



Retail Entitlement Offer Booklet

Xenith IP Group Limited

ABN 88 607 873 209 (Xenith or Company)

Details of a 1-for-1.33 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in the Company at a price of \$2.40 per New Share

Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday 13 December 2016 (unless extended). Valid applications must be received before that time

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

If you are an eligible shareholder, this is an important document which requires your immediate attention. It should be read in its entirety, including the accompanying personalised entitlement and acceptance form. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. Please call your solicitor, stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser or the Xenith offer information line if you have any questions.

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1 Important information

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This Information Booklet is dated Monday 28 November 2016 and relates to the Retail Entitlement Offer, which is part of the Entitlement Offer by Xenith of New Shares to raise approximately \$67.5 million.

The Retail Entitlement Offer is being made pursuant to section 708AA of the Corporations Act (as modified by Australian Securities and Investments Commission Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allow entitlement offers to be made to retail investors without a prospectus. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet should be read in its entirety (including the accompanying Entitlement and Acceptance Form) before you decide to participate in the Retail Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been, and will not be, lodged with ASIC. Please contact your professional advisor or the Xenith offer information line on 1300 855 080 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Sydney time) Monday to Friday during the period the Retail Entitlement Offer is open if you have any questions.

1.1 Documents Relevant to the Retail Entitlement Offer

Before deciding to invest in New Shares and any Additional New Shares, it is important for Eligible Retail Shareholders to read and carefully consider this Information Booklet (including the Investor Presentation contained in Section 8), Xenith's constitution, which outlines the rights of New Shares and Additional New Shares; the Xenith Group's annual reports and Xenith's continuous disclosure notices lodged with ASX (available at www.asx.com.au).

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares and any Additional New Shares through BPAY^{®1} in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet (including the Investor Presentation contained in Section 8) and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

1.2 No Overseas Offering

The information in this Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit a public offering of the New Shares, in any jurisdiction outside of Australia and New Zealand.

This Information Booklet and the accompanying Entitlement and Acceptance Form (including an electronic copy) may not be released or distributed in the United States. This Information Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements and New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in

¹ ® registered to BPAY Pty Ltd ABN 69 079 137 518.

the United States and the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold to Eligible Shareholders will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

1.3 Definition, time and currency

Defined terms used in this Information Booklet are contained in section 10. All currency amounts in this Information Booklet are in Australian dollars (\$) unless otherwise stated. All references to time are to Sydney time, unless otherwise indicated.

1.4 Past Performance

Investors should note that the Company's past performance, including past unit price performance, cannot be relied upon as an indication (and provides no guidance as to) the Fund's future performance including the Fund's future financial position or unit price performance. This Information Booklet contains certain 'forward-looking statements'. Forward-looking statements include those containing words such as: 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and other similar expressions. Any forward-looking statements, opinions and estimates provided in this Information Booklet are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of the Xenith Group, including the risks and uncertainties described in the 'Key risks' section of the Investor Presentation contained in Section 8). This includes any statements about market and industry trends, which are based on interpretations of current market conditions.

1.5 Future Performance

Forward-looking statements may include indications, projections, forecasts and guidance on sales, earnings, dividends and other estimates. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which those statements are based. These statements may assume the success of the Xenith Group's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond the Xenith Group's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, the Company assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, agents, associates and advisers disclaim any obligations or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions, do not make any representation or warranty, express or implied, as to the accuracy, reliability or completeness of such information, or likelihood of fulfilment of any forward-looking statement or any event or results expressed or implied in any forward-looking statement, and disclaim all responsibility and liability for these forward-looking statements (including, without limitation, liability for negligence).

1.6 Taxation

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares and any Additional New Shares. Section 9.11 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. Xenith recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

1.7 Privacy

Xenith collects information about each applicant provided on an Entitlement and Acceptance Form for the purposes of processing the application and, if the application is successful, to administer the applicant's shareholding in Xenith.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to Xenith (directly or through the Share Registry). Xenith collects, holds and will use that information to assess your application. Xenith collects your personal information to process and administer your shareholding in Xenith and to provide related services to you. Xenith may disclose your personal information for purposes related to your shareholding in Xenith, including to the Share Registry, Xenith's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that Xenith holds about you. To make a request for access to your personal information held by (or on behalf of) Xenith, please contact Xenith through the Share Registry.

1.8 Governing law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the applications are governed by the law of New South Wales, Australia. Each applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

1.9 No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by Xenith or any of its officers.

1.10 Joint Lead Managers

None of the Joint Lead Managers, nor the advisers to Xenith or any other person including clients named in this document, have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet (or any other materials released by Xenith, including the Investor Presentation contained in Section 8) and, except to the extent referred to in this Information Booklet, none of them makes or purports to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by any of them.

The Joint Lead Managers may, from time to time, hold interests in the securities of, or earn brokerage, fees or other benefits from Xenith.

1.11 Disclaimer

The Company and the Joint Lead Managers and each of their directors, officers, employees, agents and consultants will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to. If you are in doubt as to these matters, you should first consult with your professional advisers.

All dates and times in this Information Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Sydney time. Any changes to the timetable will be posted on Xenith IP website at www.xenithip.com.

1.12 Risks

Refer to the “Key Risks” section of the Investor Presentation contained in Section 8 of this Information Booklet for a summary of general and specific risk factors that may affect the Company.

1.13 Cooling off rights

No cooling-off rights apply to the Retail Entitlement Offer – you cannot withdraw your application once it has been accepted.

1.14 Trading New Shares and any Additional New Shares

Xenith will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares and any Additional New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Xenith or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares and any Additional New Shares in error or which they do not hold or are not entitled to.

1.15 No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

1.16 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Xenith, or its related bodies corporate in connection with the Retail Entitlement Offer.

If you are in any doubt, as to these matters you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

1.17 Enquiries

Before making a decision about investing in the Retail Entitlement Offer, you should seek advice from your solicitor, stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to determine whether it meets your objectives, financial situation and needs.

If you have any questions on how to:

- (a) complete the personalised entitlement and acceptance form accompanying this Information Booklet which Eligible Retail Shareholders (as defined in Section 9.1 of this Information Booklet) may use to apply for New Shares (Entitlement and Acceptance Form);
- (b) take up the New Shares offered to you under the Entitlement Offer (your Entitlement), either in full or in part; or
- (c) take up your full Entitlement and apply for Additional New Shares (as defined below).

Please call the Xenith Offer Information Line between 8.30am and 5.00pm (Sydney time) Monday to Friday during the period from and including the date on which the Retail Entitlement Offer opens until and including the date on which it closes (Retail Entitlement Offer period):

Within Australia: 1300 855 080

Outside Australia: +61 3 9415 4000

If you have lost your Entitlement and Acceptance Form and would like a replacement form, please call the applicable number above.

1.18 Website

To view annual reports, shareholder and information about the Company and its subsidiaries (Xenith Group), announcements, background information on the Xenith Group's operations and historical information, visit the Company's website at www.xenithip.com.

2 Letter from the Chair

28 November 2016

Dear Shareholder,

On Friday 25 November 2016, Xenith announced it had entered into a binding agreement to acquire 100% of Griffith Hack (**Griffith Hack**) at an enterprise value of \$152.0 million of which \$84.0 million is payable in cash, subject to certain purchase price adjustments (including for working capital) (**Acquisition**).

Xenith is proposing to partially fund the Acquisition by way of a 1 for 1.33 fully underwritten, pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of \$2.40 per New Share (**Offer Price**) for which Xenith will, upon issue, seek quotation on the Australian Securities Exchange (**ASX**). The offer comprises an accelerated underwritten institutional entitlement offer (**Institutional Entitlement Offer**) and an underwritten retail entitlement offer (**Retail Entitlement Offer**) (together, the **Offer**).

The Directors and Shelston IP principals who are significant shareholders in Xenith are supportive of the Entitlement Offer and all Directors and Shelston IP principals who are significant shareholders in Xenith intend to participate in the Entitlement Offer in whole or in part.

It is intended that the gross proceeds of the Entitlement Offer, expected to be approximately \$67.5 million, will be used to partially fund the cash consideration component of the Acquisition, with the balance of the consideration to be funded from debt facilities and an issue of ordinary shares in Xenith to Grapefruit vendors.

The Acquisition

The Acquisition of Griffith Hack will consolidate Xenith's position as a leading intellectual property group in Australia.

The Acquisition is subject to Xenith shareholder approval, which is expected to be sought at an extraordinary general meeting in early January 2017, the corporatisation of Griffith Hack and other customary completion conditions. It is expected to complete on 1 February 2016, shortly following receipt of shareholder approval. All Directors and Shelston IP principals who have a significant shareholding in Xenith have indicated that they intend to vote their shares in favour of the resolutions put to the extraordinary general meeting.

The Retail Entitlement Offer

Under the Retail Entitlement Offer, eligible shareholders are entitled to subscribe for 1 New Shares for every 1.33 existing Shares held at 7.00pm (Sydney time) on Tuesday 29 November 2016 (**Record Date**). The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in the Information Booklet.

The Offer Price of \$2.40 per New Share represents

- a discount of 20.5% to the closing price of ordinary shares in the Company (**Shares**) on the ASX on Thursday 24 November 2016; and
- a 12.7% discount to the theoretical ex-rights price.²

The pro rata nature of Retail Entitlement Offer favours existing Xenith shareholders in recognition of their continuing support, and provides a mechanism for shareholders to follow their investments in Xenith.

You may also apply for additional New Shares (**Additional New Shares**) at the Offer Price, up to an additional 50% in excess of your Entitlement (refer to Sections 7.3 and 7.8). Additional New Shares will only be available where there is a shortfall between applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. Xenith reserves the right to scale back applications for additional New Shares at its discretion (refer to Section 7.8).

New Shares and Additional New Shares issued under the Entitlement Offer will rank equally with existing Shares.

Retail Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their rights in full will not receive any value in respect of those rights they do not take up.

How to Apply?

If you decide to take up all or part of your Retail Entitlement (or take up all of your Entitlement and apply for Additional New Shares), there are two alternative ways you can pay your application monies (**Application Monies**):

- Post to Computershare Investor Services Pty Limited (**Registry**) your completed Entitlement and Acceptance Form, along with your Application Monies by cheque, bank draft or money order. The Registry address is specified on the Entitlement and Acceptance Form; or
- Pay your Application Monies via BPAY^{®3}. If you pay by BPAY you do not need to complete and post your Entitlement and Acceptance Form to the Registry.

It is important to note that the Retail Entitlement Offer closes at 5.00pm (Sydney time) on Tuesday 13 December 2016. To participate, you need to ensure that your completed Entitlement and Acceptance Form and your Application Money is received by the Registry before this time and date OR you have paid your application monies via BPAY pursuant to the instructions that are set out on the Entitlement and Acceptance Form.

For the avoidance of doubt, if you do not wish to take up any of your Entitlement, you do not have to take any action.

² The theoretical ex-rights price (**TERP**) is a theoretical price at which Shares should trade immediately after the ex-date of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

³ ® Registered to BPAY Pty Ltd ABN 69 079 137 518.

Further information

Further information on the Retail Entitlement Offer and Xenith Group's business is detailed in this the information booklet (**Information Booklet**). You should read the entirety of this Information Booklet carefully, in particular the "Key risks" outlined in Section 7 of the Investor Presentation (refer to Section 8), before deciding whether to participate in the Entitlement Offer.

If you would like further information regarding the Retail Entitlement Offer please call the Xenith Offer Information Line on 1300 855 080 (within Australia) or + 61 3 9415 4000 (from outside Australia) or visit our website at www.xenithip.com.

If you are uncertain about taking up your Entitlement you should consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of Directors of Xenith, I thank you for your ongoing support and considering this investment opportunity.

Yours sincerely



Sibylle Krieger FAICD
Chair
Xenith IP Group Limited

3 Key dates

| Event | Date |
|--|------------------------------------|
| Institutional Entitlement Offer | Friday 25 November 2016 |
| Institutional Bookbuild | Friday 25 November 2016 |
| Record date for the Entitlement Offer (Record Date) | 7.00pm on Tuesday 29 November 2016 |
| Retail Entitlement Offer opens | Friday 2 December 2016 |
| Institutional Entitlement Offer settlement date | Thursday 8 December 2016 |
| Institutional Entitlement Offer allotment and trading date | Friday 9 December 2016 |
| Retail Entitlement Offer closes | 5.00pm on Tuesday 13 December 2016 |
| Settlement of New Shares and Additional New Shares the Retail Entitlement Offer | Friday 16 December 2016 |
| Issue of New Shares and Additional New Shares under the Retail Entitlement Offer | Monday 19 December 2016 |
| Normal trading of New Shares and Additional New Shares issued under the Retail Entitlement Offer expected to commence on ASX | Tuesday 20 December 2016 |

Dates and times in this Information Booklet are indicative only and subject to change. All times and dates refer to Sydney time.

The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary the dates of the Entitlement Offer without prior notice, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, or to withdraw the Entitlement Offer without prior notice. Applicants are encouraged to submit their personalised Entitlement and Acceptance Forms as soon as possible. No cooling-off rights apply to applications submitted under the Entitlement Offer. The commencement of quotation of New Shares is subject to confirmation from ASX.

4 Is this Information Booklet relevant to you?

This Information Booklet is relevant to you if you are an Eligible Retail Shareholder.

In this Information Booklet, references to 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement' and 'your Entitlement and Acceptance Form' are references to the Entitlement (being the Retail Entitlement) and the Entitlement and Acceptance Form, respectively, of Eligible Retail Shareholders.

Eligible Retail Shareholders are those persons who:

- are registered as a holder of Shares as at the Record Date, being 7.00 pm (AEST) on Tuesday, 29 November 2016;
- have a registered address on the Xenith share register in Australia or New Zealand;
- are not in the United States or a person acting for the account or benefit of such person; and
- did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer.

Refer to Section 9.1 in the Additional information for further details.

5 What should you do?

5.1 Read this Information Booklet and the accompanying Entitlement and Acceptance Form

This Information Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

This Retail Entitlement Offer is not being made under a prospectus. This Information Booklet does not contain all of the information which would be required to be disclosed in a prospectus. As a result, it is important for you to read and understand this Information Booklet in its entirety, along with the publicly available information on Xenith and the Entitlement Offer (for example, the information available on Xenith website www.xenithip.com or on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

5.2 Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

If you have any doubt about whether you should invest in the Entitlement Offer, you should seek independent professional advice from your financial advisor, stockbroker, accountant, or other professional advisor.

