light), issued incentive options to key management and consultants as part of their remuneration of $1,300,643. The options have an exercise price of $0.001 and expire on 30 June 2032. Refer to note 28 for further details on the incentive options issued.

18. RESERVES

	30-Jun-19	30-Jun-18
	$	$
Share-based payments reserve	-	1,019,524
Options premium reserve	212,774	212,774
Foreign currency translation reserve	(4,912)	(5,279)
Balance at the end of the year	**207,862**	**1,227,019**

	30-Jun-19	30-Jun-18
	$	$
Share-based payments reserve		
Balance at the beginning of the year	1,019,524	2,278,387
Performance shares vesting expense	-	739,172
Expiry of Tranche C performance shares	-	(900,003)
Reversal of valuation of Tranche D performance shares	-	(2,117,556)
Exercise of options in subsidiary	-	(281,119)
Deconsolidation of Contact Light	(1,019,524)	-
Valuation of employee incentive options in subsidiary	-	1,300,643
Balance at the end of the year	**-**	**1,019,524**

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

	30-Jun-19	30-Jun-18
	$	$
Options premium reserve		
Balance at the beginning of the year	212,774	212,774
Balance at the end of the year	**212,774**	**212,774**

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

18. RESERVES (continued)

	30-Jun-19	30-Jun-18
	$	$
Foreign currency translation reserve		
Balance at the beginning of the year	(5,279)	(3,920)
Exchange difference arising on translation of foreign operations	367	(1,359)
Balance at the end of the year	**(4,912)**	**(5,279)**

(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-19	30-Jun-18
	$	$
Accumulated losses at the beginning of the financial year	(11,579,493)	(13,417,571)
Net profit/(loss) attributable to members of the Company	(1,377,646)	300,106
Disposal of shares in subsidiary (see note 20)	-	361,128
Expiry of Class C performance rights	-	900,003
Exercise of options in subsidiary	-	276,841
Accumulated losses at the end of the financial year	(12,957,139)	(11,579,493)

20. NON-CONTROLLING INTERESTS

	30-Jun-19	30-Jun-18
	$	$
Balance at the beginning of the year	**(1,823,791)**	**(895,459)**
Interest in:		
Fair value of net liabilities acquired by the minority	-	(8,667)
Deconsolidation in Contact Light	1,737,199	-
Share of the loss for the current period	86,592	(919,665)
Balance at the end of the year	**-**	**(1,823,791)**

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 current 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 only one common director between XTD Ltd and Contact Light. From 11 July 2019 up until 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, have deconsolidated Contact Light from XTD's accounts from 1 November 2018 and have equity accounted from this date onwards. XTD Ltd maintains significant influence over Contact Light via its current 41.87% ownership. The board of XTD Ltd has impaired the value of the investment in Contact Light during the period. The loss on deconsolidation of Contact Light in the period is $867,619.

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 2019	Ownership interest 2018
Contact Light Pty Ltd	Australia	42%	47%

21. INTERESTS IN ASSOCIATES (continued)

Summarised financial information

	Contact Light Pty Ltd 30-Jun-19 $
Summarised statement of financial position	
Current assets	157,710
Non-current assets	2,233
Total assets	159,943
Current liabilities	67,241
Non-current liabilities	-
Total liabilities	67,241
Net assets	92,702
Summarised statement of profit or loss and other comprehensive income	
Revenue	93,500
Expenses	(245,025)
Profit before income tax	(151,525)
Income tax expense	-
Profit after income tax	(151,525)
Other comprehensive income	-
Total comprehensive income	(151,525)
Reconciliation of the consolidated entity's carrying amount	
Carrying amount at date of loss of control	107,461
Share of loss after income tax	(68,648)
Closing carrying amount	38,813

22. 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 2019	Ownership interest 2018
Parent Entity				
Lunalite International Pty Ltd	Australia	Ordinary	-	-
Subsidiaries				
Red Hawk Resources Ltd	Australia	Ordinary	100%	100%
XTD Ltd	Australia	Ordinary	100%	100%
Contact Light Pty Ltd	Australia	Ordinary	42%	47%
Outdoor Digital Solutions Pty Ltd	Australia	Ordinary	100%	100%
XTD India Private Limited	India	Ordinary	100%	100%

Red Hawk Resources Ltd was incorporated on 16 May 2011.
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 as common control of Contact Light has been lost due to the resignation of XTD board members.

