

19 August 2020
Market Announcements Platform
ASX Limited

PLACEMENT & UNDERWRITTEN RIGHTS ISSUE TO RAISE UP TO \$2.3 MILLION

Highlights

- **Placement and Fully Underwritten 1-for-5 Non-renounceable Rights Issue to raise up to \$2.3 million**
- **The Placement was cornerstoned by Capital H Management which specialises in identifying and investing in emerging growth companies**
- **Directors & Executives also subscribed for up to \$170,000 on the same terms (subject to shareholder approval)**
- **Post completion of the deal XTD will be well capitalised to expand its product offerings and expedite growth both organically and inorganically through potential acquisition opportunities**

Cross Track Digital (XTD) is pleased to announce that it is undertaking a non-renounceable rights issue offered on the basis of one new share for every five shares held (**Rights Issue**) at \$0.039 per share together with (1) free attaching option for every two new Shares subscribed for, to raise up to approximately \$1.22 million (before costs). In addition, the Company has received firm commitments to raise \$1,035,014 by way of a two-tranche placement on the same terms as the Rights Issue (**Placement**).

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

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

XTD Managing Director Adam Cadwallader said "We are pleased to give shareholders the opportunity to participate in the Company's growth plans through this issue. Since August last year, XTD has been relentlessly focussed on diversifying our business, pursuing our move beyond the rail contracts and we remain on track and on task. XTD continues to evaluate and pursue possible acquisitions and organic based propositions. Our emphasis on this continues to be vigorous with the current market conditions presenting quality options worthy of consideration."

The issue price represents a discount of 23.8% to the Company's 30-day VWAP of \$0.051.

The Rights Issue is open to all eligible shareholders who have a registered address within Australia and New Zealand and who hold Shares on the Record Date. The Rights Issue will close on Friday 18 September 2020 (unless extended).

All New Shares issued will rank equally with existing shares on issue and the Company will apply for quotation of the New Shares and New Options. Subscribers to the Rights Issue will also receive a 1-for-2 attaching option exercisable at \$0.08 each expiring 30 September 2023. A prospectus in relation to the Rights Issue will be lodged with ASIC shortly and, together with a personalised entitlement acceptance form, will be sent to eligible shareholders shortly after the Record Date.

Eligible shareholders should consider the prospectus in deciding whether to acquire securities under the Rights Issue and will need to complete the personalised entitlement and acceptance form that will accompany the prospectus. The following are indicative dates in respect of the capital raising:

Event	Target Date
Announcement of the Offers	Wednesday, 19 August 2020
Lodgement of this Prospectus/3B	Tuesday, 25 August 2020
Ex date (Shares trade ex entitlement)	Thursday, 27 August 2020
Record date to determine Entitlement (Record Date)	Friday, 28 August 2020
Prospectus with Entitlement and Acceptance Form dispatched	Wednesday, 2 September 2020
Entitlement Offer, Shortfall Offer and Underwriter Offer opens for receipt of Applications	
Last date to extend the Entitlement Offer	Tuesday, 15 September 2020
Closing date for acceptances under the Entitlement Offer and Underwriter Offer	Friday, 18 September 2020
Notify ASX of under-subscriptions	Wednesday, 23 September 2020
Issue of New Securities under the Entitlement Offer	Friday, 25 September 2020
Dispatch of holding statements	Friday, 25 September 2020
Underwriting settlement date	Friday, 25 September 2020
Normal trading of New Shares expected to commence	Monday, 28 September 2020
Last date to issue Shortfall Securities	Saturday, 19 December 2020

All dates (other than the date of the prospectus and the date of lodgement of the prospectus with ASIC and ASX) are indicative only. The Directors may extend the Closing Date by giving at least 3 Business Day's notice to ASX. The Company reserves the rights, subject to the Corporations Act and Listing Rules and other applicable laws, to vary any other date of the Offers, including accepting late applications, either generally or in particular cases, without notice.

Placement

In conjunction with the Rights Issue, XTD will complete a placement to sophisticated and professional investors to raise up to \$1,035,014 via a two-tranche placement comprising:

1. A placement of 18,846,518 Shares at an issue price of \$0.039 to raise \$735,014 (before costs) (**Tranche 1 Placement**). The Tranche 1 Placement Shares will be issued using the Company's existing placement capacities pursuant to ASX Listing Rules 7.1 (5,547,911 shares) and 7.1A (13,298,607 shares);
2. Subject to shareholder approval a further issue of up to 7,692,310 Shares at an issue price of \$0.039 to raise \$300,000 (**Tranche 2 Placement**); and
3. CEO/MD Adam Cadwallader, COO, Michael Johnstone and Directors Justus Wilde and Jason Byrne intend to seek shareholder approval to subscribe for up to a total of \$170,000 of the Tranche 2 Placement; and
4. The Company will seek shareholder approval to issue up to an additional 6,410,257 Shares at an issue price of \$0.039 to be issued on a best endeavours basis.

Subscribers to the Placement will also receive a 1-for-2 attaching option exercisable at \$0.08 each expiring 30 September 2023, to be issued subject to shareholder approval. Taylor Collison will also be issued with 4 million options exercisable at \$0.08 expiring 30 September 2023 as Lead Manager and Underwriter to the issue, subject to shareholder approval.

ENDS

This release has been authorised by the Board of XTD. For further information contact:

Adam Cadwallader
Chief Executive Officer
+61 419 999 867
adam.cadwallader@xtd.tv