XTD Limited

ACN 147 799 951

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2018

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CORPORATE INFORMATION

Directors & Officers
Mr Justus Wilde – Non-Executive Chairman
Mr Jason Byrne – CEO & Non-Executive Director
Mr Mark Niutta – Non-Executive Director
Mr Joe Copley – Non-Executive Director

Company Secretary
Mr Matthew Foy

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Stock Exchange
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Home Exchange – Perth
ASX Code – XTD

Australian Company Number
ACN 147 799 951

Australian Business Number
ABN 43 147 799 951

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Bankers
National Australia Bank
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Auditors
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Solicitors
GTP Legal
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West Perth WA 6005 Australia

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of XTD Limited (**XTD** or the **Company**) and the entities it controls at the end of, or during, the half-year ended 31 December 2018 (the **Period**).

DIRECTORS

The Directors and Company Secretary of the Company at any time during or since the end of the half-year period are as follows.

Mr Justus Wilde –Non-Executive Chairman (appointed 1 November 2018)
Mr Jason Byrne – CEO & Non-Executive Director (appointed 1 November 2018)
Mr Mark Niutta – Non-Executive Director (appointed 1 November 2018)
Mr Joe Copley – Non-Executive Director
Mr Frank Hurley – Non-Executive Chairman (resigned 1 November 2018)
Mr Quentin Gracanin – Non-Executive Director (resigned 1 November 2018)
Mr Stuart Richardson – Non-Executive Director (resigned 1 November 2018)

OPERATING RESULT

The loss from operations of the consolidated entity for the half year ended 31 December 2018 after providing for income tax was $1,044,628 (2017: $1,103,987).

Additional information on the operations and financial position of the Group and its business strategies and prospects is set out in this directors' report and the interim financial report.

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 four 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, started investigating digital out-of-home (**DOOH**) market opportunities and re-positioned its investment in Contact Light. Whilst the strategic review is ongoing the following milestones have been achieved in the last 2 months of H2 CY18:

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 will share its strategy in H1 CY2019.

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 financial years Contact Light has incurred a net operating 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 in H1 CY19.

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.

Justus Wilde

Justus 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.

Presently Justus is leading a new innovation investment arm for New Zealand's largest listed retail group based in Auckland.

Jason Byrne

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).

Presently Jason is an investor in Sportcast, a fast growing bookmaking technology company that has offices in Australia and London. Jason has been appointed XTD's Interim CEO effective 1 November 2018.

Mark Niutta

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 IPO's.

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.

In addition, the Company advised that Frank Hurley, Stuart Richardson and Quentin Gracanin had resigned to make way for the new Board members, effective Thursday November 1, 2018.

Contact Light
On 8 March 2018 XTD announced that it proposed to acquire the 58.13% 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.

Subsequent Events
No other matter or circumstance has arisen since 31 December 2018 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.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS
There were no significant changes in the state of affairs of the Company and its controlled entities during the financial half-year period.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of the Directors.

Jason Byrne

Jason Byrne
Non-Executive Director

Perth, Western Australia

28 February 2019

Advisory • Audit
Business Solutions

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF XTD LIMITED

In relation to our review of the financial report of XTD Limited for the half year ended 31 December 2018, 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