An investment in New Shares is subject to both known and unknown risks, some of which are beyond the control of the Responsible Entity. These risks include the possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance on the New Shares offered under the Retail Entitlement Offer or the performance of the Company, nor does it guarantee the repayment of capital from the Company. In considering an investment in New Shares, investors should have regard to (amongst other things) the 'Key Risks' section in the appendix of the Investor Presentation (contained in Section 8 of this Information Booklet) and the disclaimers outlined in this Information Booklet.

5.3 Decide what you want to do

If you are an Eligible Retail Shareholder, you have three options in relation to the Retail Entitlement Offer:

1. Take up all or part of your Entitlement ;
2. Take up all of your Entitlement and apply for Additional New Shares; or
3. Do nothing and allow your Entitlement to lapse. It is not possible to sell or transfer your Entitlement if you decide not to take it up.

Ineligible Shareholders may not take up any of their Entitlement.

Eligible Retail Shareholders who take up their Entitlement in full may also apply for Additional New Shares in excess of their Entitlement (to the extent other Shareholders do not take up their full Entitlement) up to 50% of their full Entitlement. In the event of oversubscriptions, the allocation of Additional New Shares will be at the discretion of the Company and may be subject to scale back. There is no guarantee that you will be allocated any Additional New Shares.

Eligible Retail Shareholders who do not take up their Entitlement or take up less than their full Entitlement will not receive any value for those Entitlements not taken up and accordingly their proportionate interest in the Company will be diluted. Eligible Retail Shareholders who participate in the Retail Entitlement Offer will see their proportionate interest in the Company reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and the Additional New Shares applied for and allocated to them, at the sole discretion of the Responsible Entity.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

5.4 Apply for New Shares

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Application Monies for New Shares, or make a payment by BPAY[®], by 5.00pm (Sydney time) on Tuesday 13 December 2016 pursuant to the instructions set out on the Entitlement and Acceptance Form. If you take no action your Entitlement under the Retail Entitlement Offer will lapse.

5.5 Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact the Xenith IP Offer Information Line on 1300 855 080 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday during the Retail Offer Period (Friday 2 December 2016 to Tuesday 13 December 2016).

6 Summary of options available to you

If you are an Eligible Retail Shareholder (as defined in Section 9.1 in the Additional information), you may take any one of the following actions:

- (a) take up all or part of your Entitlement;
- (b) take up all your Entitlement *and* apply for Additional New Shares; or
- (c) do nothing (in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements).

| Options available for you | Information |
|--|--|
| <p>A) If you wish to take up all or part of your Entitlement</p> | <p>If you decide to take up all or part of your Entitlement, or take up all of your Entitlement, please either:</p> <ul style="list-style-type: none"> • pay your Application Monies via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form; or • complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies, by following the instructions set out on the personalised Entitlement and Acceptance Form, <p>in each case, so that payment is received by no later than 5.00pm (Sydney time) on Tuesday 13 December 2016.</p> <p>If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer, it is expected that you will be issued New Shares on 20 December 2016.</p> <p>Xenith also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders or persons claiming to be Eligible Retail Shareholders if their claims prove to be incorrect or overstated or if they fail to provide information to substantiate their claims.</p> <p>To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on 13 December 2016. Eligible Retail Shareholders who wish to pay via cheque, bank draft or money order will need to also ensure that their completed personalised Entitlement and Acceptance Form is also received by that time using the reply paid envelope provided with this Information Booklet or otherwise.</p> <p>To the extent you decide not to take your Entitlement up in full, those Entitlements not taken up will lapse and you will not be allocated New Shares in respect of those lapsed Entitlements or receive any payment or value for those lapsed Entitlements. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.</p> |

| | |
|---|--|
| <p>B) If you wish to take up all of your Entitlement <i>and</i> apply for Additional New Shares</p> | <p>If you wish to take up all of your Entitlement, you may also apply for Additional New Shares you may apply for Additional New Shares of up to 50% of your Entitlement. In this case, please refer to the instructions above and either:</p> <ul style="list-style-type: none"> • pay your Application Monies via BPAY[®] by following the instructions set out on the personalised Entitlement and Acceptance Form; or • complete and return the personalised Entitlement and Acceptance Form (indicating the number of New Shares and Additional New Shares you wish to take up) with the requisite Application Monies, <p>in each case, so that payment is received by no later than 5.00pm (Sydney time) on Tuesday 13 December 2016. Additional New Shares will only be available to the extent that there are Entitlements under the Retail Entitlement Offer which are not taken up by other Eligible Retail Shareholders.</p> <p>Other than to the extent that Additional New Shares are allotted to you, any surplus Application Monies received for more than your Entitlement will be refunded after the close of the Retail Entitlement Offer on or around Tuesday 20 December 2016 (except for where the amount is less than \$2.00, in which case it will be donated to a charity chosen by Xenith). No interest will be paid to Eligible Retail Shareholders on any Application Monies received or returned (wholly or partially).</p> <p>Refer also to Section 7.8.</p> |
| <p>C) If you do nothing</p> | <p>If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.</p> |

If you are a retail shareholder as at the Record Date who is not an Eligible Retail Shareholder, you are an ineligible retail shareholder.

7 How to apply

7.1 Overview of the Offer

Xenith intends to raise approximately \$67.5 million under the Offer.

Eligible retail shareholders are being offered the opportunity to acquire 1 New Share for 1.33 existing Shares held as at 7.00 pm (AEST) on Tuesday 29 November 2016 (**Record Date**), at the Offer Price of \$2.40 per New Share.

The Offer comprises three components:

- (a) **Institutional Entitlement Offer** – Eligible Institutional Shareholders (as defined in Section 9.1 of this Information Booklet) were given the opportunity to take up all or part of their Entitlements. Entitlements under the Institutional Entitlement Offer (**Institutional Entitlements**) were non-renounceable;
- (b) **Institutional Bookbuild** – Institutional Entitlements not taken up and Entitlements of ineligible institutional shareholders were sold through a bookbuild process on Friday 25 November 2016 (**Institutional Bookbuild**).
- (c) **Retail Entitlement Offer** – Eligible Retail Shareholders (as defined in Section 9.1 of this Information Booklet) will be allotted Retail Entitlements under the Retail Entitlement Offer, which can be taken up in whole or in part. Retail Entitlements are also non-renounceable. In addition, Eligible Retail Shareholders have the opportunity to apply for Additional New Shares in excess of their Entitlement. Allocations of Additional New Shares will be capped at 50% of each Eligible Retail Shareholder's Entitlement and will only be made out of any available Retail Shortfall. The Company and the Joint Lead Managers also reserve the right to allocate a lesser number of Additional New Shares than that applied for.

You have a number of decisions to make in respect of your Entitlement. These decisions may materially affect the value (if any) that may be received in respect of your Entitlement. You should read this Information Booklet carefully before making any decisions in relation to your Entitlement.

The Offer is fully underwritten by the Joint Lead Managers. Further details on the Retail Entitlement Offer and Retail Bookbuild are set out below.

7.2 Institutional Entitlement Offer

On Friday 25 November 2016, Xenith successfully conducted the Institutional Entitlement Offer at the Offer Price of \$2.40 per New Share.

The Institutional Entitlement Offer raised approximately \$52.8 million.

New Shares to be issued under the Institutional Entitlement Offer (including those subject to the Institutional Bookbuild) are expected to be issued on Friday, 9 December 2016.

7.3 The Retail Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to apply for 1 New Shares for every 1.33 existing Shares held at 7.00pm (Sydney time) on Tuesday 29 November 2016, at the Offer Price of \$2.40 per New Share.

You should note that not all Xenith Shareholders will be eligible to participate in the offer of New Shares. Please read the 'Additional Information' in Section 9 of this Information Booklet for further details.

In addition, Eligible Retail Shareholders have the opportunity to apply for Additional New Shares in excess of their Entitlement. Allocations of Additional New Shares will be capped at 50% of each Eligible Retail Shareholder's Entitlement and will only be made out of any available Retail Shortfall. Xenith and the Joint Lead Managers also reserve the right to allocate a lesser number of Additional New Shares than that applied for.

New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Shares on issue.

7.4 Important information

The Retail Entitlement Offer is not being made under a prospectus or product disclosure statement. Rather, the Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues and related issues to be made by providing certain confirmations to the market on the basis that all information that investors and their professional advisers would reasonably require to make an informed investment decision in relation to the Entitlement Offer, when read with this Information Booklet and the accompanying information, is publicly available.

This Information Booklet does not contain all of the information which may be required in a prospectus or product disclosure statement. As a result, it is important for Eligible Retail Shareholders to carefully read and understand the Information Booklet in its entirety, prior to deciding whether to take up all or part of their Retail Entitlement, sell or transfer all or part of their Retail Entitlement or do nothing in respect of their Retail Entitlement.

In particular, you may wish to refer to Xenith's interim and annual reports and other announcements made available at www.asx.com.au or www.xenithip.com.

7.5 Your investment objectives and circumstances

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to the 'Key risks' section in the Investor Presentation contained in Section 8 of this Information Booklet.

An investment in New Shares and Additional New Shares (if applicable) is subject to investment and other known and unknown risks, some of which are beyond the control of Xenith, including possible loss of income and principal invested. Xenith does not guarantee any particular rate of return or the performance of Xenith, nor does it guarantee the repayment of capital from Xenith or any particular tax treatment. In considering an investment in New Shares and Additional New Shares (if applicable), investors should have regard to (among other things) the 'Key risks' section in the Investor Presentation (see Section 8) and the disclaimers outlined in this Information Booklet.

7.6 Your Entitlement

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Shares for every 1.33 Shares you held as at the Record Date rounded up to the nearest whole New Share. If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding.

New Shares issued pursuant to the Entitlement Offer will be fully paid and rank equally with existing Shares, including in respect of entitlement to dividends.

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please refer to the personalised Entitlement and Acceptance Form and apply for New Shares (and Additional New Shares, if any) pursuant to the instructions set out on the personalised Entitlement and Acceptance Form.

If you take no action or your application is not supported by any cleared funds, your Entitlement will lapse and you will not be issued New Shares or Additional New Shares, if applicable. You should note that if you do not take up all or part of your Entitlement, then your percentage shareholding in Xenith will be diluted by your non-participation in the Retail Entitlement Offer. Eligible Retail Shareholders who do not take up their Entitlement in full will not receive any payment or value for that part of their Entitlement they do not take up.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see the definition of Eligible Retail Shareholder in Section 9.1).

Nominees

The Retail Entitlement Offer is only being made to Eligible Retail Shareholders (see definition of Eligible Retail Shareholder in Section 9.1). Xenith is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g. for the purposes of determining whether any such persons may participate in the Retail Entitlement Offer). Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person that is in the United States with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be in the United States. Xenith assumes no obligation to advise you on any foreign laws.

7.7 Options available to you

Your options are set out in Section 6.

7.8 Application for Additional New Shares

Eligible Shareholders (other than directors and related parties of Xenith) may, in addition to taking up their Entitlements in full, apply for Additional New Shares in excess of their Entitlements.

Additional New Shares will only be available where there is a shortfall between Applications received from Eligible Shareholders and the number of New Shares proposed to be issued under the Entitlement Offer. Additional New Shares will be issued at the Offer Price per New Share.

The allocation policy for Additional New Shares subscribed will be as follows:

- Eligible Shareholders who have applied for Additional New Shares will receive the Additional New Shares they have applied for unless there is an over subscription for Additional New Shares, in which case Eligible Shareholders will receive Additional New Shares on a pro-rata basis having regard to their holdings as at the Record Date; and

- if any shortfall remains after the allocation to Eligible Shareholders as provided above, the resulting shortfall will be met by the Joint Lead Managers and their sub-underwriters (as allocated in the Joint Lead Managers' discretion), subject to the terms and conditions of the underwriting and sub-underwriting arrangements.

Eligible Shareholders who apply for Additional New Shares may be allocated a lesser number of Additional New Shares than applied for, or may be allocated no Additional Shares at all, in which case excess Application money will be refunded without interest. Refund amounts, if any (and where that amount is greater than \$2.00), will be paid in Australian dollars. You will be paid by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first named in the case of joint holders). Alternatively you will be paid by direct deposit where the Registry holds bank account details for the purposes of remitting your dividend in respect of your shareholding.

7.9 Payment methods

Payment by BPAY

For payment by BPAY, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the biller code and your unique Customer Reference Number (CRN)). You can only make a payment via BPAY if you are the holder of an account with an Australian financial institution that supports BPAY transactions. Please note that should you choose to pay by BPAY:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares as is covered in full by your Application Monies.

When completing your BPAY payment, please make sure to use the specific biller code and unique CRN provided on your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form (i.e. where you have multiple holdings), please only use the CRN specific to the Entitlement on that form. If you inadvertently use the same CRN for more than one of your Entitlements when paying by BPAY, you will be deemed to have applied only for New Shares on the Entitlement to which that CRN applies and your applications in respect of your other CRNs will be deemed to have not been supported by cleared funds.

Should you choose to pay by BPAY it is your responsibility to ensure that your BPAY payment is received by the Registry by no later than 5.00pm (Sydney time) on Tuesday 13 December 2016. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Xenith takes no responsibility for any failure to receive Application Monies or payment by BPAY before the Retail Entitlement Offer closes arising as a result of, among other things, delays in postage or processing of payments by financial institutions.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to 'Xenith Entitlement Offer' and crossed 'Not Negotiable'.

Your cheque, bank draft or money order must be:

- for an amount equal to \$2.40 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- in Australian currency drawn on an Australian financial institution or an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies on the day of receipt. If the amount of your cheque, bank draft or money order for Application Monies is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form.

Should you choose to pay by cheque, bank draft or money order it is your responsibility to ensure that your payment is received by the Registry by no later than 5.00pm (Sydney time) on Tuesday 13 December 2016. Cash payments will not be accepted. Receipts for payment will not be issued.