(c) Key management personnel compensation

The key management personnel compensation is as follows:

	30-Jun-19	30-Jun-18
	$	$
Short-term benefits	365,817	394,174
Post-employment benefits	6,250	16,843
Share-based payments	-	924,937
	372,067	1,335,954

23. REMUNERATION OF AUDITORS

	30-Jun-19 $	30-Jun-18 $
Amounts received or due and receivable by PKF Perth for:		
(i) An audit or review of the financial report of the entity	**47,950**	**46,400**
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	**8,910**	**8,030**
	8,910	**8,030**
Total of non-audit services provided to the Group	**8,910**	**8,030**

24. GUARANTEES, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Under the services contract in place with XTD, Metro Trains Melbourne's annual minimum revenue guarantee is $nil for the first year. The minimum guarantee is to be set at 30% of the net advertising revenue for the first year of the contract. The revised amount is not currently quantifiable as the first full year of generating advertising revenue has not been completed. The minimum guarantee is in place for the term of the contract (7 years).

Under the services contract in place with XTD, Queensland Rail's is entitled to an 18% revenue share, inclusive of an annual minimum revenue guarantee of $137,496. The minimum guarantee is fixed for the term of the contract.

Under the new sales agency agreement with APN outdoor, the minimum guarantee of lease income to the group is $2,850,000 per annum for the first year with a 2% plus CPI increase for every year thereafter.

No other guarantee or contingent liabilities/assets were noted for the Group for the year ended 30 June 2019.

25. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the Period on 10 July 2019 the Company announced the appointment of Mr Adam Cadwallader as CEO and Managing Director, succeeding interim CEO Jason Byrne effective 1 August 2019.

No other matter or circumstance has arisen since 30 June 2019 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-19 $	30-Jun-18 $
Net loss after income tax	**(1,291,054)**	**(619,559)**
Adjustments for:		
Amortisation of intangibles	124,470	124,470
Depreciation	499,636	670,128
Directors benefits expense	-	182,726
Employee benefits expense	-	557,638
Impairment of property, plant and equipment	119,514	235,236
Impairment - carrying value of Contact Light investment	68,648	-
Loss on disposal of property, plant and equipment	29,905	19,143
Share-based payments	-	1,300,643
Reversed of share-based payment expense - performance shares	-	(2,117,556)
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	(190,396)	(163,322)
Increase/(decrease) in trade and other payables (operating)	16,780	(190,270)
Increase/(decrease) in trade and other payables	(29,765)	(14,882)
Increase/(decrease) in deferred tax liability	(37,340)	(37,340)
Net cash inflow/(outflow) from operating activities	**447,816**	**(52,945)**

27. EARNINGS PER SHARE

Basic profit/ (loss) per share

The calculation of basic profit/(loss) per share at 30 June 2019 was based on the profit attributable to ordinary shareholders of $(1,377,646) and a weighted average number of ordinary shares outstanding during the year ended 30 June 2019 of 132,986,077calculated as follows:

	30-Jun-19 $	30-Jun-18 $
Loss attributable to ordinary shareholders	(1,377,646)	300,106
Weighted average number of ordinary shares	132,986,077	129,555,739
Basic profit/ (loss) per share (cents per share)	(1.04)	0.2

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 shares

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

The company initially assessed each class as being probable of being achieved and therefore recognised an expense over the expected vesting period. Class A and Class B Performance milestones was however achieved during prior years. Accordingly, the full expense has been recognised.

The details of each class are tabled below:

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

Performance Milestones:

A. First revenue to Lunalite from Queensland Contract. This milestone expires two years from completion of the acquisition (19 December 2014). This condition was met during the 2015 financial year.
B. Security mobile application being developed and either being adopted by one rail operator, or achieving a minimum of 200,000 subscribers. This milestone expires two years from completion of the acquisition (19 December 2014). This condition was met during the 2016 financial year.
C. Lunalite generating total revenue of at least $5 million in any 12 month period. This milestone expires three years from completion of the acquisition (19 December 2014). This tranche expired in the current year.
D. Lunalite being awarded an offshore XTD contract of at least 40 screens and that contract being successfully installed and generating revenue to Lunalite. This milestone expires within five years from completion of the acquisition (19 December 2014). This tranche was reassessed per the below.