PKF PERTH

SIMON FERMANIS
PARTNER

28 FEBRUARY 2019
WEST PERTH,
WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	December 2018 $	December 2017 $
Revenue from continuing operations		1,787,482	1,979,870
Other expenses		(186,051)	(216,717)
Advertising and marketing fees		(23,421)	(26,592)
Amortisation of intangibles		(62,235)	(62,235)
Commission expenses		(503,220)	(470,627)
Consulting and advisory fees		(308,555)	(115,852)
Corporate compliance		(34,648)	(39,460)
Depreciation		(253,660)	(345,529)
Directors fees	**3**	(106,104)	(355,052)
Insurance expenses		(27,075)	(16,339)
Impairment		-	(236,828)
Loss from loss of control of subsidiary	**7**	(867,619)	-
Occupancy expenses		(62,253)	(36,242)
Personnel expenses	**3**	(238,416)	(959,865)
Professional fees		(127,859)	(160,380)
Travelling expenses		(49,664)	(60,809)
Loss from continuing operations before income tax		(1,063,298)	(1,122,657)
Income tax benefit		18,670	18,670
Loss from continuing operations after income tax		(1,044,628)	(1,103,987)
Other comprehensive loss for the period, net of tax			
Items that may be reclassified to profit or loss:			
Foreign exchange on translation of foreign subsidiary		249	(821)
Total comprehensive loss for the period		(1,044,379)	(1,104,808)
Loss for the period is attributable to:			
Owners of the company		(1,131,220)	(989,519)
Non-controlling interests		86,592	(114,468)
		(1,044,628)	(1,103,987)
Total comprehensive loss for the period attributable to:			
Owners of the company		(1,130,971)	(990,340)
Non-controlling interests		86,592	(114,468)
		(1,044,379)	(1,104,808)
Loss per share from continuing operations attributable to the ordinary equity holders of the company:		**Cents**	**Cents**
Basic and diluted profit/(loss) per share		(0.79)	(0.74)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31 December 2018 $	30 June 2018 $
Current Assets			
Cash and cash equivalents		2,124,601	2,032,769
Trade and other receivables		55,116	314,249
Total Current Assets		**2,179,717**	2,347,018
Non-Current Assets			
Plant and equipment	**4**	1,236,094	1,478,741
Intangibles	**5**	311,170	373,405
Investments		107,460	-
Total Non-Current Assets		**1,654,724**	**1,852,146**
TOTAL ASSETS		**3,834,441**	**4,199,164**
Current Liabilities			
Trade and other payables		349,353	341,633
Provisions		3,693	30,762
Total Current Liabilities		**353,046**	**372,395**
Non-Current Liabilities			
Deferred tax liability		93,355	112,025
Total Non-Current Liabilities		**93,355**	**112,025**
TOTAL LIABILITIES		**446,401**	**484,420**
NET ASSETS		**3,388,040**	**3,714,744**
EQUITY			
Contributed equity	**6**	15,891,009	15,891,009
Reserve		207,744	1,227,019
Accumulated losses		(12,710,713)	(11,579,493)
Capital and reserves attributable to owners of the company		3,388,040	5,538,535
Non-controlling interests	**7**	-	(1,823,791)
TOTAL EQUITY		**3,388,040**	**3,714,744**

The above consolidated statement of financial position should be read in conjunction with the accompanying note

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	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	-	-	-	-	(1,131,220)	(1,131,220)	86,592	(1,044,628)
Exchange differences on translation of foreign operations	-	-	-	249	-	249	-	249
Total comprehensive loss for the year	**-**	**-**	**-**	**249**	**(1,131,220)**	**(1,130,971)**	86,592	**(1,044,379)**
Transactions with owners in their capacity as owners:								
Decrease on deconsolidation - CL (Note 7)	-	(1,019,524)	-	-	-	(1,019,524)	1,737,199	717,675
At 31 December 2018	**15,891,009**	**-**	**212,774**	**(5,030)**	**(12,710,713)**	**3,388,040**	**-**	**3,388,040**

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	-	-	-	-	(989,519)	(989,519)	(114,468)	(1,103,987)
Exchange differences on translation of foreign operations	-	-	-	(821)	-	(821)	-	(821)
Total comprehensive loss for the year	**-**	**-**	**-**	**(821)**	**(989,519)**	**(990,340)**	(114,468)	**(1,104,808)**
Transactions with owners in their capacity as owners:								
Share-based payment - performance shares	-	453,700	-	-	-	453,700	-	453,700
Share-based payment – incentive options	-	266,126	-	-	-	266,126	-	266,126
Reversal of Share-based payment	-	(900,003)	-	-	900,003	-	-	-
Disposal of shares in subsidiary (Note 8)	-	-	-	-	354,945	354,945	(12,945)	342,000
At 31 December 2017	**15,891,009**	**2,098,210**	**212,774**	**(4,741)**	**(13,152,142)**	**5,045,110**	**(1,022,872)**	**4,022,238**

The above-consolidated statement of changes in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