7.10 Warranties made on acceptance of the Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY you will be deemed to have acknowledged, represented and warranted that you, and each person on whose account you are acting:

- acknowledge that you have fully read and understood both this Information Booklet and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Information Booklet and the Entitlement and Acceptance Form;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet and Xenith's constitution;
- authorise Xenith to register you as the holder(s) of New Shares (and any Additional New Shares) allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- acknowledge that once Xenith receives your Entitlement and Acceptance Form or any payment of Application Monies via BPAY, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY, including, in each case, any Additional New Shares, at the Offer Price per New Share;
- authorise Xenith, the Joint Lead Managers, the Registry and their respective officers or agents to do anything on your behalf necessary for New Shares (and any Additional New Shares) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;

- acknowledge that the information contained in this Information Booklet and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this Information Booklet and your Entitlement and Acceptance Form is not a recommendation that New Shares (including Additional New Shares) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Information Booklet is not a prospectus, product disclosure statement or disclosure document and does not contain all of the information that you may require in order to assess an investment in Xenith and is given in the context of Xenith's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the 'Key risks' section of the Investor Presentation and that investments in Xenith are subject to risk;
- acknowledge that none of Xenith, the Joint Lead Managers, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of Xenith, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise Xenith to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Xenith, the Joint Lead Managers and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and that you are not an eligible institutional Shareholder under the Institutional Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares (or Additional New Shares); and
- represent and warrant that your acceptance of the Retail Entitlement Offer does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that you are an Eligible Retail Shareholder (as defined in the 'Additional Information' section) or otherwise eligible to participate in the Retail Entitlement Offer and:

- you and each person on whose account you are acting are not in the United States and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements, New Shares or Additional New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- the Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and, accordingly, the Entitlements may not be taken up, and the New Shares or Additional New Shares may not be offered, sold or otherwise transferred, except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws;

- you and each person on whose account you are acting have not and will not send any materials relating to the Entitlement Offer to any person in the United States;
- if in the future you decide to sell or otherwise transfer the New Shares or Additional New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf know, or have reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

7.11 No withdrawals

You cannot withdraw your application once it has been accepted. Cooling-off rights do not apply to an investment in New Shares or Additional New Shares.

Xenith reserves the right to withdraw the Retail Entitlement Offer at any time before the issue of New Shares or Additional New Shares to Eligible Retail Shareholders, in which case Xenith will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to applicants.

7.12 Confirmation of your application and managing your holding

You may access information on your holding, including your Record Date balance and the issue of New Shares or Additional New Shares from this Entitlement Offer, and manage the standing instructions the Registry records on your holding on the Investor Centre website www.investorcentre.com. To access the Investor Centre you will need your Security Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

7.13 Mail

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, being 5.00pm (Sydney time) on Tuesday 13 December 2016. If you make payment via cheque, bank draft or money order, you should mail your completed personalised Entitlement and Acceptance Form together with Application Monies to:

Mailing Address

Xenith IP Group Limited
 C/- Computershare Investor Services Pty Limited
 GPO Box 242
 Melbourne VIC 3001

Entitlement and Acceptance Forms and Application Monies will not be accepted at Xenith's registered or corporate offices, or other offices of the Registry.

8 ASX announcements and Investor Presentation



XENITH IP GROUP LIMITED ASX ANNOUNCEMENT

25 November 2016

Xenith IP Group Limited to acquire Griffith Hack

Highlights

- Xenith IP Group Limited ("Xenith" or the "Company") is pleased to announce that it has entered into a binding agreement to acquire Griffith Hack, one of Australia's leading specialist IP firms (the "Acquisition");
- Griffith Hack is one of the largest privately owned IP firms in Australia, with over 110 years of history;
- The increase in scale from the Acquisition positions Xenith to benefit from a range of strategic and financial opportunities and will complement its existing geographic footprint, diversify and significantly enlarge its client profile and increase the scope of its service offering;
- Total upfront consideration of \$152.0 million (excluding transaction costs) will comprise a \$68.4 million placement of Xenith shares to Griffith Hack vendors¹ (representing 45% of upfront consideration) and \$83.6m cash (representing 55% of upfront consideration). The Acquisition is scheduled to be completed on 1 February 2017 ("Completion");
- Griffith Hack vendors may also be entitled to an additional earnout payment, capped at \$20.0 million, payable to the extent actual Griffith Hack annualised pro forma EBITDA from Completion to 30 June 2017 exceeds \$14.5 million²;
- The Acquisition is targeted to deliver pre-tax cost synergies by year 3 of \$4.0 million - 6.0 million³;
- The Acquisition is estimated to deliver mid-teens FY18 pro forma EPS accretion, post synergies on a phased basis and before transaction and implementation costs, and amortisation of acquired intangible assets⁴; and
- The cash component of the Acquisition consideration will be funded by a fully underwritten \$67.5 million 1-for-1.33, pro-rata, accelerated, non-renounceable entitlement offer at \$2.40 per Xenith share and \$21.8 million by way of amended secured debt facilities (net of transaction costs).

¹ Shares will be issued to Griffith Hack vendors at A\$3.161 per share, representing the 20 day VWAP of Xenith shares prior to announcement.

² Refer to note 4 on page 5 and page 30 of the 'Acquisition of Griffith Hack and Entitlement Offer' presentation released on 25 November 2016 ("Presentation"). Earnout arrangement subject to an EBITDA cap of \$16.4 million for the relevant period.

³ Refer to page 27 of the Presentation.

⁴ Refer to note 3 on page 5 of the Presentation.



Overview

Xenith today announces that it has entered into an agreement with Griffith Hack to acquire the Griffith Hack business for an upfront cash and share consideration of \$152.0 million, subject to certain conditions⁵.

Griffith Hack is a leading Australian specialist IP firm with offices across Melbourne, Sydney Brisbane and Perth. It specialises in the areas of patents, designs and trade marks and other intellectual property services. With over 110 years of history, Griffith Hack is one of Australia's largest privately owned IP firms, and has been recognised with numerous industry awards across its various fields of specialisation. Griffith Hack has a client base composed of many well known domestic and international corporates and has a team of over 100 professionals.

Commenting on the Acquisition, Mr Stuart Smith, Xenith's Managing Director, stated:

"Griffith Hack has a distinguished history of over 110 years and today is one of the largest IP firms in Australia by patent and trademark filing market share. The acquisition of Griffith Hack is transformational for Xenith and brings together Shelston IP and the recent acquisition of Watermark. This is an exciting opportunity for Xenith to continue with its stated vision of becoming the leading IP services provider in the Asia Pacific region and we are very excited to work together with Griffith Hack and its existing team to grow the combined business under the Xenith banner."

David Hughes, Chairman of Griffith Hack, commented:

"The combination of Xenith and Griffith Hack is a watershed event for their personnel and shareholders. It will create a leading Australian IP group with an enlarged customer base, increased scale and greater scope of service offering to our clients. We look forward to joining Xenith and working together to execute upon our shared strategy."

Strategic Rationale

The Board of Xenith believes that the Acquisition of Griffith Hack represents a significant milestone in the development of Xenith and will accelerate its vision of becoming the leading IP services provider in the Asia Pacific region. Specifically, the strategic rationale includes:

- Transformational combination of three of Australia's leading IP firms – Shelston IP, Watermark and Griffith Hack;
- Independently branded firms with substantial scope for efficiencies through centralised support functions;

⁵ \$152 million represents enterprise value before transaction costs. Conditions include Xenith shareholder approval, corporatisation of Griffith Hack and other customary conditions. Purchase price is subject to customary working capital adjustments.



- Increased scale in a rapidly consolidating sector with the number one market position on several key metrics;
- Complementary geographic fit with a strong presence in major capital cities;
- Diversified, long-term client profile with enhanced focus on premium local clients;
- Increased scope of service offering;
- Significantly enlarged client base from which to leverage adjacent service offerings and pursue growth initiatives, particularly in South East Asia;
- Targeting meaningful synergy benefits over a three year integration period; and
- Estimated mid-teens FY18 EPS accretion, post synergies on a phased basis and before transaction and implementation costs, and amortisation of identifiable intangible assets associated with the Watermark and Griffith Hack acquisitions.⁶

Acquisition Metrics and Funding

Xenith will acquire the Griffith Hack business for an upfront consideration of \$152.0 million. The Acquisition will be made on a cash-free, debt-free basis, subject to working capital adjustments customary for a transaction of this nature. The upfront consideration and transaction costs will be funded as follows:

- \$67.5 million fully underwritten, pro-rata, accelerated, non-renounceable entitlement offer;
- \$68.4 million by way of a Xenith share placement to the Griffith Hack vendors. The shares issued by way of the placement will be subject to a two year escrow (subject to customary early release); and
- \$21.8 million by way of amended secured debt facilities. Xenith has agreed an extension of its existing debt facilities, including an increased limit of \$50.0 million with a tenure of 3 years.

The upfront purchase price of \$152.0 million represents an implied transaction multiple of 10.5x EV / estimated Griffith Hack annualised pro forma EBITDA from Completion to 30 June 2017 of \$14.5 million pre-synergies ("Threshold EBITDA").

The Griffith Hack vendors may be entitled to additional earnout consideration of up to \$20.0 million. The earnout consideration will be determined having regard to the implied Acquisition multiple of 10.5 multiplied by the amount by which the actual Griffith Hack annualised pro forma EBITDA from Completion to 30 June 2017 exceeds the Threshold EBITDA. Any earnout consideration will be funded via:

- up to \$11.0 million in cash from amended secured debt facilities; and
- up to \$9.0 million placement of Xenith shares.⁷

⁶ Refer note 3 on page 5 of the Presentation.



The Acquisition is subject to closing conditions, including:

- Completion of the restructure of Griffith Hack into an appropriate corporate structure;
- Xenith shareholder approval (expected to be sought in January 2017); and
- Other customary conditions for a transaction of this nature.

The Acquisition has been approved by the Griffith Hack principals.

Each of the Xenith directors and each of the current Shelston IP principals who are significant shareholders in Xenith has indicated their intention to vote in favour of the resolutions in respect of the Acquisition to be voted on at the shareholder meeting (as noted above) and will participate in the Entitlement Offer.

Subject to the closing conditions listed above being satisfied, the Acquisition is scheduled to complete on 1 February 2017.

With effect from completion of the Acquisition, the Griffith Hack equity principals⁸ will be employed under three year minimum term employment contracts. Non-equity principals will be eligible to participate in Xenith STI and LTI programmes.

Share placement to Griffith Hack vendors and eligible employees

As part of the Acquisition consideration reference to above, approximately 21.6 million shares will be issued to the Griffith Hack vendors at an issue price of \$3.161 per share, determined with reference to 20 day VWAP of Xenith shares prior to announcement, and representing 45% of the Acquisition consideration. The shares issued under the placement will represent 24.8% of issued capital after completion of the Entitlement Offer and will be subject to a two-year escrow (subject to customary early release provisions).

Entitlement Offer

The Entitlement Offer is a fully underwritten pro rata accelerated non-renounceable entitlement offer to raise approximately \$67.5 million.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Xenith share for every 1.33 existing Xenith shares ("**Entitlement**") held as at 7.00pm (Sydney time) on Tuesday, 29 November 2016 ("**Record Date**").

The offer price of \$2.40 per new share represents a 12.7% discount to the theoretical ex-rights price of \$2.75 per share on Thursday, 24 November 2016.⁹

⁷ Any shares issued to Griffith Hack vendors under the earnout will be issued at \$3.161 per share and will be subject to an escrow period of 2 years from Completion.

⁸ Excluding two principals, who will become consultants.

⁹ The TERP is a theoretical price at which XIP shares trade immediately after the ex-date for the Entitlement Offer and prior to the share placement to Griffith Hack vendors. TERP is calculated by reference to Xenith's closing price of A\$3.02 on Thursday, 24 November 2016.



Approximately 28.2 million new Xenith shares will be issued under the Entitlement Offer and will rank equally with existing fully paid ordinary shares from their time of issue.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Entitlement Offer for institutional shareholders ("Institutional Entitlement Offer") which is being conducted today Friday, 25 November 2016.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement. Institutional Entitlements cannot be traded on market or transferred.

Institutional Entitlements which are not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to eligible institutional shareholders who apply for new shares in excess of their Entitlement, as well as to certain other eligible institutional investors who bid into the institutional bookbuild being conducted concurrently with the Institutional Entitlement Offer.

Xenith's shares will remain in a trading halt pending completion of the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Entitlement Offer for retail shareholders ("Retail Entitlement Offer") at the same offer price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Friday, 2 December 2016 and close at 5.00pm on Tuesday, 13 December 2016.

Further details about the Retail Entitlement Offer will be set out in the retail offer booklet, which Xenith expects to lodge with the ASX and despatch on Friday 2 December 2016.

Entitlements cannot be traded on the ASX or transferred. Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value in respect to those Entitlements not taken up.

Key dates*

| Event | Date |
|---|---------------------------|
| Trading halt and announcement of the Acquisition, Institutional Entitlement Offer opens | Friday, 25 November 2016 |
| Institutional Offer Closes (including Institutional Offer shortfall allocation) | Friday, 25 November 2016 |
| Trading halt lifted, trading resumes on ex-entitlement basis | Monday, 28 November 2016 |
| Record date to identify security holders entitled to participate in the Entitlement Offer (7pm Sydney time) | Tuesday, 29 November 2016 |
| Retail Entitlement Offer opens. Despatch of Retail Entitlement Offer Booklet and personalised entitlement forms | Friday, 2 December 2016 |

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Xenith IP Group Limited
ACN 607 873 209
ASX Code: XIP



| | |
|---|---------------------------|
| Settlement of Institutional Entitlement Offer | Thursday, 8 December 2016 |
| Issue of Shares under Institutional Entitlement Offer | Friday, 9 December 2016 |
| Retail Entitlement Offer closes (5pm Sydney time) | Tuesday, 13 December 2016 |
| Announcement of results of Retail Entitlement Offer | Friday, 16 December 2016 |
| Settlement of Retail Entitlement Offer | Friday, 16 December 2016 |
| Issue of New Shares under Retail Entitlement Offer | Monday, 19 December 2016 |
| New Shares issued under the Retail Entitlement Offer commence trading on ASX | Tuesday, 20 December 2016 |
| Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer | Tuesday, 20 December 2016 |

* The above timetable is indicative only and subject to change without notice. The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Xenith, with the consent of the Joint Lead Managers, reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, without notice.

Trading update

Xenith October YTD underlying performance is in-line with management expectations.

The key areas of Board and management focus include:

- Integration of Watermark and Griffith Hack businesses – based on 3 year detailed integration plans;
- Southeast Asian growth strategy, supported by Watermark and Griffith Hack acquisitions, and continued business development in China to build on current momentum;
- Development of complementary service lines, supported by Watermark and Griffith Hack acquisitions;
- Further consolidation opportunities in Australia; and
- Continued development of technology platform to improve operational efficiencies.

The Board anticipates no change to target dividend payout ratio of 70% - 90% of NPAT, with the dividend per share to reflect current shares on issue and shares to be issued under the Entitlement Offer.¹⁰

¹⁰ Shares issued as consideration for the Acquisition and employee gift shares will not participate in Xenith's FY17 interim dividend.