The total expense arising from share-based payment transactions recognised during the period in relation to the performance shares issued was $nil (2018: $739,112). During the year management reviewed the probability of the Tranche D performance shares converting to ordinary shares and determined it to be nil. Therefore, all prior expenses recognised in relation to Tranche D performance shares have been reversed during the year. This resulted in a write back to the statement of profit or loss in the prior year in the amount of $2,117,556.

28. SHARE-BASED PAYMENTS (continued)

(b) Incentive Options – Employees and Management

A former subsidiary of the group, Contact Light Pty Ltd (Contact Light), issued incentive options in the prior year to key management and consultants as part of their remuneration.

962,500 listed options were issued during the prior year to key management and consultants. The options have an exercise price of 0.1 cents each and expire on 30 June 2032. Each incentive option will convert into 1 ordinary share of Contact Light Pty Ltd upon exercise of the options The company has assessed applicable milestones associated with the options as having been achieved and have therefore immediately recognised the full expense on grant. The option value was calculated using the Black-Scholes Model. The value of the options has been determined using the Black-Scholes Model as they were issued in accordance with an agreement rather than on receipt of a vendor invoice. The option reserve records items recognised on valuation of director, employee and contractor share options as well as share options issued during the course of a business combination.

Of the 962,500 options issued 95,000 have been assessed at a nil probability of crystallizing into ordinary shares and accordingly are not assigned a value.

The assessed fair values of the options were determined using a Black-Scholes option pricing model, considering 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 (%)	80
Risk-free interest rate (%)	2.0
Expected life of options (years)	15.0
Option exercise price	0.001
Share price at grant date	1.500
Value of option ($)	1.4993

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

The value recognised in the prior year statement of profit or loss amounted to $1,300,643.

29. PARENT ENTITY FINANCIAL INFORMATION

	30-Jun-19	30-Jun-18
	$	$
Current Assets	1,145,274	1,331,471
Non-Current Assets	916,623	1,712,822
Total Assets	**2,061,897**	**3,044,293**
Current Liabilities	172,848	1,217,293
Non-Current Liabilities	74,685	112,025
Total liabilities	**247,533**	**1,329,318**
Contributed equity	5,108,554	5,108,554
Accumulated losses	(3,294,190)	(3,393,579)
Total equity	**1,814,364**	**1,714,975**
Profit/(Loss) for the year	(99,389)	(118,504)
Other comprehensive loss for the year	-	-
Total comprehensive profit/(loss) for the year	**(99,389)**	**(118,504)**

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 2019 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 2019.

On behalf of the Directors

Mr Adam Cadwallader
Managing Director
Perth, Western Australia
30 August 2019

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 2019, 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 2019 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility 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 Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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 Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were 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 opinion on these matters.

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Impairment of non-current assets

Why significant	How our audit addressed the key audit matter
Non-current assets total $1,244,450 at 30 June 2019 which amounts to 34% of total assets. Non-current assets comprise, Plant & Equipment and Intangibles which total $956,702 (Note 13) and $248,935 (Note 14) respectively. Both assets have definite useful lives. Under Australian Accounting Standards, an entity shall assess whether at the end of the reporting period there is any indication that such 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 2019 and as indicated in Note 2 (d) (iii), the consolidated entity concluded that there are no triggers of impairment.	We considered the consolidated entity's conclusion by: - Evaluating the historical financial performance of the cash generating unit; - Reviewing cash flow projections of the cash generating unit; and - Considering other matters such as the terms of the new sales agency agreement entered into during the year. We also considered the adequacy of the financial report disclosures at Note 13 and 14 and Note 2(d) (iii) concerning the consolidated entity's assessment of impairment of these non-current assets.