	December 2018 $	December 2017 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(1,683,871)	(1,824,348)
Interest received	2,398	2,626
Receipts from customers	1,804,271	1,718,943
Research and development grant	202,311	351,083
Net cash inflow from operating activities	325,109	248,304
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant & equipment	(1,245)	(70,614)
Proceeds from part disposal of controlled entity	-	342,000
Other (removal of cash at bank on deconsolidation of formerly controlled subsidiary)	(269,799)	-
Net cash inflow/(outflow) from investing activities	(271,044)	271,386
Net increase/(decrease) in cash and cash equivalents	54,065	519,690
Exchange rate adjustments on foreign cash held	37,767	(11,583)
Cash and cash equivalents at the beginning of the period	2,032,769	1,830,292
NET CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,124,601	2,338,399

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF HALF-YEAR REPORT

This consolidated interim financial report for the half-year reporting period ended 31 December 2018 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit oriented entities.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by XTD Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The half-year report does not include full disclosures of the type normally included in an annual financial report. For the purposes of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

The principal accounting policies adopted are consistent with those of the previous financial year, except for the policies stated below.

a) Adoption of new and revised accounting standards

In the half year ended 31 December 2018, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018. It has been determined by the Company that, there is no impact, material or otherwise, of the new and revised standards and interpretations on its business and therefore no change is necessary to Company accounting policies. No retrospective change in accounting policy or material reclassification has occurred requiring the inclusion of a third Statement of Financial Position as at the beginning of the comparative financial period, as required under AASB 101.

1. BASIS OF PREPARATION OF HALF-YEAR REPORT (continued)

a) Adoption of new and revised accounting standards (continued)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

b) Intangible assets (contract rights)

Contract rights have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. The Melbourne contract is noted to have a life of 7 years.

c) Principles of consolidation

(i) Subsidiaries

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively

2. SEGMENT INFORMATION

Identification of reportable operating segments

The group is organised into two operating segments: cross-track digital advertising (XTD Ltd), and mobile phone app development (Contact Light Pty Ltd). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors of each entity (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. Management re-assessed operating segments and determined that due to a loss of control of Contact Light Pty Ltd there is only one operating segment from 1 October 2018 onwards. Refer to note 7 for further information.

The information reported to the CODM is on at least a monthly basis.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

2. SEGMENT INFORMATION (continued)

31 December 2018	XTD Ltd	Contact Light Pty Ltd	Total
	$	$	$
Income	1,498,024	289,458	1,787,482
Deconsolidation of subsidiary	(867,619)	-	(867,619)
Commission - rail operators	(394,135)	-	(394,135)
Expenses	(1,139,453)	(133,678)	(1,273,131)
Income tax expense	18,670	-	18,670
Operating profit/(loss)	**(884,513)**	**155,780**	**(728,733)**
Other significant items:			
Depreciation	(252,861)	(799)	(253,660)
Amortisation of intangibles	(62,235)	-	(62,235)
Net loss after tax	**(1,199,609)**	**154,981**	**(1,044,628)**

Assets	XTD Ltd	Contact Light Pty Ltd	Total
	$	$	$
Cash & cash equivalents	2,124,601	-	2,124,601
Other receivables	55,116	-	55,116
Plant and Equipment	1,236,094	-	1,236,094
Intangibles	311,170	-	311,170
Investments	107,460	-	107,460
	3,834,441	**-**	**3,834,441**
Liabilities			
Other payables	349,353	-	349,353
Provisions	3,693	-	3,693
Deferred tax liability	93,355	-	93,355
	446,401	**-**	**446,401**

2. SEGMENT INFORMATION (continued)

31 December 2017	XTD Ltd	Contact Light Pty Ltd	Total
	$	$	$
Income	1,618,160	361,710	1,979,870
Commission expenses (rail operator)	(470,627)	-	(470,627)
Expenses	(1,200,136)	(304,174)	(1,504,310)
Income tax expense	18,670	-	18,670
Operating profit/(loss)	**(33,933)**	**57,536**	**23,603**
Other significant items:			
Share based payments expense	(453,700)	(266,126)	(719,826)
Depreciation	(342,260)	(3,269)	(345,529)
Amortisation of intangibles	(62,235)	-	(62,235)
Net loss after tax	**(892,128)**	**(211,859)**	**(1,103,987)**