Advisers

Investec Australia Limited acted as Corporate Adviser to Xenith in relation to the Acquisition.

Shaw and Partners Limited, UBS AG, Australia Branch and Ord Minnett Limited acted as Joint Lead Managers and Underwriters to the Entitlement Offer.

Clayton Utz has acted as Australian legal adviser to Xenith in relation to the Acquisition and the Entitlement offer.

Ernst and Young acted as Corporate Adviser to Griffith Hack in relation to the divestment.

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About Xenith

Xenith IP Group Limited (ASX: XIP) is the holding company for the group of entities that comprise the Shelston IP business, namely Shelston IP Pty Ltd, Shelston IP Lawyers Pty Ltd, Xenith IP Services Pty Ltd and Watermark Holdings Pty Ltd. The Group's core business is to provide a comprehensive range of IP services, including identification, registration, management, commercialisation and enforcement of IP rights mainly patents, designs and trade marks for clients in Australia, New Zealand and the rest of the world.

Acquisition of Griffith Hack and Entitlement Offer

25 November 2016



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This Presentation has been prepared by Xenith IP Group Limited ("Xenith", ASX:XIP). This Presentation has been prepared in relation to:

- Xenith's acquisition of the business of Griffith Hack, including Griffith Hack Lawyers and Griffith Hack Consulting (the "Acquisition"); and
- a fully underwritten 1 for 1.33, pro-rata, accelerated, non-renounceable entitlement offer of new ordinary fully paid shares in Xenith ("New Shares") comprising an accelerated underwritten institutional entitlement offer ("Institutional Entitlement Offer") and an underwritten retail entitlement offer ("Retail Entitlement Offer") (together, the "Entitlement Offer") to be made under section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

Summary information

This Presentation contains summary information about Xenith and its activities which is current only at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Xenith or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act.

Xenith's historical information in this Presentation is, or is based upon, information that has been released to the Australian Securities Exchange ("ASX"). This Presentation should be read in conjunction with Xenith's other periodic and continuous disclosure information lodged with the ASX, which are available at www.asx.com.au. Certain information in this Presentation has been sourced from Griffith Hack, its representatives or associates. While steps have been taken to review that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, correctness, completeness or adequacy. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither Xenith nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications.

Not an offer

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This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation by Xenith or its advisers to acquire entitlements or New Shares and does not and will not form any part of any contract for the acquisition of entitlements or New Shares. Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Xenith and the impact that different future outcomes may have on Xenith.

This Presentation has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own investment objectives, financial situation and needs and seek legal, accounting and taxation advice appropriate to their jurisdiction. Xenith is not licensed to provide financial product advice in respect of Xenith shares.

This Presentation and its contents are provided on the basis that recipients will not deal in the securities or the financial products of Xenith in breach of applicable insider trading laws.

Important Notices (cont'd)

Future performance

This Presentation contains certain 'forward looking statements', including but not limited to projections, guidance on future revenues, earnings, margin improvement, other potential synergies and estimates, the timing and outcome of Griffith Hack acquisition, the outcome and effects of the Offer and the use of proceeds, and the future performance of Xenith and Griffith Hack post acquisition ('combined Xenith Group'). Forward-looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target', 'outlook', 'guidance', 'potential' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, estimated annual net synergies after combination with Griffith Hack and the outcome and effects of the Offer and the use of proceeds. The forward looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Xenith, its Directors and management, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the 'Key Risks' section in Section 7 of this Presentation for a summary of certain risks related to the acquisition of Griffith Hack and a summary of general and Xenith specific risk factors that may affect Xenith. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this Presentation. Investors should consider the forward looking statements contained in this Presentation in light of those disclosures. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this Presentation. The forward looking statements are based on information available to Xenith as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Xenith undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements. Statements about past performance are not necessarily indicative of future performance.

Investment risk

All investment in Xenith shares is subject to investment and other known and unknown risks, some of which are beyond the control of Xenith. Xenith does not guarantee any particular rate of return or the performance of Xenith. Investors should have regard to the risk factors outlined in the 'Key Risks' section in Section 7 of this Presentation when making their investment decision.

Financial data

All financial information in this Presentation is in Australian Dollars (\$) or AUD unless otherwise stated. Investors should note that this Presentation contains pro forma historical and forward looking financial information. The pro forma and forward looking financial information, and the historical information, provided in this Presentation is for illustrative purposes only and is not represented as being indicative of Xenith's views on its future financial condition and/or performance. You should note that the pro forma financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission ("SEC").

The pro forma financial information has been prepared by Xenith in accordance with the recognition and measurement principles of the Australian Accounting Standards. Financial information for Griffith Hack contained in this Presentation has been derived from the audited special purpose financial report of Griffith Hack for the year ended 30 June 2016 and other financial information made available by Griffith Hack in connection with the Acquisition. Financial information for Watermark contained in this Presentation has been derived from financial information made available by Watermark in connection with the acquisition of Watermark which completed on 2 November 2016. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the SEC, and such information does not purport to comply with Article 3-05 of Regulation S-X.

Investors should be aware that certain financial measures included in this presentation are 'non-IFRS financial information' under ASIC Regulatory Guide 230: 'Disclosing non-IFRS financial information' published by ASIC and also 'non-GAAP financial measures' within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards ("AAS") and International Financial Reporting Standards ("IFRS"). The non-IFRS financial information/non-GAAP financial measures include Enterprise Value, EBITDA, EBIT and others, as shown on pages 8, 15, 30, 31, 52 and 53. The disclosure of such non-GAAP financial measures in the manner included in this Presentation would not be permissible in a registration statement under the U.S. Securities Act. Such non-IFRS financial information/non-GAAP financial measures do not have a standardized meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Although Xenith believes these non-IFRS financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included in this Presentation.

Effect of rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Past performance

Investors should note that past performance, including past share price performance of Xenith and pro forma historical information in this Presentation, is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Xenith performance including future share price performance. The pro forma historical information is not represented as being indicative of Xenith's views on its future financial condition and/or performance.

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Important Notices (cont'd)

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None of the underwriters, nor its or Xenith's respective advisers or any of their respective affiliates, related bodies corporate, directors, officers, partners, employees and agents, have authorized, permitted or caused the issue, submission, dispatch or provision of this Presentation and, for the avoidance of doubt, and except to the extent referred to in this Presentation, none of them makes or purports to make any statements in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. To the maximum extent permitted by law, Xenith, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in or failure to participate in the Offer and the information in the Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

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Determination of eligibility of investors for the purposes of the institutional and retail components of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Xenith and the underwriter. Each of Xenith, the underwriters and their respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

Acceptance, withdrawal and cooling-off

By attending an investor presentation or briefing, or accepting, accessing or reviewing this Presentation you acknowledge and agree to the terms set out in this 'Important Notice and Disclaimer'.

Xenith reserves the right to withdraw, or vary the timetable for the Offer without notice.

Cooling-off rights do not apply to the acquisition of New Shares.

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Important Notices (cont'd)

Key assumptions

- General:** Certain information in this presentation, particularly forward looking information, is based on general and specific assumptions which are believed to be reasonable at the time of preparing this presentation. General assumptions include those customary when preparing such information, including no material changes to the competitive environment, economic and industry conditions, laws or accounting standards, FX rates, disturbances or disruptions, changes to clients and their arrangements, litigation, key personnel and none of the risks described in section 7 arising. It also includes the following.
- Basis for transaction multiple:** Enterprise value (EV) of \$152 million. EBITDA for Griffith Hack has been adjusted for the corporatisation of Griffith Hack and to exclude certain one-off revenues and expenses that are not applicable on a go forward basis and to include incremental costs associated with the employment of the principals of the business. These adjustments (and their impact on Griffith Hack's FY16 profit and loss statement) are described on page 31. Refer also to page 30 for further information.
- EPS accretion:** Xenith financial information is based on estimates of Xenith's FY18 EPS as at 24 November 2016. Standalone EPS used in the EPS accretion calculation incorporates an adjustment factor to account for the bonus element in the Entitlement Offer (in accordance with AASB 133). The EPS accretion calculation assumes that the Acquisition, Entitlement Offer and issue of Xenith shares occurred on 1 July 2016. EPS accretion is based on the estimated NPAT of Xenith and Griffith Hack, excluding transaction and implementation costs and amortisation of identifiable intangible assets acquired, and assumes phasing of targeted synergies in FY18. Targeted synergies and implementation costs associated with the Acquisition are estimates by Xenith as at 24 November 2016. Actual results may vary from these estimates. Refer to page 27 for further information on targeted synergies.
- Purchase price for acquisition of Griffith Hack:** Refer page 30 for further information.

In relation to each of the above, refer also to Section 7 (Key Risks).

Key to information in this Presentation

- Numerical and other data, including market share and revenue calculations:** Except as otherwise indicated in this Presentation, all numerical and other data, including market share and revenue calculations (and associated analysis and calculations) are expressed as at 30 June 2016. Australian market share calculations for patents are calculated using IP Australia figure for National and Complete Phase Patents unless explicitly noted that another basis applies. Australian market share calculations for trade marks are calculated using IP Australia data for the top 50 IP firms/law firms who are filing trade marks in Australia, based on total number of filings. Calculations exclude applications filed directly by individual applicants.
- Headcount figures and associated analysis and calculations:** Headcount figures and associated analysis and calculations are based on the position as at 30 September 2016. Professional staff include fee earners and trainees and excludes clerks and paralegals. Principals includes both equity and salaried principals. Attorneys includes trainee attorneys.
- Clients:** Except as otherwise indicated in this Presentation, references to clients are as at 30 June 2016 and include those entities who have been invoiced in the preceding 36 month period.

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Agenda

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1- Transaction Overview



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Transaction overview

Xenith has agreed to purchase Griffith Hack, a leading Australian specialist IP firm, for an upfront purchase price of \$152 million

| | |
|---------------------|--|
| Transaction details | <ul style="list-style-type: none"> Xenith has agreed to acquire 100% of Griffith Hack for total upfront cash and share consideration of \$152 million, subject to certain conditions⁽¹⁾. Completion scheduled for 1 February 2017 Implied transaction multiple of approximately 10.5x EV / estimated Griffith Hack annualised pro forma EBITDA from Completion to 30 June 2017 of \$14.5 million pre-synergies (Threshold EBITDA)⁽²⁾ Griffith Hack vendors may also be entitled to an additional earnout payment, capped at \$20 million, payable to the extent actual Griffith Hack annualised pro forma EBITDA from Completion to 30 June 2017 exceeds the Threshold EBITDA⁽³⁾ |
| Strategic rationale | <ul style="list-style-type: none"> ✓ Transformational combination of three of Australia's leading IP firms – Shelston IP, Watermark and Griffith Hack ✓ Independently branded firms with substantial scope for efficiencies through centralised support functions ✓ Increased scale in a rapidly consolidating sector – #1 market position on several key metrics ✓ Complementary geographic fit – Strong presence in major capital cities ✓ Diversified, long-term client profile with enhanced focus on premium local clients ✓ Increased scope of service offering ✓ Significantly enlarged client base from which to leverage adjacent service offerings and pursue growth initiatives, particularly in Southeast Asia ✓ Targeting meaningful synergy benefits over a three year integration period |

8 (1) \$152 million represents enterprise value before transaction costs. Conditions include Xenith shareholder approval, the organisational restructure of Griffith Hack and other customary closing conditions. Purchase price is subject to customary working capital adjustments. (2) Refer to note 2 on page 5. (3) Earnout payment to be comprised of cash and Xenith's shares, as described on page 9. Refer page 30 for further information.

Transaction overview (cont'd)

Xenith has agreed to purchase Griffith Hack, a leading Australian specialist IP firm, for an upfront purchase price of \$152 million

| | |
|-------------------------|---|
| Funding | <ul style="list-style-type: none"> • Upfront consideration and transaction costs funded by: <ul style="list-style-type: none"> – \$67.5 million fully underwritten, pro-rata, accelerated, non-renounceable 1 for 1.33 entitlement offer at \$2.40 per Xenith share; – \$68.4 million placement of Xenith shares to the Griffith Hack vendors⁽¹⁾, which will be subject to a two year escrow⁽²⁾; and – \$21.8 million by way of amended secured debt facilities • Potential earn-out for Griffith Hack vendors of up to \$20.0 million, funded by: <ul style="list-style-type: none"> – up to \$11.0m in cash from amended secured debt facilities; and – up to \$9.0 million placement of Xenith shares^{(1),(2)} |
| Financial impact | <ul style="list-style-type: none"> • Estimated mid-teens FY18 pro forma EPS accretion, post synergies on a phased basis and before transaction and implementation costs, and amortisation of acquired intangible assets⁽³⁾ • Targeted annual pre-tax cost synergies by year 3 of \$4.0 – 6.0 million⁽⁴⁾ • Anticipated implementation costs of \$2.0 – 3.0 million, primarily in the first 24 months • Pro forma net debt / FY16 pro forma EBITDA 0.8x⁽⁵⁾ |

(1) Shares issued to Griffith Hack vendors will be issued at \$3.161 per share. Approximately \$215,000 of the amount of cash consideration will be provided instead by Xenith as a placement of gift shares to eligible Griffith Hack employees on completion. (2) Subject to customary early releases. Escrow terms also apply to any securities issued to Griffith Hack vendors under the earnout arrangement. (3) Refer to note 3 on page 5. (4) Excludes one-off implementation costs. (5) Calculated as net debt post acquisition divided by FY16 pro forma EBITDA of the combined Xenith Group, pre-synergies and before transaction and implementation costs. Before payment of any earnout consideration, and excluding bank guarantees.