Other Information

Other information is financial and non-financial information in the annual report of the consolidated entity which is provided in addition to the Financial Report and the Auditor's Report. The directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report were the Director's report and Shareholder's Information. 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, the auditor does not and will not express an audit opinion or 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. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

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 Note 2(a), the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

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 a 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 responsibility is to express an opinion on the financial report based on our audit. 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 and 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, individual 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 skepticism throughout the audit.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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.
We 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.

We 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 financial report. We are responsible for the direction, supervision and performance of the 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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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, related safeguards.

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 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

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

Opinion

In our opinion, the Remuneration Report of XTD Limited for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

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

SIMON FERMANIS
PARTNER

30 AUGUST 2019
WEST PERTH
WESTERN AUSTRALIA

The following additional information was applicable as at 8 August 2019.

There are a total of 132,986,077 ordinary fully paid shares on issue and 5,000,000 quoted options exercisable at $0.22 on or before 28 June 2020.

DISTRIBUTION OF SHARE HOLDERS

Distribution of Holders	Number of Fully Paid Ordinary Shareholders
1 – 1,000	176
1,001 – 5,000	179
5,001 – 10,000	89
10,001 – 100,000	283
100,001 and above	150
TOTAL	**877**

DISTRIBUTION OF LISTED OPTIONHOLDERS

Distribution of Holders	Number of Listed Option Holders
1 – 1,000	-
1,001 – 5,000	-
5,001 – 10,000	-
10,001 – 100,000	45
100,001 and above	8
TOTAL	**53**

VOTING RIGHTS OF 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.

TERMS AND CONDITIONS OF QUOTED OPTIONS

The material terms of the quoted options are as follows:

(a) Each option (**Option**) entitles the holder to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) at an exercise price of 22.0 cents (**Exercise Price**).

(b) The Options are exercisable at any time on or before 5.00pm Western Standard Time on 28 June 2020 (**Expiry Date**). Options may only be exercised in multiples of 1,000. Any Options not exercised by the Expiry Date shall lapse.

(c) Options may not be exercised if the effect of such exercise and subsequent allotment of the Shares would be to create a holding of less than a marketable parcel of Shares unless the allottee is already a shareholder of the Company at the time of exercise.

(d) Exercise of the Option is effected by completing a notice of exercise of option and delivering it to the registered office of the Company together with payment of 22 cents per Option exercised.

(e) A notice of exercise is only effective when the Company has received the full amount of the Exercise Price in cash or cleared funds.

(f) The Options are freely transferable, subject to any offer for sale of the Options complying with section 707 of the Corporations Act (if applicable).

(g) All Shares issued upon exercise of the Options and payment of the Exercise Price will rank equally in all respects with the Company's then existing Shares. The Company will apply for Official Quotation by ASX of all Shares issued upon exercise of the Options within three days of the issue of the Shares.

(h) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new entitlement issues of capital offered to shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, Option holders are given such period required by the Listing Rules of ASX to give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(i) If from time to time before the expiry of the Options the Company makes an issue of shares to the holders of ordinary shares by way of capitalisation of profits or reserves (a "bonus issue") other than in lieu of a dividend payment, then upon exercise of an Option the Optionholder will be entitled to have issued to it (in addition to the shares which it is otherwise entitled to have issued to it upon such exercise) additional shares in the Company. The number of additional shares is the number of shares which would have been issued to it under that bonus issue (bonus shares) if on the date on which entitlements were calculated it had been registered as the holder of the number of shares which it would have been registered as holder if immediately before that date it had exercised its Options. The bonus shares will be paid up by the Company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the Options.

(j) The period during which the Options may be exercised cannot be extended.

(k) In the event of any reconstruction, including a consolidation, subdivision, reduction or return of the issued capital of the Company prior to the Expiry Date, the number of Options which each holder is entitled or the Exercise Price of the Options or both will be reconstructed as appropriate in a manner which is in accordance with the Listing Rules and will not result in any benefits being conferred on Optionholders which are not conferred on shareholders, subject to such provision with respect to the rounding of entitlements as may be sanctioned by the meeting of shareholders approving the reconstruction of capital, but in all other respects the terms of exercise of the Options will remain unchanged. The rights of an Optionholder may be changed to comply with the Listing rules applying to a reorganisation of capital at the time of the reconstruction.