30 June 2018	XTD Ltd	Contact Light Pty Ltd	Total
	$	$	$
Assets			
Cash & cash equivalents	1,929,764	103,005	2,032,769
Other receivables	292,825	21,424	314,249
Plant and Equipment	1,476,418	2,323	1,478,741
Intangibles	373,405	-	373,405
	4,072,412	**126,752**	**4,199,164**
Liabilities			
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**

		December 2018	December 2017
3.	**EXPENSES**	**$**	**$**
	Directors Fees		
	Directors fees	93,807	94,805
	Directors consultancy fees	12,297	38,438
	Share based payment expense	-	221,809
		106,104	355,052
	Personnel expenses		
	Wages and salaries	216,479	412,353
	Superannuation	19,977	39,031
	Share based payment expense	-	498,017
	Other	1,960	10,464
		238,416	959,865

		31 December 2018	30 June 2018
4.	**PLANT AND EQUIPMENT**	**$**	**$**
	Carrying amount of plant and equipment	1,236,094	1,478,741
	Reconciliation:		
	Balance at the beginning of the period	1,478,741	2,296,282
	Additions	11,013	87,708
	Provision for impairment	-	(235,121)
	Depreciation expense	(253,660)	(670,128)
	Balance at the end of the period	1,236,094	1,478,741

5.	**INTANGIBLES**		
	Contract rights	871,285	871,285
	Less: Amortisation	(560,115)	(497,880)
		311,170	373,405

6. CONTRIBUTED EQUITY

(a) Share Capital

	December 2018 Shares	June 2018 Shares	December 2018 $	June 2018 $
Fully paid	**132,986,077**	**132,986,077**	**15,891,009**	**15,891,009**

(b) Movements in ordinary share capital:

Period ended 31 December 2018

Date	Details	Number of shares	Issue price	$
01/07/18	Opening balance	132,986,077		15,891,009
31/12/18	Balance at end of period	132,986,077		15,891,009

Period ended 30 June 2018

Date	Details	Number of shares	Issue price	$
01/01/18	Opening balance	132,986,077		15,891,009
30/06/18	Balance at end of period	132,986,077		15,891,009

7. NON-CONTROLLING INTERESTS

	December 2018 $	June 2018 $
Interest in:		
Balance at beginning of period/year	(1,823,791)	(895,459)
Fair value of net assets acquired by the minority	-	(8,667)
Share of the profit/(loss) for the current period	86,592	(919,665)
Deconsolidation	1,737,199	
Balance at the end of the period/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 today's date there is only one common director 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, and have deconsolidated Contact Light from XTD's account from 1 November 2018 and have equity accounted from this date onwards. XTD Ltd maintains significant influence over Contact Light via its 44.13% ownership. The board of XTD Ltd has impaired the value of the investment in Contact Light to nil during the period as a result of strategic review of XTD Ltd's business. The loss on deconsolidation of Contact Light in the period $867,619.

8. DIVIDENDS

No dividends have been declared or paid since the start of the financial period and none are recommended.

9. COMMITMENTS & CONTINGENCIES

There are no new commitments, other than those that existed as at 31 December 2018 that the Company has entered into during the period under review.

10. EVENTS OCCURRING AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 31 December 2018 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.

DIRECTORS' DECLARATION

In the directors' opinion:

(a) The financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:

   (i) Complying with AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and

(b) There are reasonable grounds to believe that XTD Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

On behalf of the Directors

Jason Byrne

Jason Byrne
Non-Executive Director

Perth, Western Australia

28 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF XTD LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of XTD Limited (the company) and controlled entities (consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2018, and 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 half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2018, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of XTD Limited is not in accordance with the Corporations Act 2001 including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018, and of its financial performance for the half-year ended on that date; and

(b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the directors' of the company a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors' of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of XTD Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF Perth

PKF PERTH

SIMON FERMANIS
PARTNER

28 FEBRUARY 2019
WEST PERTH,
WESTERN AUSTRALIA