



XTD Limited
ABN 43 147 799 951

31 December 2019

Market Announcements Platform

ASX Limited

XTD Limited completes acquisition of Adline Media Pty Ltd

XTD Limited (ASX:XTD) is pleased to advise that it has today completed its acquisition of diversified media and marketing company Adline Media Pty Ltd. With the closing of the transaction, the Adline business will be integrated into XTD From January 2, 2020.

XTD Chief Executive Officer, Adam Cadwallader, said the completion was the beginning of a diversified media future with Adline enabling XTD to grow a business in the community sport and leisure sector with clearly identified plans to expand the Adline business in the pursuit of reaching people that play for fun.

“The Adline team have strengthened and systemised the business of social sport, creating new and diversified pathways with media, software and supply” Mr Cadwallader said.

“Brands have plenty of places to communicate with people one-to-one, and outdoor advertising is a fantastic one to many media - Adline allows brands to uniquely communicate with social sporting communities deeply and at scale and is an increasingly sought after market that has the distinct possibility to expand”.

“The business has strong, diversified and established revenue streams. The acquisition will allow the team to innovate with first party data, accelerate its plans to increase its commercial base and continue to work with the businesses of indoor sporting and leisure environments to create increased customer experiences through out-of-home, online and eMarketing”.

This update is authorised on behalf of XTD Limited by:

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EXECUTIVE SUMMARY

Acquisition of Adline

XTD has completed the transaction to acquire 100% of Adline Media Pty Ltd.

Overview of Adline

Adline is an out-of-home media and marketing company comprising of:

- Digital and Static (classic) outdoor advertising formats placed within indoor sporting and leisure environments across 65 locations Australia wide.
- Sports software re-seller agreements across 94 sports centres, covering more than 20,000 active teams and sporting groups including rights to online media, e-marketing and first party data.
- Supply agreements across 136 locations giving centres access to group incentivised pricing with major beverage and other group supply requirements.
- Further access to first part data information with Wi-Fi analytics providing brands with quality audience information in real time to activate campaigns directly to the sports and communities at the right time and place.

Rationale

- XTD continues to be focussed on the Out-Of-Home sector
- Adline complements XTD's management expertise and existing business
- Offers XTD the opportunity to diversify revenue and build in an uncontested area of media.
- XTD expects to be able to accelerate Adline's business through considered investment in new locations and human resource in media sales.

Funding & Financials

- EPS Accretive.
- Acquisition will be funded by a combination of cash and securities.
- XTD will remain debt free and cash flow positive.

Key personnel

- Michael Johnstone, MD of Adline will be appointed COO of XTD.
- All team members of Adline will be retained.

OVERVIEW OF ADLINE

- The acquisition provides **XTD** an opportunity to broaden its digital screen media base with entry into a new, growth-based industry of consumers that are highly active, engaged communities.
- Expertise in Out-Of-Home, one of the fastest growing media sectors.
- Momentum in the Leisure sporting sector, a largely uncontested and highly regarded category.
- Deep relationships within this sector as well as the national agency marketplace.
- Operating in Software and data analytics through its systems and connected Wi-Fi locations.
- Unique environments for experience based and pop up retail revenue opportunities.

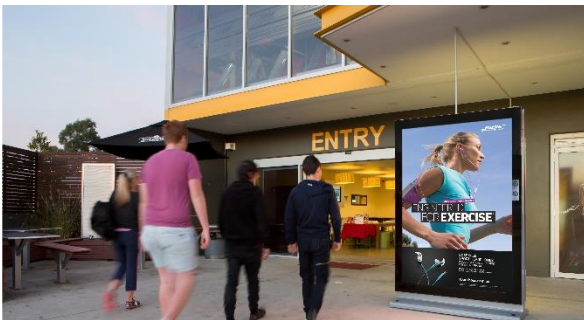
ADLINE MEDIA PRODUCT SUITE



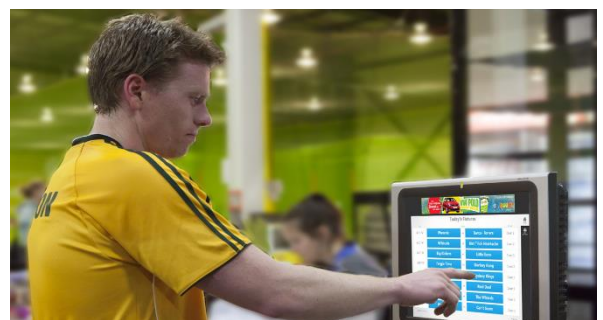
ADLINE ACTIVE- DIGITAL DISPLAYS



ADLINE GRAND - LARGE FORMAT



ADLINE CLASSIC - STATIC DISPLAYS



ADLINE CHECKIN - IN CENTRE & ONLINE

ADLINE DRIVERS FOR GROWTH

- Out-Of-Home continues to perform, offering brands a real opportunity to engage specific audience segments such as community sport.
- Adline's Out-Of-Home environment reaches this highly active, play for fun audiences regardless of their other media consumption.
- Adline offers targeted advertising within high dwell time environments, family friendly, grass roots, community oriented and brand safe.
- Adline's online capability enhances its out-of-home channel with over 200,000 individuals per month utilising the fixtures through its sporting portal.
- These unique environments offer brands the possibility of experience based marketing, sampling and even pop-up retail environments to increase and deepen communication.
- Adline's Wi-Fi environments offer public amenity as well as delivering key 1st party data sets that provide brands insight into the time of day, and day of week that key audiences are active. This data, matched with single source player data provides key insights to provide our programmatic platforms with the highest quality data points.
- Adline's e-marketing capability combined with its other media assets of out-of-home, online, experiential and Wi-Fi provide national and local advertisers a unique and fully integrated experience **where people play for fun.**

STRONG NATIONAL COVERAGE