RESTRICTED SECURITIES

The Company currently has no securities subject to ASX escrow.

SHARE BUY-BACKS

There is no current on-market buy-back scheme.

SUBSTANTIAL HOLDERS

The names of the substantial shareholders and the number of shares to which they are entitled are:

F.H.C. Wilson Pty Ltd	10,925,402 (8.22%)
Keneric Nominees Pty Ltd	7,189,390 (5.41%)

The names of holders of quoted options with greater than 5% of the class of securities on issue are as follows:

A & J TANNOUS NOMINEES PTY LTD	1,100,000 (22.00%)
MR ANDREW SCOTT WILLIS	500,000 (10.00%)
MRS JEAN TANNOUS	500,000 (10.00%)
BL CAPITAL PTY LTD	500,000 (10.00%)
MR DEAN POTTER	500,000 (10.00%)
SACCO DEVELOPMENTS AUSTRALIA	400,000 (8.00%)
ASENNA WEALTH SOLUTIONS PTY	280,000 (5.60%)

TWENTY LARGEST SHAREHOLDERS (As at 8 August 2019)

No.	Name	Number Held	Percentage
1	F H C WILSON PL	10,925,402	8.22%
2	KENERIC NOM PL	7,189,390	5.41%
3	MAYACARA PL	6,136,835	4.61%
4	J P MORGAN NOM AUST PL	6,074,610	4.57%
5	S LOADER PL	4,846,765	3.64%
6	WILDISEN STEVEN ANTHONY	4,170,623	3.14%
7	MARK NIUTTA PL	4,126,689	3.10%
8	*WILDISEN GREGORY JOSEPH	3,741,597	2.81%
9	BLEASDALE PAUL	3,407,146	2.56%
10	BRAHAM INV PL	3,264,421	2.45%
11	M STANTON INV PL	2,500,000	1.88%
12	ATHERTON KURT BARTON	2,203,453	1.66%
13	*BYRNE JASON CHRISTOPHER	2,100,000	1.58%
14	WISEUP INV PL	2,068,418	1.56%
15	HADDON MATTHEW	2,044,060	1.54%
16	FANDEXA NOM PL	1,970,819	1.48%
17	CCK WA PL	1,881,004	1.41%
18	MARK NIUTTA PL	1,842,172	1.39%
19	WILSON FRANCIS HAROLD C	1,792,735	1.35%
20	JEENA NISCHAL DINESH	1,600,000	1.20%
	Sub-Total	**73,886,139**	**55.56%**
	Total Remaining Balance	**59,099,938**	**44.33%**
	Grand Total	**132,986,077**	**100.00%**

TWENTY LARGEST OPTIONHOLDERS (As at 8 August 2019)

No.	Name	Number Held	Percentage
1	A & J TANNOUS NOM PL	1,100,000	22.00%
2	POTTER DEAN	500,000	10.00%
3	TANNOUS JEAN	500,000	10.00%
4	WILLIS ANDREW SCOTT	500,000	10.00%
5	BL CAP PL	500,000	10.00%
6	SACCO DVLMTS AUST PL	400,000	8.00%
7	ASENNA WEALTH SOLUTIONS P	280,000	5.60%
8	MCVICAR KIM ROBERT C	200,000	4.00%
9	TANNOUS GEORGE	100,000	2.00%
10	ALBITAR NATALIE	100,000	2.00%
11	ANGLO MENDA PL	100,000	2.00%
12	SILVER STEPHEN	50,000	1.00%
13	SMYTHE BRUCE W + R J	30,000	0.60%
14	PORTER MICHAEL R + P M	30,000	0.60%
15	WHAIRO CAP PL	30,000	0.60%
16	TONY RISTEVSKI PL	20,000	0.40%
17	SAAD JOSEPH	20,000	0.40%
18	SEED STRATEGIC ADVISORY P	15,000	0.30%
19	DITIZIO ANTHONY + RACHEL	15,000	0.30%
20	SANGHAVI HETAL	15,000	0.30%
	Sub-Total	**4,505,000**	**90.10%**
	Total Remaining Balance	**495,000**	**9.90%**
	Grand Total	**5,000,000**	**100.00%**

OTHER INFORMATION

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