

4 August 2020
Market Announcements Platform
ASX Limited

Dear Shareholders,

A YEAR ON + MARKET UPDATE

Yesterday marked my first anniversary as the CEO of XTD. It has been a year to remember and continues to be equally challenging and opportunistic.

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.

In the past 12 months we have;

- Focused the business on Media, AdTech/Sportech & Content & Creative for DOOH (Circumflex)
- Extended the Queensland Rail contract until June 2022
- Pursued over 41 possible acquisition opportunities
- Reviewed 17 (of the 41) and completed Due Diligence on 6 targets
- Completed acquisition of Adline Media (indoor Sporting & Leisure Centres)
- Completed acquisition of oOh! Health (Mega Medical Centre Digital screen media)
- Built established and commenced operations of our Media Sales Company Motio
- Won the rights to sell the Engagis/Caltex National Digital Screen network
- Won the rights to sell the Swift (ASX:SW1) Medical Media network Australia wide
- Established and launched our content and creative services business, Enormity

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. XTD remains debt free and in a strong cash position to take advantage of these possibilities.

The current market is presenting challenging conditions for the advertising business and the news from Melbourne over the weekend has provided an additional layer of complexity - We have been working diligently with our partners across media and property to navigate a reasonable position and provide manageable outcomes for our business and for theirs. This has and will have an impact on our income in the short term. We are adjusting our business environment to meet these conditions in the best way possible.

The acquisitions we have made this year are well settled albeit the market conditions have seen a slightly slower start to these businesses (Adline and oOh! Health) than would be preferable, that said, we have managed and adjusted the conditions and costs to suit. The recent Health acquisition has played an important part in communication in the health & wellness sector for advertisers such as State and Federal Governments.

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Our brand new media representation company, **Motio** has been operating now for 3 months and has made a positive impact with agencies. Its customer focussed, flexible and transparent approach has provided early traction with brands and their agencies.

This week, we launched our content and creative services business, **Enormity**. This business is focussed on developing high quality, digital-out-of-home content for long dwell time environments and specialist creative services for outdoor advertising. I will provide a more comprehensive update on this later this year, but in the meantime, have a look at the enormity website, enormity.com.au.

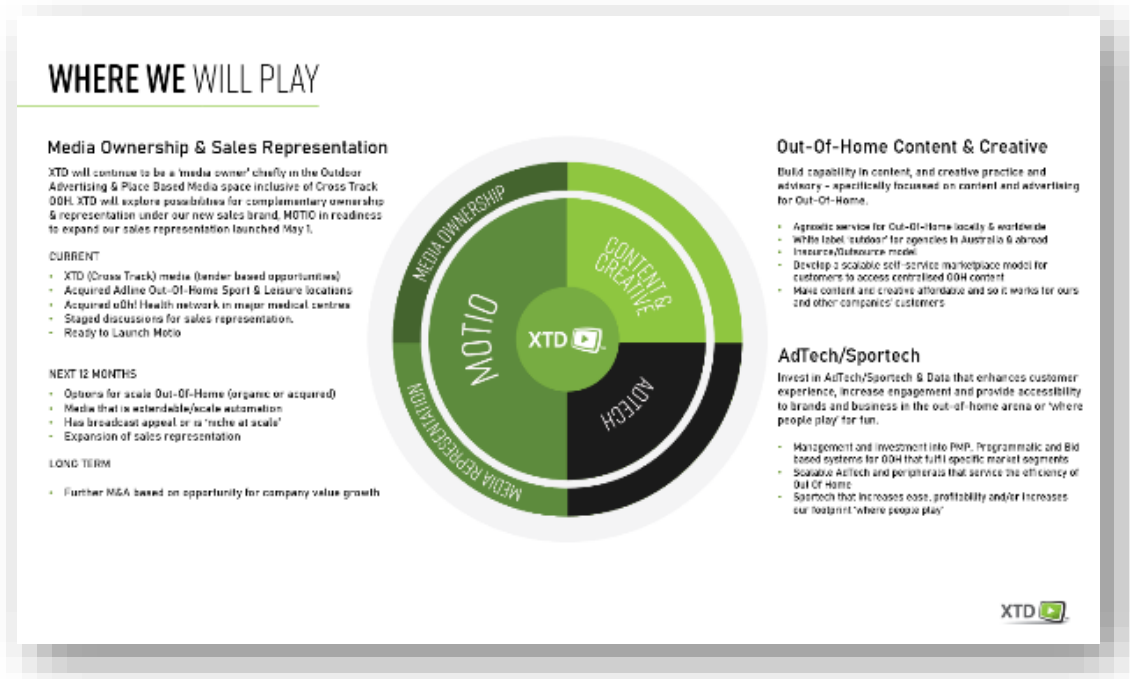
Whilst the times are uncertain and we are experiencing short term challenges, our progress has been strong. The current market situation is producing opportunities that are rarely afforded in more buoyant times and as a team the Board and I remain alert to these constantly evolving possibilities and opportunities that will benefit our business and our shareholders in the long term.

As always, if you would like to talk about our business, please call me directly on 0419 999 867 or email me at adam.cadwallader@xtd.tv –

Kind regards,



Adam Cadwallader
Managing Director



(PICTURED: STRATEGIC CIRCUMFLEX)