

6 November 2020
Market Announcements Platform
ASX Limited

2020 Annual General Meeting Address

XTD Limited (**Company**) encloses a copy of the address to be given by the Managing Director at the Company's Annual General Meeting today.

This announcement has been authorised by the Board.

ENDS

Matthew Foy
Company Secretary

MANAGING DIRECTOR'S ADDRESS

ANNUAL GENERAL MEETING OF SHAREHOLDERS

**Held at Suite 1, 29-33 The Corso
Manly NSW 2095**

Friday, 6 November 2020 commencing at 9.30am (AEDST)

Let me start by saying thanks to all our shareholders for your ongoing support, particularly through the recent capital raise – this has positioned us well for the prospects ahead.

The year has been, challenging, exciting and has presented a number of opportunities.

During this short presentation, I would like to talk a little more about our changing shape of the business and our vision for the future.

The presentation will cover

- Some of the achievements over the past year
- A refresh of the overarching strategy
- The vision for the future and a taste of where we are headed.

we remain debt free and anticipate positive operating cash flows for FY21. With our changing operating model as we replace the previous Cross Track income with new, sustainable revenue and have sufficient funding to execute on our growth goals.

When I joined the business last august, the Board had made a clear decision to stay in the Out-Of-Home sector, review the Cross track business and set clear goals --- and so the mission to diversify our business whilst staying focussed on the out-of-home sector was firmly established.

Cross Track

Collaborating with the teams at JCDecaux, Metro Trains Melbourne and Queensland rail, we have been able to tackle the Covid_19 challenges together with our collective goals in alignment.

Whilst the media industry is showing signs of recovery, we are continuing to work together to gain the optimum outcome for the Cross-Track Business until the end of the Financial Year

Our equipment continues to be well maintained by our technical partners and is performing at optimum levels.

We are participating in industry wide discussions around the Queensland Rail tender that has been foreshadowed for release in the coming months - We will keep shareholders advised of our participation.

Activities across the year

This past year, we have evaluated over 41 possible opportunities

We reviewed 17 of these and completed due diligence on varying levels on 6 of the targets.

Adline acquisition

We completed the acquisition of Adline Media in January and have made some great inroads in building this business organically.

This business's is all about people playing sport for fun. It's an incredible environment where people are playing with the friends every week, regardless of the weather. High energy, active...and a place brands can truly interact with our audiences.

oOh! Health acquisition

In April we completed the acquisition of oOh! media's Health business.

This is a significant network with digital displays positioned in the highest dwell time locations across these Mega Medical centres Australia Wide with a large health and wellness seeking audience.

Just this week, we have completed an expansion of this network. This has allowed us to operate all the digital displays across the locations taking it from 70 screens to 175 High Definition, Digital displays.

In the coming weeks, Healius Medical Centres will become part of the BGH group after their recent acquisition of the Healius Medical Centres.

Media sales representation

Motio won the rights to be the exclusive media sales company for the Engagis/Caltex national screen network across 500+ Caltex locations forming our Motio Go network - as well as the rights to Swift Media's Medical Channel network taking our Motio Health offering to over 1000 locations nationally.

The 'Circumflex'

At the end of last year, we developed strategic framework, now affectionately called the Circumflex which formed our key areas of focus

These 4 areas are

- Media Ownership
- Media representation
- Content, Creative and Customer Experience
- Investment and development in advertising and sport technology

Media ownership has been the backbone of our business – We have a mandate to diversify the media business and this year we've made deliberate acquisitions in Place Based Media environments with a focus on Sports & leisure and health & wellness.

Media representation in Place Based environments is an emerging opportunity. In May, we launched our media representation business Motio which has been trading since July the 1st and 120 days in, we are starting to see the green shoots emerging... and positive energy from the agency and programmatic marketplace.

Motio Media is focussed on a legacy free model of flexibility and transparency. We are off to an amazing start.