9



2 – Introduction to Griffith Hack



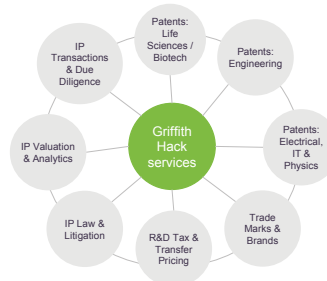
Overview of Griffith Hack

A leading Australian specialist IP firm with offices across Melbourne, Sydney, Brisbane and Perth

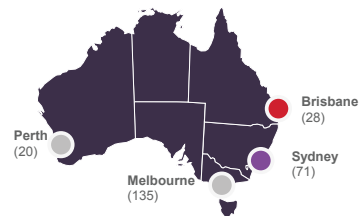
Overview

- One of Australia's leading specialist IP firms with over 110 years of history
- Currently one of Australia's largest privately owned IP firms with:
 - 10.4% of Australian patent filings⁽¹⁾
 - 5.4% of Australian trade mark filings⁽²⁾
- Client base composed of many well known domestic and international corporates
- High proportion of direct engagements with local and overseas corporate clients, promoting deep relationships
- Network of offices across Australia – Melbourne, Sydney, Brisbane, Perth
- Over 100 IP professionals:
 - 55 qualified Australian patent attorneys
 - 10 specialist trade mark professionals
 - 20 specialist IP lawyers
 - 24 specialist IP finance and analytics professionals

Service Lines



Office Locations and Personnel (Total Employee Headcount)

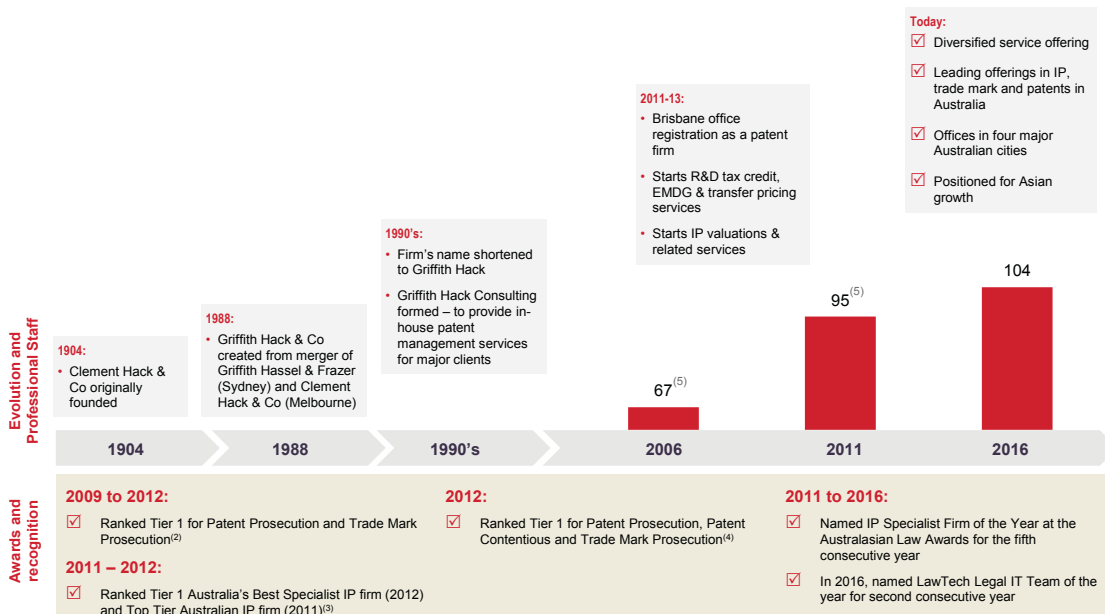


11 (1) IP Australia – FY16 market share based on Australian national phase and direct national patent applications.
 (2) IP Australia – FY16 market share based on Australian trade mark applications filed through the top 50 filing agents.



History of Griffith Hack

Distinguished history of over 110 years and today one of the largest IP firms in Australia⁽¹⁾



12 (1) Refer notes on page 11.
 (2) MIP, 2009 – 2012.
 (3) The Doyle's Guide.
 (4) Asia IP, 2012.
 (5) Total headcount including paralegals.

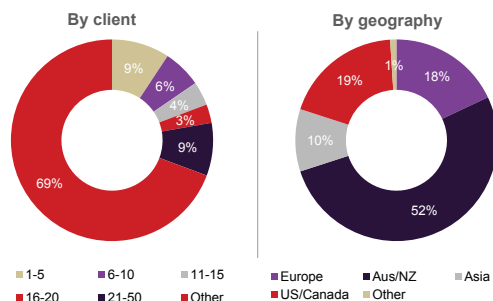


Griffith Hack client base

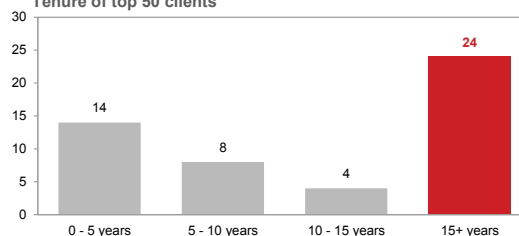
Diverse client mix, with the top 50 clients accounting for only 31% of FY16 professional fees

- Over 5,500 clients including:
 - Major multinational corporations
 - Domestic and foreign corporations, research institutes, educational institutions and SMEs
 - Domestic professional services firms
 - Foreign associates including offshore IP & other law firms
- Significant diversification of clients across geographies, service lines and industries
- Resulting diversification of revenue across the client base, with the top 20 / 50 clients providing only 22% / 31% of FY16 professional fees
- Long-term relationships with many of its largest clients:
 - 28 of the top 50 clients with the firm for more than 10 years
 - 24 of the top 50 clients with the firm for more than 15 years

FY16 professional fees by client size and geography



Tenure of top 50 clients



Griffith Hack revenue mix

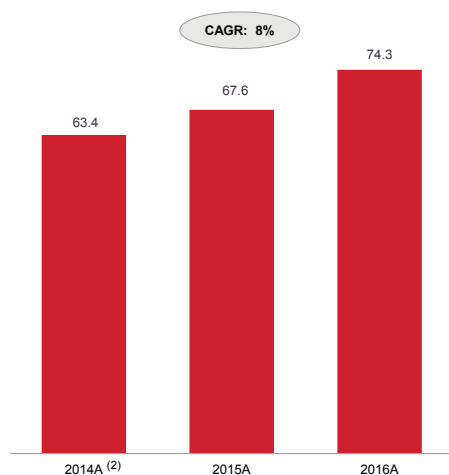
Highly diversified revenue base – by industry and service line

| By Practice Area | | | | | | | |
|---|---|------------------------------|-----------------------------|----------------------------|---------------------------|--------------------------------|--------------------------------|
| | Patents | Trade Marks | IP Law | IP Economics | IP Consulting | | |
| Overview | Griffith Hack provides a comprehensive range of IP services including registration, management, commercialisation, valuation and enforcement of IP rights locally and internationally | | | | | | |
| FY16 professional fees | | | | | | | |
| By Practice Group | | | | | | | |
| | Electrical / Physics / ICT ⁽¹⁾ | Engineering | Life Sciences | Trade Marks | Law | IP Economics | Consulting |
| FY16 professional fees | | | | | | | |
| Professionals (including principals) | 14 attorneys (6 principals) | 18 attorneys (10 principals) | 18 attorneys (6 principals) | 8 attorneys (4 principals) | 18 lawyers (6 principals) | 12 professionals (1 principal) | 16 professionals (2 directors) |

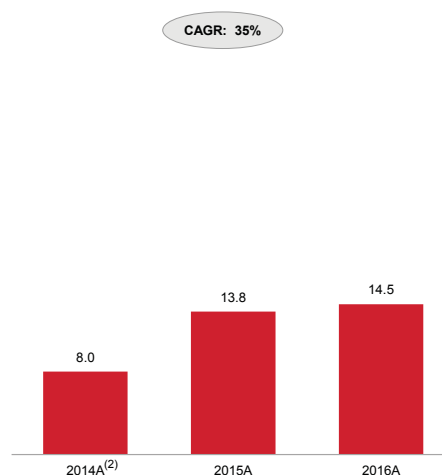
Griffith Hack financial overview

Griffith Hack has experienced revenue and earnings growth through to FY16A

Griffith Hack total revenue and income (\$m)



Griffith Hack pro forma EBITDA⁽¹⁾ (\$m)



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- (1) EBITDA for Griffith Hack has been adjusted for corporatisation of the business, and exclude certain one-off revenues and expenses that are not applicable on a go forward basis and to include the incremental costs associated with the employment of the principals at the business.
 (2) 2014A EBITDA was impacted by the Raising the Bar Amendments introduced in April 2013, which reduced the number of patents processed in FY14 across the Australian industry, as a material number of Australian patent applications and examination requests that would ordinarily have been filed in FY14 were filed and subject to examination requests in FY13 such that they could be processed under the prior legislation.

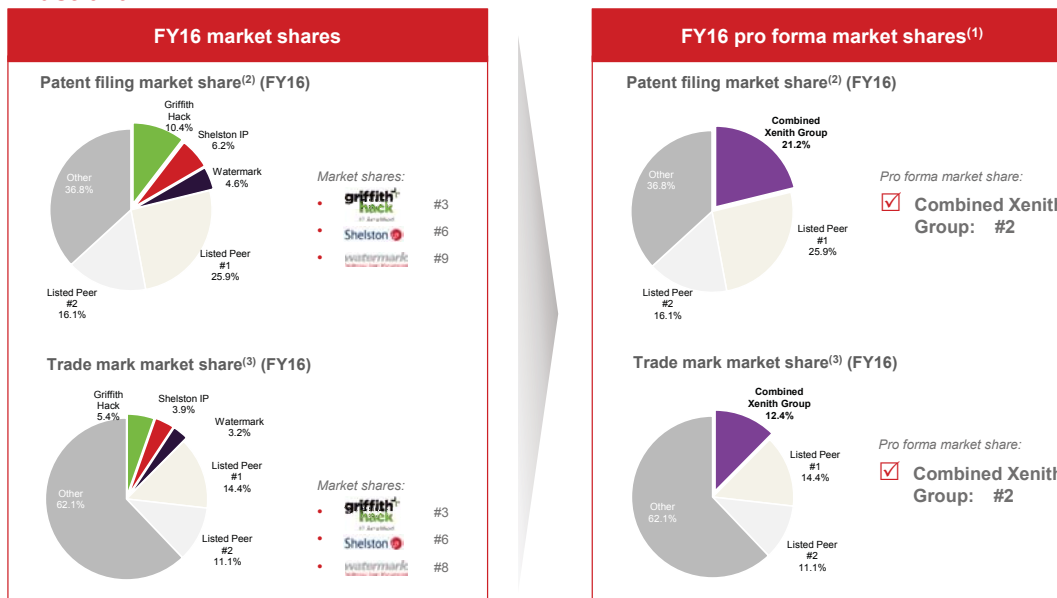


3 – Strategic Rationale for the Transaction



Transformational combination of three of Australia's leading IP firms

Combined Xenith Group will have leading market shares in patent and trade marks in Australia



17 (1) Post acquisition of Watermark (completed 2 November 2016) and Griffith Hack.
 (2) IP Australia – FY16 market share based on Australian national phase and direct national patent applications.
 (3) IP Australia – FY16 market share based on Australian trade mark applications filed through the top 50 filing agents.



Transformational combination of three of Australia's leading IP firms

The Combined Xenith Group will also have leading market shares across a range of other key measures

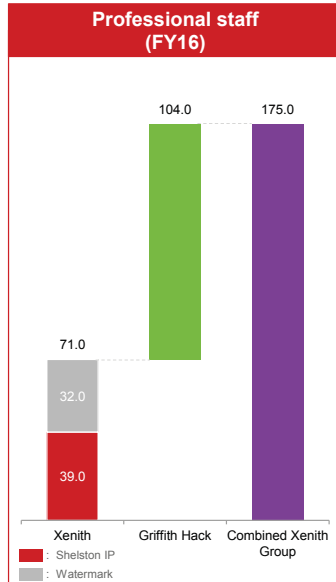
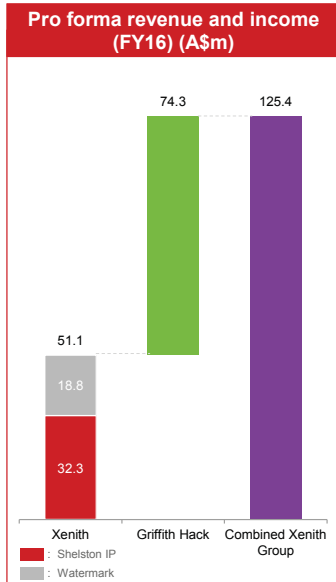
| | Shelston | watermark | griffith | Combined Xenith Group (pro forma) | Combined Xenith Group vs Australian Peers |
|--|----------|-----------|----------|-----------------------------------|---|
| Australian PCT ⁽¹⁾ applications | 3.1% | 3.1% | 7.6% | 13.8% | <input checked="" type="checkbox"/> No. 1 by market share |
| Innovation patent applications | 3.5% | 1.0% | 3.5% | 8.0% | <input checked="" type="checkbox"/> No. 1 by market share |
| Provisional patent applications | 2.2% | 1.6% | 6.2% | 9.9% | <input checked="" type="checkbox"/> No. 1 by market share |
| Registered designs | 5.1% | 3.7% | 7.7% | 16.4% | <input checked="" type="checkbox"/> No. 1 by market share |

18 Source: IP Australia – FY16 market share.
 (1) A Patent Cooperation Treaty (PCT) application is a single international application that has initial effect in over 140 countries (signatories to the treaty) for a period of up to 30 months from the date of filing in the country of origin, subsequently requiring national phase entry in each jurisdiction of interest. Australian PCT applications are a proxy for local client patent origination activity and generate subsequent outbound national phase applications, supporting reciprocal workflows.



Increased scale in a rapidly consolidating sector

Increase in scale, positions the **Combined Xenith Group** to benefit from a range of strategic and financial opportunities



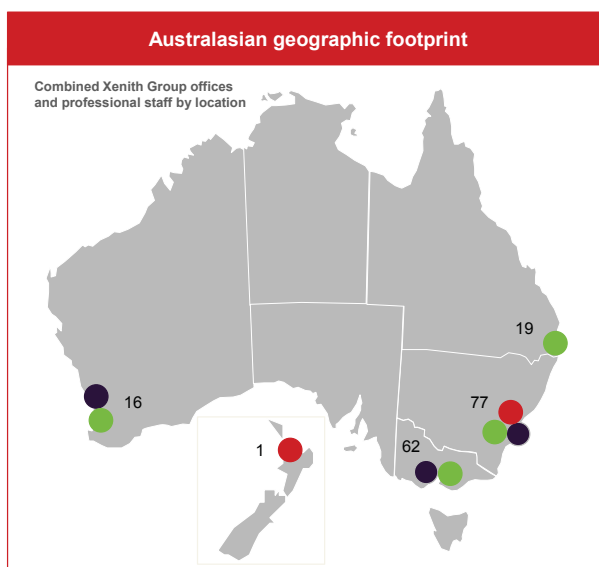
- ✓ Pro forma revenue, EBITDA, professional staff and client base to more than double
- ✓ Positioned to benefit from enhanced scale:
 - **Incremental revenue opportunities** (Deeper geographic footprint and diversification of client base, increased scope of service offering, Southeast Asian strategy)
 - **Operational efficiencies** (Effective management structure, centralised support functions, targeting meaningful synergy benefits)
 - **Potential capital markets benefits** (Market capitalisation, trading liquidity, funding benefits)
- ✓ Expanded scale expected to facilitate further acquisition opportunities:
 - Domestic
 - Offshore

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Complementary geographic footprint

Creating an extensive national footprint and positioning the **Combined Xenith Group** as one of the largest IP groups in Australia by number of professional staff



| Professional staff by office location | Shelston IP | Watermark | griffith+hack IP GROUP | Combined Xenith Group |
|---------------------------------------|-------------|-----------|------------------------|-----------------------|
| Brisbane | - | - | 19 | 19 |
| Sydney | 38 | 6 | 33 | 77 |
| Melbourne | - | 20 | 42 | 62 |
| Perth | - | 6 | 10 | 16 |
| Auckland | 1 | - | - | 1 |
| Total | 39 | 32 | 104 | 175 |

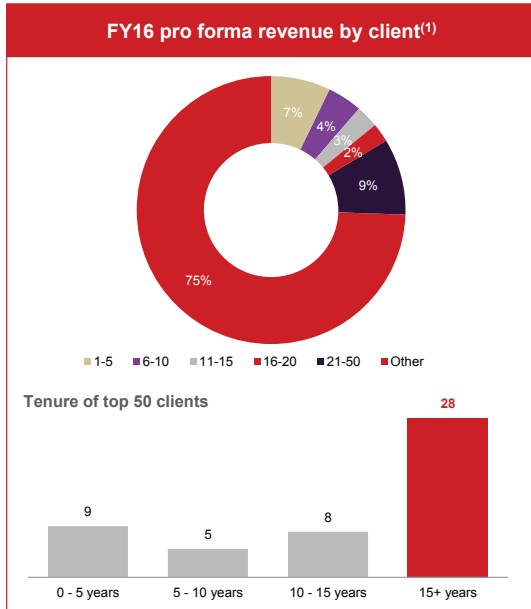
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- Shelston IP
- Watermark
- Griffith Hack



Diversified and long-term client profile

Highly diversified client base with the Combined Xenith Group's largest client representing only 2% of pro forma FY16 revenue



- Approximately 11,000 clients on combined basis including:
 - Major multinational corporations
 - Domestic and foreign corporations, research institutes, educational institutions and SMEs
 - Domestic professional services firms
 - Foreign associates including offshore IP & other law firms
- Client base highly diversified by geographies, service lines and industries
- Resulting greater diversification of revenue across the client base, with top 20 / 50 clients accounting for only 16% / 25% of pro forma FY16 revenue
- Long-term relationships:
 - **36 of the top 50 clients** with Xenith firms for **more than 10 years**
 - **28 of the top 50 clients** with Xenith firms for **more than 15 years**

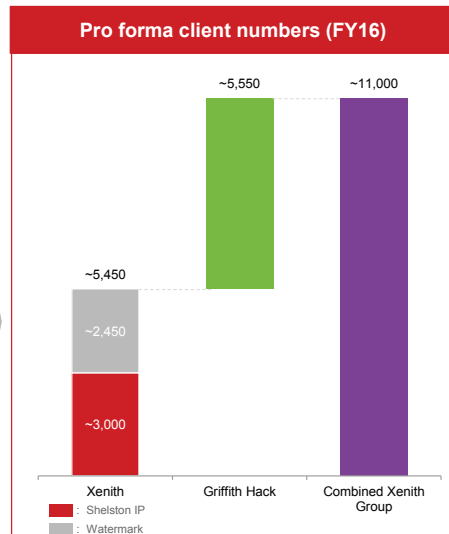
21 (1) Post acquisition of Watermark (completed 2 November 2016) and Griffith Hack.



Increased scope of service offering

Enlarged client base with potential to cross-sell traditional and established adjacent advisory services

| Comparison of capabilities | | Shelston | watermark | griffith+hack | Combined Xenith Group |
|----------------------------------|---------------------|----------|-----------|---------------|-----------------------|
| Traditional IP Services | Patents | ✓ | ✓ | ✓ | ✓ |
| | Trade Marks | ✓ | ✓ | ✓ | ✓ |
| | IP Law | ✓ | ✓ | ✓ | ✓ |
| Established adjacent IP Services | R&D Tax | ✗ | ✓ | ✓ | ✓ |
| | IP Valuation | ✗ | ✓ | ✓ | ✓ |
| | IP Analytics | ✗ | ✗ | ✓ | ✓ |
| | IP Transfer Pricing | ✗ | ✗ | ✓ | ✓ |

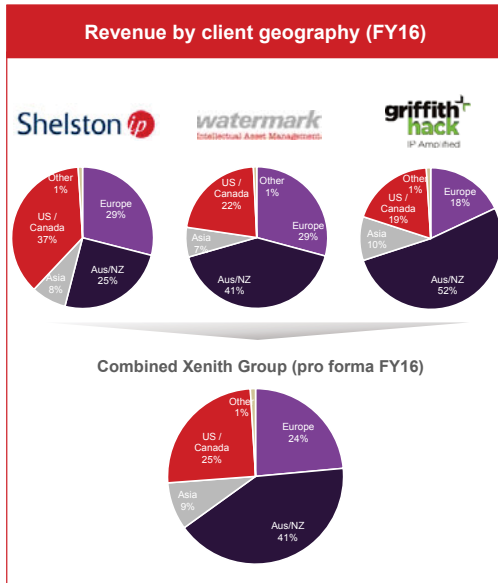


- Expected doubling of client base presents significant opportunity to offer existing adjacent IP service offerings across the enlarged group



Significantly enlarged domestic client base

Increased weighting towards premium domestic clients expected to deliver a range of strategic and financial opportunities



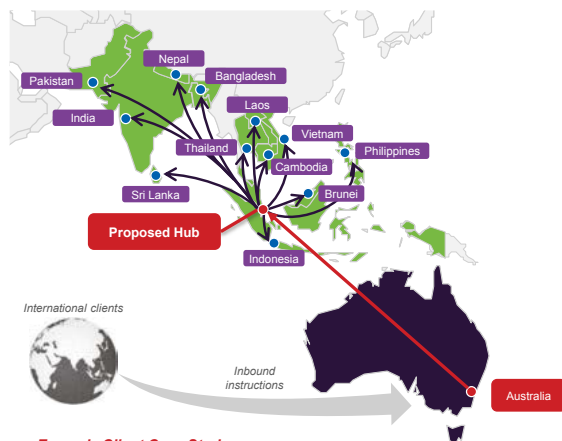
- ✓ Combined Xenith Group ranked #1 by domestic PCT patent applications (13.8%) on a pro forma FY16 market share basis⁽¹⁾ (vs next largest competitor with c.12.7% market share⁽¹⁾)
- ✓ Strong domestic market shares positions the Combined Xenith Group to benefit from a range of significant potential strategic and financial opportunities:
 - 1 **Earlier stage involvement in the IP lifecycle** with potential for:
 - Increased revenue opportunities and client tenure stemming from initial IP origination services through to multi-jurisdictional application, prosecution and subsequent stages
 - Provision of incremental advisory services for each new application and on existing portfolios (e.g. patentability advice, patent drafting, IP searching, infringement, commercialisation, valuation and enforcement)
 - Broader professional development of staff through direct interaction with local clients
 - 2 Potential for outbound filings to act as **stimulus for foreign originating inbound reciprocal work flows**
 - 3 Broader scope of service offering diversifies revenue streams and **diminishes exposure to possible extension of ePCT system** to national phase entry
- ✓ Diversified exposure to foreign currencies and reduced exposure to USD

23 (1) IP Australia – FY16 market share of Australian PCT applications.



Execution of Southeast Asian strategy

Strong alignment of vision, values and strategic outlook across the Xenith firms provides sound basis for execution of strategic plans – initial momentum in Southeast Asia established with opportunities to grow



Southeast Asia – Strategic Objectives

- ✓ "One-stop" IP filing and advisory service solution across the region for existing and new clients
- ✓ Regional hub and spoke model expected to provide logistical support, capacity and local expertise
- ✓ Single point of contact for client instructions and reporting
- ✓ Experienced IP professionals (that clients already know and trust)
- ✓ Leading systems and technology infrastructure to support service delivery, quality control and risk management
- ✓ Central coordination to ensure efficiency of service delivery and consistency in prosecution strategy

Example Client Case Study

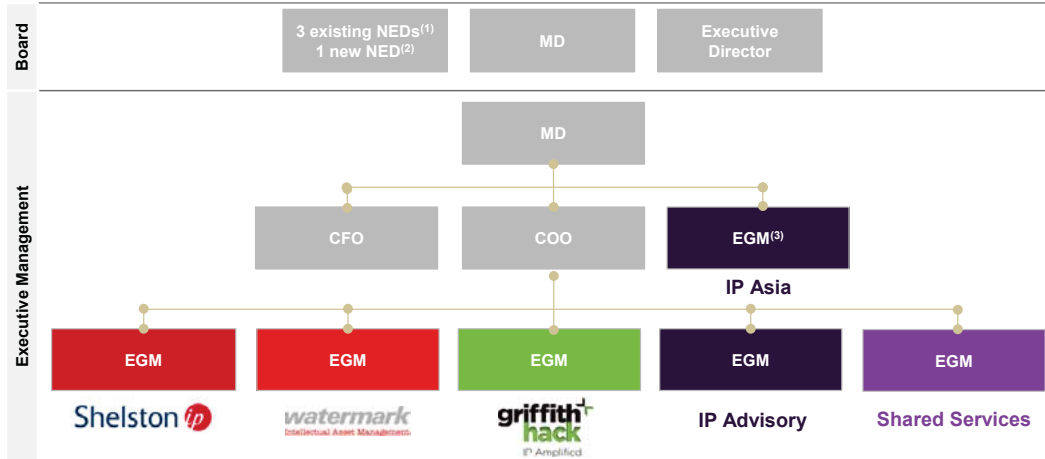
- Existing US-based multi-national corporate client
- Single point instructions to coordinate filing and prosecution of each new patent application in up to 15 countries across Asia
- Workflows for that client expected to generate significant incremental professional fees from additional services

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Governance and management structure

Standalone operating businesses, maintaining independent brands under the Xenith umbrella, with shared corporate services



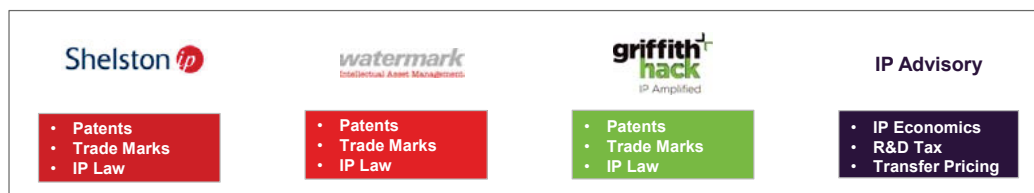
- ✓ Continuity of separate brands, business history and market presence
- ✓ Proactive management of client relationships, confidentiality and existing legal structures
- ✓ Targeting operational efficiencies from centralisation of support services (refer following page)

25 (1) Including non-executive Chair.
 (2) New non-executive Director proposed to be appointed in due course.
 (3) Proposed, following the establishment of the Southeast Asian hub.



Independently branded firms leveraging the benefits of centralised support functions

Opportunities for improved utilisation, operational efficiency and profitability through leveraging shared corporate services, IT systems⁽¹⁾, resources and other infrastructure across the group



| | | | |
|-----------------|---------------------------------|--|--|
| Shared Services | HR | <ul style="list-style-type: none"> Recruitment Rewards & benefits programs | <ul style="list-style-type: none"> Training (technical & personal development) Leadership and other programs |
| | Operations and IT | <ul style="list-style-type: none"> Infrastructure Applications management – workflow | <ul style="list-style-type: none"> Application development Business continuity & disaster recovery |
| | Marketing | <ul style="list-style-type: none"> Communications Promotions | <ul style="list-style-type: none"> Business development programs Strategic planning |
| | Commercial Services | <ul style="list-style-type: none"> Property Travel | <ul style="list-style-type: none"> Insurances Procurement |
| CFO | Finance and Company Secretarial | <ul style="list-style-type: none"> Finance Banking | <ul style="list-style-type: none"> Foreign exchange Company secretarial |

26 (1) Shelston IP and Griffith Hack use the same IP practice management software.



Targeting meaningful synergy benefits

Xenith targeting to deliver annual pre-tax cost synergies by year 3 of \$4.0–6.0 million⁽¹⁾ to the combined business. One-off implementation costs are expected to be approximately \$2.0–3.0 million, primarily in the first 24 months post-completion

Synergies

| | | | |
|-------------------|-------------------------------|--|---|
| Cost synergies | Productivity | <ul style="list-style-type: none"> Potential benefits associated with improvements in professional staff productivity | <p>Target annual pre-tax cost synergies by year 3: \$4.0 – 6.0 million⁽¹⁾</p> |
| | Technology synergies | <ul style="list-style-type: none"> Opportunities to deliver scale benefits associated with technology investment | |
| | Property / lease synergies | <ul style="list-style-type: none"> Cost saving opportunities from rationalisation of overlapping leased property footprint | |
| | Support function efficiencies | <ul style="list-style-type: none"> Opportunities for improved support function utilisation, operational efficiency and profitability through leveraging corporate services, IT systems, resources and other infrastructure across the Combined Xenith Group | |
| Revenue synergies | Incremental revenues | <ul style="list-style-type: none"> Opportunities for incremental revenue generation from cross-selling of adjacent service lines and extension of the Southeast Asian services offering | <p>Not included in above target synergies</p> |

One-off implementation costs

| | |
|----------------------|---|
| Implementation costs | <ul style="list-style-type: none"> One-off costs associated with the three year integration plan Includes costs related to technology integration (project management), lease make-good provisions and costs associated with elimination of overlapping functions |
|----------------------|---|

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(1) Excludes one-off implementation costs and potential incremental revenue streams that may be generated by the Combined Xenith Group following integration of Griffith Hack.