We have developed a local sales model which is focussed on small business advertising on a long-term basis in our Motio Health centres as well as Motio Play.

Our Motio health & Play environments deliver localised audiences at scale and with extended dwell time. This creates an opportunity for local business to use our media environments to attract new customers in their local community.

The rationalisation of local news press has seen these businesses looking for new ways to advertise.

Local Advertising is a face-to-face customer business which is different to our national agency business and in turn, comes with a different cost base.

Whilst its early days, and the market conditions are challenging, we have experienced success that has provided the confidence to grow and expand as the market and economy wakes up.

With our advertisers contracted for 12 month terms, paid quarterly in advance, local sales provides a longer runway of revenue compared to the short term nature of brand based campaign advertising.

Launching Enormity in August was a real achievement for us all – Since launching, we have 2 B2B clients using our content as a service platform.

It's worthwhile noting that Content for Digital out-of-home for place based environments is far from rocket science, but all too often, people get it wrong --- either by running free-to-air style of content, not understanding how sound works

or even simple things such as how long people are in the environment for, and what they are doing there, it's a quality value exchange that needs to be achieved.

There's a real opportunity to engage people in a meaningful way and it doesn't have to be expensive, but it does have to be beautiful, informative, and engaging. You really must care about the customer first, focussing on what they care about to bring this to life. There are networks all around the world that are desperate to access high quality, short form non-advertising content for many and varied environments.

We are now operating non-advertising content across multiple networks, including our own with great success.

On screen now is an example of the type of content you might see in a Health & Wellness centre - these locations have long dwell time environments in front of the display and are built to offer something incredibly different than the content you might see on your phone.

It is critical for the Place Based locations to get the mix of content, advertising and importantly provide our commercial property partners the ability to use the displays to communicate easily and clearly to their customer, again, this is not a local challenge, there are networks all around the world, sitting dormant or playing crass PowerPoint slides, thirsty for professional templates that are fresh and relevant.

Enormity has already made significant headway to bring together these elements to enhance the customer engagement and experience.

Enormity

Enormity is also producing a significant number of digital marketing pieces every month for our growing list of local advertisers. This is a key component of our model, delivering a full service solution to these businesses - it's imperative to ensure the communication is crystal clear in delivering the message for the advertiser.

Adtech & Sportech

This is a deep developing area of our growing business.

We are continuing to evaluate investments to either acquire, take a meaningful stake, or organically develop in areas that enhance the customer experience, increase engagement, provide utility and accessibility in the out-of-home and place-based sectors.

Sporting Technology is an area of passion and a key part of the Adline Business.

Already, we have the exclusive re-seller rights to SPAWTZ which is a separate and independent revenue stream with over 100 individual customer groups representing more than 250,000 players of indoor and team sports -

This is an area of development for the company that:

- Increases the ease of play
- Drives efficiency for our commercial partners
- Adds to profitability and
- Increases our footprint 'where people play for fun'

After our successful trials, we are onboarding our customers to facilitate online payments through the Spawtz platform. This delivers added value for our customers and unlocks an additional revenue stream for our business. The value of the game fees and registrations across our total Spawtz customer base is more than \$60m pa – This presents an organic opportunity to tap into this growth area.

Vision for the coming years

Our vision is to be the global leaders in Place Based Media and Customer Location Intelligence Experience.

Driving from this vision, our growth ambitions are firmly placed in accelerating the combination of Content, Customer Experience, Data and AdTech to create future focussed place-based media environments.

Our work this year has revealed a latent demand in the commercial property sector looking for more than a cheque from media companies or some data from their Wi-Fi provider.



This vision has seen the emergence of a new, internally generated category we have defined Customer Location Intelligence & Experience in Place Based environments and developing our **CLIX** product.

Essentially a micro version of smart cities or precincts with mass, scale and flexibility.

Whilst these elements are operating independently today, we are pioneering the ability to bring these elements together providing intelligence to our property partners, advertisers and importantly making our environment customer focussed and friendly.