4 – Acquisition funding, pro forma financials and terms



Acquisition funding and terms

Acquisition terms

| | |
|---|---|
| Consideration | <ul style="list-style-type: none"> Total upfront consideration of \$152.0 million <ul style="list-style-type: none"> Upfront consideration is to be comprised \$68.4 million in Xenith shares⁽¹⁾ and \$83.6 million cash Acquired on a cash free debt free basis, subject to working capital adjustments customary for a transaction of this nature Potential earnout of up to \$20.0 million, comprised of up to \$11.0 million in cash and up to \$9.0 million in Xenith shares⁽²⁾ |
| Upfront consideration funding (incl transaction costs) | <ul style="list-style-type: none"> \$67.5 million fully underwritten, pro-rata, accelerated, non-renounceable entitlement offer \$68.4 million placement of Xenith shares to the Griffith Hack vendors⁽¹⁾, which will be subject to a two year escrow (subject to customary early releases) <ul style="list-style-type: none"> Placement shares to be issued at \$3.161 per share, representing the 20 day VWAP prior to announcement \$21.8 million by way of amended secured debt facilities⁽³⁾ |
| Timing and closing conditions | <ul style="list-style-type: none"> The Acquisition is subject to closing conditions, including: <ul style="list-style-type: none"> Completion of the restructure of Griffith Hack into an appropriate corporate structure Xenith shareholder approval (expected to be sought in January 2017) Other customary conditions for a transaction of this nature Each of the Griffith Hack principals has approved the Acquisition Each of the Xenith directors and each of the current Shelston IP principals who are significant shareholders in Xenith has indicated their intention to vote in favour of the resolutions in respect of the Acquisition to be voted on at the shareholder meeting (as noted above) and will participate in the Entitlement Offer Completion scheduled for 1 February 2017 |

Sources and uses of funding

| Sources | \$m | Uses | \$m |
|--|--------------|------------------------|--------------|
| Entitlement Offer | 67.5 | Purchase consideration | 152.0 |
| Vendor Xenith share placement ⁽¹⁾ | 68.4 | Transaction costs | 5.7 |
| Debt ⁽³⁾ | 21.8 | | |
| Total | 157.7 | Total | 157.7 |

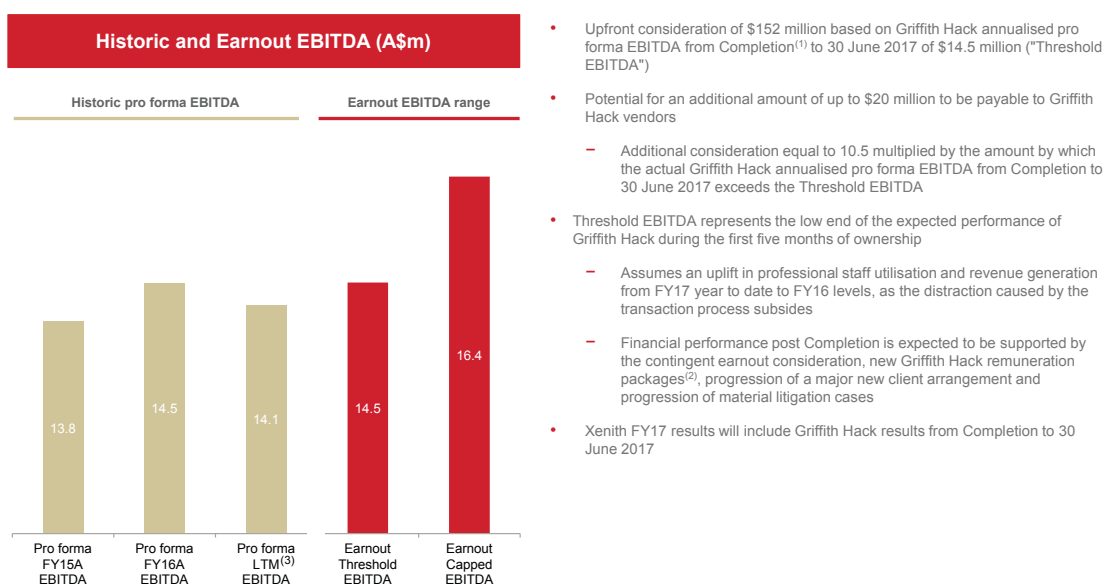
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(1) At \$3.161 per share. This would equate to approximately 21.6 million shares or 24.8% of Xenith's ordinary shares on completion of the Acquisition. Approximately \$215,000 of the amount of cash consideration will be provided instead by Xenith as a placement of gift shares to eligible Griffith Hack employees on completion. Shares issued as consideration for the Acquisition and employee gift shares will not participate in Xenith's FY17 interim dividend. (2) Refer to page 30. (3) Xenith has agreed an extension of its existing debt facilities, including an increased limit of \$50.0 million, with a tenure of 3 years.



Acquisition consideration structure

Upfront consideration of \$152m, with potential additional earnout consideration of up to \$20m depending on Griffith Hack performance through the first five months of ownership



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(1) Completion of the Acquisition scheduled for 1 February 2017. (2) Each of the Griffith Hack equity principals (excluding two who will become consultants) will enter into three year employment contracts. Non-equity principals will be eligible to participate in existing Xenith STI and LTI programmes. (3) LTM represents last 12 months to 31 October 2016.



FY16 pro forma income statement⁽¹⁾

| Year ended 30 June 2016 (A\$000's) | Xenith ⁽²⁾ | Watermark ⁽³⁾ | Pro forma adjustments ⁽⁴⁾ | Xenith / Watermark Combined | Griffith Hack ⁽³⁾ | Pro forma adjustments ⁽⁴⁾ | Pro forma Combined Xenith Group |
|---------------------------------------|-----------------------|--------------------------|--------------------------------------|-----------------------------|------------------------------|--------------------------------------|---------------------------------|
| Total revenue and income | 32,312 | 18,796 | - | 51,108 | 74,260 | - | 125,368 |
| Total expenses | (23,130) | (16,910) | - | (40,040) | (59,766) | - | (99,806) |
| EBITDA | 9,182 | 1,886 | - | 11,068 | 14,494 | - | 25,562 |
| Depreciation and amortisation expense | (377) | (477) | (859) | (1,713) | (960) | (7,483) | (10,156) |
| EBIT | 8,805 | 1,409 | (859) | 9,355 | 13,534 | (7,483) | 15,406 |
| Interest expense | (257) | (69) | - | (326) | - | (870) | (1,196) |
| PBT | 8,548 | 1,340 | (857) | 9,029 | 13,534 | (8,353) | 14,210 |
| Income tax expense | (2,564) | (402) | 258 | (2,708) | (4,060) | 2,506 | (4,262) |
| NPAT | 5,984 | 938 | (601) | 6,321 | 9,474 | (5,847) | 9,948 |
| NPATA ⁽⁵⁾ | | | | 6,922 | | | 15,787 |

- (1) The FY16 pro forma income statement is presented before the realisation of synergies and excludes one-off costs associated with the transaction, and is presented as if Watermark and Griffith Hack were consolidated as part of the Xenith Group from 1 July 2015.
- (2) Refer to Appendix B for a reconciliation of the Xenith pro forma and statutory income statement.
- (3) Watermark and Griffith Hack income statements have been adjusted:
- to exclude certain one-off revenues and expenses that are not applicable to the pro forma Combined Xenith Group on a go forward basis (net \$1.3 million increase to EBITDA); and
 - to include the incremental costs associated with the employment of the principals of each business (\$9.479 million) and the recognition of income tax expense as if the businesses operated under a corporate structure during the period.
- (4) Pro forma adjustments represent:
- an estimate of the annual amortisation (tax effected) of acquired intangible assets required to be recognised in accordance with AASB 3 Business Combinations on the acquisitions of Watermark and Griffith Hack. The estimate is based on a preliminary purchase price allocation which assumes 50% of the excess of the purchase price (including \$19 million total earnout consideration) over the net tangible assets is attributable to customer relationships; and
 - the estimated interest expense attributable to the incremental borrowings expected to be drawn to facilitate the Griffith Hack transaction, and the corresponding tax effect.
- (5) NPATA represents net profit after tax after adding back the amortisation of acquired intangible assets (after tax).

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FY16 pro forma balance sheet

| As at 30 June 2016 (A\$000's) | Xenith | Watermark ⁽¹⁾ | Pro forma adjustments ⁽²⁾ | Xenith / Watermark Combined | Griffith Hack ⁽¹⁾ | Pro forma adjustments ⁽³⁾ | Pro forma Combined Xenith Group |
|---|--------|--------------------------|--------------------------------------|-----------------------------|------------------------------|--------------------------------------|---------------------------------|
| Cash and cash equivalents | 4,911 | - | (400) | 4,511 | - | - | 4,511 |
| Other current assets | 8,908 | 5,151 | - | 14,059 | 19,194 | - | 33,253 |
| Total current assets | 13,819 | 5,151 | (400) | 18,570 | 19,194 | - | 37,764 |
| Intangible assets | 8 | - | 20,942 | 20,950 | - | 177,127 | 198,077 |
| Other non-current assets | 2,292 | 243 | - | 2,535 | 3,875 | - | 6,410 |
| Total non-current assets | 2,300 | 243 | 20,942 | 23,477 | 3,875 | 177,127 | 204,487 |
| Total assets | 16,119 | 5,394 | 20,542 | 42,055 | 23,069 | 177,127 | 242,251 |
| Current borrowings | - | - | - | - | 89 | - | 89 |
| Other current liabilities | 6,020 | 3,533 | 4,000 | 13,553 | 10,657 | 15,000 | 39,209 |
| Total current liabilities | 6,020 | 3,533 | 4,000 | 13,553 | 10,745 | 15,000 | 39,298 |
| Non-current borrowings | 4,000 | - | - | 4,000 | - | 21,750 | 25,750 |
| Other non-current liabilities | 1,614 | 727 | 2,576 | 4,917 | - | 22,451 | 27,368 |
| Total non-current liabilities | 5,614 | 727 | - | 8,917 | - | 44,201 | 53,118 |
| Total liabilities | 11,634 | 4,260 | 6,576 | 22,470 | 10,745 | 59,201 | 92,416 |
| Total equity | 4,485 | 1,134 | 13,966 | 19,585 | 12,324 | 117,926 | 149,835 |
| Net (cash) debt / Pro Forma EBITDA ⁽⁴⁾ | (0.1)x | | | | | | 0.8x |

- (1) Watermark and Griffith Hack balance sheets have been adjusted to exclude balances that will not form part of the transaction and have been presented as if the businesses were acquired and consolidated on 30 June 2016.
- (2) Represents the acquisition and estimated consolidation adjustments for the acquisition of Watermark (completed on 2 November 2016) including the initial recognition of preliminary purchase price allocation adjustments, and corresponding deferred tax liability, assuming that 50% of the excess of the purchase price over net tangible assets is attributable to customer relationships, including an estimated \$4m earn-out liability. The total initial purchase price of \$15.5m has been funded by the issue of \$8m shares to the Watermark principals and cash. Estimated transaction costs of \$1m have been funded by cash.
- (3) Represents the acquisition and estimated consolidation adjustments for the acquisition of Griffith Hack including the initial recognition of preliminary purchase price allocation adjustments, and corresponding deferred tax liability, assuming that 50% of the excess of the purchase price over net tangible assets is attributable to customer relationships, including an estimated \$15m earnout liability. The total upfront purchase price of \$152m and estimated acquisition costs of \$3.2m has been funded by incremental borrowings of \$21.8m, a net entitlement offer of \$65.0m and the issue of \$68.4m of shares to the Griffith Hack vendors.
- (4) Calculated as net debt post Acquisition divided by FY16 pro forma EBITDA of Xenith and the Combined Xenith Group, pre-synergies and before transaction and implementation costs. Before payment of any earnout consideration, and excluding bank guarantees.

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5 – Summary and outlook



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Creating a leading Australian IP group

- 1 **Transformational combination** of three of Australia's **leading IP firms** – Shelston IP, Watermark and Griffith Hack
- 2 **Increased scale** in a rapidly consolidating sector – **#1 market position** on several key metrics
- 3 **Complementary geographic fit** – Strong presence in major capital cities
- 4 **Diversified, significant long-term client profile** with enhanced focus on premium local clients
- 5 **Increased scope** of service offering
- 6 **Significantly enlarged client base** from which to leverage adjacent service offerings and pursue growth initiatives, particularly in Southeast Asia
- 7 **Independently branded firms** with substantial scope for efficiencies through **centralised support functions**
- 8 Targeting **meaningful synergy benefits** over a three year integration period
- 9 **Estimated mid-teens FY18 EPS accretion**, post synergies on a phased basis and before transaction and implementation costs, and amortisation of acquired intangible assets⁽¹⁾

Xenith trading update and outlook

Trading update and outlook

- Xenith October YTD underlying performance in line with management expectations – positions Xenith well for FY17
- Key areas of Board and management focus:
 - Integration of Watermark and Griffith Hack businesses – based on 3 year detailed integration plans
 - Southeast Asian growth strategy, supported by Watermark and Griffith Hack acquisitions
 - Development of complementary service lines, supported by Watermark and Griffith Hack acquisitions
 - Continued business development in China to build on current momentum
 - Further consolidation opportunities in Australia
 - Continued development of technology platform to improve operational efficiencies
- No change to target dividend payout ratio of 70% - 90% of NPAT
 - Dividend per share to reflect current shares on issue and shares to be issued under the Entitlement Offer⁽¹⁾

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(1) Shares issued as consideration for the Acquisition and employee gift shares will not participate in Xenith's FY17 interim dividend.



6 – Entitlement Offer Summary



Details of the Entitlement Offer

| | |
|--------------------------|---|
| Offer size and structure | <ul style="list-style-type: none"> Fully underwritten 1 for 1.33 pro-rata, accelerated, non-renounceable entitlement offer To raise approximately \$67.5 million Approximately 28.2 million New Shares will be issued under the Entitlement Offer |
| Offer price | <ul style="list-style-type: none"> Entitlement Offer will be conducted at \$2.40 per New Share (Offer Price) <ul style="list-style-type: none"> 20.5% discount to the last traded price of \$3.02 on Thursday, 24 November 12.7% discount to TERP⁽¹⁾ of \$2.75 |
| Institutional investors | <ul style="list-style-type: none"> The Institutional Entitlement Offer will be conducted on Friday, 25 November. Institutional shortfall shares, together with the right to subscribe for those shares will be sold via an institutional shortfall book build to be conducted on Friday, 25 November Each of the Xenith directors and each of the current Shelston IP principals who are significant shareholders in Xenith has indicated their intention to vote in favour of the resolutions in respect of the Acquisition to be voted on at the shareholder meeting (as noted above) and will participate in the Entitlement Offer |
| Retail investors | <ul style="list-style-type: none"> The Retail Entitlement Offer will open on Friday, 2 December and close on Tuesday 13, December |
| Ranking | <ul style="list-style-type: none"> New Shares issued will rank equally with existing fully paid ordinary shares from their time of issue |
| Underwriting | <ul style="list-style-type: none"> Entitlement Offer is fully underwritten by Shaw and Partners Limited, UBS AG, Australia Branch and Ord Minnett Limited |

37 (1) The theoretical ex-rights price is the theoretical price at which Xenith shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Xenith shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP. TERP is calculated by reference to Xenith's closing price of \$3.02 per share on Thursday, 24 November 2016, being the last trading day prior to the announcement of the Entitlement Offer.

(2) Dates and times are indicative only and are subject to change.



Entitlement Offer timetable

| Event | Date ⁽¹⁾ |
|---|---------------------------|
| Trading halt and announcement of the Acquisition, Institutional Entitlement Offer opens | Friday, 25 November 2016 |
| Institutional Offer Closes (including Institutional Offer shortfall allocation) | Friday, 25 November 2016 |
| Trading halt lifted, trading resumes on ex-entitlement basis | Monday, 28 November 2016 |
| Record date to identify security holders entitled to participate in the Entitlement Offer (7pm Sydney time) | Tuesday, 29 November 2016 |
| Retail Entitlement Offer opens. Despatch of Retail Entitlement Offer Booklet and personalised entitlement forms | Friday, 2 December 2016 |
| Settlement of Institutional Entitlement Offer | Thursday, 8 December 2016 |
| Issue of Shares under Institutional Entitlement Offer | Friday, 9 December 2016 |
| Retail Entitlement Offer closes (5pm Sydney time) | Tuesday, 13 December 2016 |
| Announcement of results of Retail Entitlement Offer | Friday, 16 December 2016 |
| Settlement of Retail Entitlement Offer | Friday, 16 December 2016 |
| Issue of New Shares under Retail Entitlement Offer | Monday, 19 December 2016 |
| New Shares issued under the Retail Entitlement Offer commence trading on ASX | Tuesday, 20 December 2016 |
| Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer | Tuesday, 20 December 2016 |

38 (1) The above timetable is indicative only and subject to change without notice. The commencement of quotation of New Shares is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and any other applicable laws, Xenith, with the consent of the Joint Lead Managers, reserves the right to amend this timetable at any time, including extending the Retail Entitlement Offer Period or accepting late applications, either generally or in particular cases, without notice.



7 – Key Risks



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Key Risks

There are a number of factors, specific to an investment in Xenith, specific to the Acquisition and of a general nature, which may affect the future operating and financial performance of Xenith and the industry in which it operates and the outcome of an investment in Xenith. This section describes certain key risks associated with an investment in Xenith which potential investors should consider together with publicly available information (including this Presentation) concerning Xenith before making an investment decision.

1. SPECIFIC INVESTMENT RISKS

1.1. Competition

The Group's revenue is dependent upon providing IP services to its clients. The market for Australian IP professional services is relatively mature and subject to substantial competition between large and small IP firms based on price, service levels, service range, technology, professional expertise and reputation. Competitive pressures resulting from activities of current competitors, emergence of new competitors, changing client expectations (including an expansion of fixed price demands and reduced tolerance for scale charges) or other changes in the competitive landscape could result in loss of key clients, resulting in loss of revenue, and/or margin compression and a corresponding reduction in the Group's profitability.

1.1.1. Limitations in market share/perceived conflict of interest

As IP firms increase market share in particular industry sectors, the probability of legal or commercial conflicts of interest tends to increase. Some clients also require that their IP service providers not represent specified competitors, thereby potentially limiting the Group's ability to expand its services or market share in some industry sectors. This may have an adverse effect on the Group's ability to grow revenue and market share.

One of the major benefits of the Group's corporatisation is that multiple IP firms can be acquired with conflict risk managed through maintaining each firm as a separate, stand alone entity operating on separate systems and with separate professional personnel. However, not all clients may be comfortable with the common ownership and this may still result in loss of major clients due to perceived commercial or legal conflict. The more or less simultaneous acquisition of Watermark and Griffith Hack and associated substantial increase in scale and market share of the Group increases the risk that key clients of different firms in the Group will not be comfortable with the common ownership position.

The Professional Standards Board for Patent and Trade Marks Attorneys (**PSB**) regulates the activities of patent and trade mark attorneys in Australia. The PSB is currently assessing whether the Code of Conduct for Patent & Trade Marks Attorneys 2013 (**Code**) requires amendment to cover circumstances where firms within the same corporate group acting for opposing clients in contested matters. There is a risk such changes may be more restrictive, or require firms to take additional steps than is currently the case, however the PSB has not yet indicated what changes will be made to the Code, if any.

Key Risks (cont'd)

1.1.2. Insourcing of IP services by key clients

A substantial proportion of the Group's revenue is derived from corporate clients, many of which have in-house legal resources and, in some cases, IP service capabilities. There is a risk that some clients may increasingly undertake in-house IP services that have previously been performed by the Group which may result in reduced revenue and profit for the Group.

1.1.3. Loss of key business relationships

The Group has informal referral relationships with a large number of IP firms in various countries outside Australia, particularly in the US, Europe, China and Japan. The Group's revenue is dependent in part upon maintenance and development of these referral relationships. Consequently, loss or diminution of these relationships may adversely affect the Group's financial performance.

Some firms in the Group also have contractual relationships with a number of specialist service providers, one of which is a source of PCT National Phase patent applications, and another of which is a specialist provider of IP renewals services. Both are a source of associated revenue for the Group. Although many of these relationships are long standing, some of them may be terminated on short notice. The loss or diminution of one or more of these relationships may have a material impact on the Group's revenue and a corresponding reduction in Group profitability.

Griffith Hack has terminated its relationship with its renewals service provider and is in the process of bringing this work back in house. While this eliminates the risk of loss of the service provider relationship, it increases the risk of loss of revenue through competition with the former service provider in offering renewal services to Griffith Hack clients and through increased professional liability if errors are made in the renewal process.

1.2. Foreign currency exposure

A significant proportion of the Company's revenue (including Griffith Hack) is invoiced in foreign currencies, particularly USD. The Group is therefore exposed to currency fluctuations as many of its key expenses such as rent and salaries are denominated and paid in AUD. If the AUD appreciates against the USD or the Euro (to a lesser extent), the Group will have lower revenue and lower net profits in AUD. The Group may not be able to negotiate with its clients to raise its prices in order to compensate for this.

1.3. Restructure and integration

1.3.1. Restructure

The acquisition of Watermark and Griffith Hack will involve the transition of these firms from a partnership model to a corporatized/listed public company structure. This will necessitate changes in corporate governance, management structures and financial and operational reporting requirements. The inability of individual Group firms to adapt to any of these changes or to identify, manage and mitigate any risks as they emerge, may adversely impact the financial performance and position of the Group. The inability of personnel to adapt to any of these changes may result in adverse financial impact due to the cost and disruption of unplanned staff turnover.

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Key Risks (cont'd)

1.3.2. Integration Risk

The Group has recently completed the acquisition of the Watermark business and, assuming the Griffith Hack acquisition completes, will also acquire the Griffith Hack business. If both acquisitions proceed, very substantial effort and cost will be required to integrate those two businesses into the Group, at more or less the same time. Completion and integration of two substantial businesses more or less simultaneously increases the risk that the integration process will not proceed smoothly. This may result in anticipated benefits arising from the acquisitions either not being achieved or achievement being delayed. Anticipated benefits include the cost and revenue synergies outlined on page 27.

1.4. Personnel

1.4.1. Loss of key personnel

Many of the Group's key personnel are highly qualified and highly experienced with in-depth industry and client knowledge. Any loss of key personnel may have an adverse impact on the Group's client service capabilities and/or financial performance. All Shelston IP and Watermark principals have entered into, and all Griffith Hack equity principals (excluding two who will become consultants) will enter into, three year employment contracts⁽¹⁾. However, the restructure of firms in the Group and their operation in a listed environment, including changes to remuneration models and governance structure, may adversely affect the ability of the Group to retain key staff and/or attract new staff with appropriate qualifications and experience at comparable cost. Since the Group's revenues are heavily dependent on its professional staff, which represent a significant proportion of the cost base, this may have an adverse impact upon the Group's revenue and/or profitability. There is also a risk that incentive schemes implemented to assist retain staff are not adequately attractive to achieve these goals.

1.4.2. Succession planning and knowledge management

All of the principals of Shelston IP have entered into three year employment contracts, of which two years remain. All of Watermark principals have entered and almost all Griffith Hack equity principals (assuming the acquisition proceeds) will also enter into three year employment contracts on similar terms. However, there is a risk that the Group does not adequately plan for succession of its principals or other key personnel. Given the Group's reliance on the activities of its professional staff for client service and revenue generation, inadequate succession planning and inadequate knowledge management may inhibit the Group's ability to maintain service levels, retain key clients and staff, or pursue growth opportunities. The Group may also incur additional costs to recruit replacement staff if succession planning is not adequately managed.

42 (1) There are 13 Griffith Hack non-equity principals who are subject to other retention arrangements.



Key Risks (cont'd)

1.5. Regulatory change

1.5.1. Removal or diminution of local agency role/ Extension of ePCT to the National Phase

Some of the Group's core IP services in relation to preparation and prosecution of patent applications in Australia are supported by rights and privileges granted exclusively to Australian patent attorneys and, to an extent, by the requirement for a local address for service in relation to Australian patent applications. Any legislative or regulatory change that has the effect of removing or diminishing the rights and privileges granted exclusively by statute to Australian patent attorneys, or local address for service requirements may have a material impact on the Group's ability to generate and grow revenue and a corresponding reduction in Group profitability.

An example of potential diminution in the local agency role is the proposal currently under consideration to extend the ePCT system for filing international patent applications to the subsequent "national phase" entry stage. It is currently not known when or if the ePCT system will be extended in this way, or if IP Australia would participate in any such extension. However, if implemented, this proposal may have a significant adverse impact on the Group's revenue currently derived from the national phase entry process step.

1.5.2. Patent examination harmonisation

Currently, the majority of patent applications are separately examined in each country or region in which the applications are filed. The Group derives substantial revenue from the substantive examination process in Australia, New Zealand and other jurisdictions. There is a long term international trend toward harmonisation of patent examination regimes. Various proposals have been discussed, and in some cases implemented, with the aim of minimising the duplication of effort across multiple offices and improving consistency of examination outcomes, subject to variations in local laws. Any harmonisation regime that has the effect of diminishing IP services that the Group provides in connection with these patent examination processes may have an adverse impact on revenue and Group profitability.

1.5.3. Changes in scope of patentable subject matter

The boundaries of patentable subject matter continue to evolve as a result of technological innovation, legislative change and judicial interpretation. Material changes to the regulatory landscape or the interpretation of the regulatory framework may adversely affect the Group's revenue by narrowing the scope of patentable subject matter, and hence potentially the number of patent applications filed in particular technical fields.

More specifically, in April 2016, the Productivity Commission published a draft report into Australia's IP system which contained various recommended changes. Those changes include raising the level to meet the inventive step requirement for standard patents (thus making patents harder to obtain), repealing the innovation patents system and excluding business methods and software as patentable subject matter. Whether the government will adopt the recommendations in the draft report, and any timing for implementation, are unknown. Material changes in the scope of patentable subject matter may have an adverse effect on the Group's financial position or performance.

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Key Risks (cont'd)

1.6. Computer system disruption

The Group's business is heavily dependent upon a computerised technology platform including customised electronic case management, document management, file management, client relationship management and reporting systems. Any failure, corruption or disruption of the Group's technology platform including computer hardware, software, internet connections or communications systems may have a significant adverse impact on client service, deadline monitoring, integrity of records or financial performance. The Group's backup protocols, in-built redundancies, restoration procedures and data recovery plans may not be adequate to enable timely recovery in all conceivable circumstances including natural disasters, acts of terrorism or war, failure of utilities, sabotage, including breaches of cybersecurity and malicious hacking, or system failure due to other causes. This could lead to delays and processes becoming more labour intensive, resulting in the Group losing what it considers a competitive advantage with respect to its technology platform. Fundamental technology platform failure could lead to loss of clients' IP rights with consequential financial and reputational damage to the Group, potentially resulting in loss of clients, loss of revenue and/or claims against the Group.

1.7. New market/acquisition risk

A key element of the Group's growth strategy is expansion into Southeast Asia, preferably through one or more acquisitions as a basis for establishment of a regional hub and spoke network. There are inherent risks associated with entering any new geographical market with its own particular regulatory and political frameworks and cultural dynamics. It is possible that the Group is unable to achieve any acquisitions, or that such acquisitions do not deliver the expected benefits.

1.8. Acquisition Completion Risk

Completion of the Acquisition is conditional on satisfaction of customary conditions and Xenith shareholder approval. The extraordinary general meeting of Xenith at which shareholder approval will be sought will occur after completion of the Offer. There is a risk that the requisite shareholder approval will not be obtained or other conditions satisfied. In this case Xenith will not proceed with the Acquisition in its current form, but will have raised the funds sought under the Offer. While in this case Xenith expects to use the funds for general working capital purposes, capital management initiatives, in pursuit of its general growth strategies and potentially for other acquisitions, there is a risk that it will not be able to employ funds raised in a manner which is anticipated to be as productive as the application of those funds to the Acquisition.

1.9. Debt Facilities and Funding Risk

Xenith will enter into financing arrangements pursuant to which financiers will agree to provide debt financing for the transaction by extending Xenith's existing facilities, subject to the terms and conditions of a debt financing agreement. If certain conditions are not satisfied or certain events occur, the financiers may terminate the debt financing agreement, which would have an adverse impact on Xenith's sources of funding for the transaction. In addition, whilst it is not currently anticipated, should Xenith not be able to satisfy the conditions of drawdown under its debt facilities, Xenith will need to source funding from alternative sources.

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Key Risks (cont'd)

1.10. Professional duties

1.10.1. Regulatory sanctions

The patent attorneys, trade mark attorneys and lawyers within the Group are bound by various ethical and professional standards imposed by relevant legislation and supervising professional bodies. Those bodies and the Legal Services Commissioner (in the case of lawyers) have the power to make findings of unsatisfactory professional conduct or professional misconduct against professionals who breach the required standards, to levy fines against the affected professional and in extreme cases, to disbar the affected individual. Even without disbarment, a finding of professional misconduct against a Group employee may seriously damage the reputation of the Group, risking loss of clients and hence potential loss of revenue for the Group.

1.10.2. Conflict of duties

The Group provides IP legal services and its employed solicitors have duties to the court and their clients. In some circumstances these duties may prevail over the Group's duties and obligations to Shareholders. Similarly, the Group's patent and trade mark attorneys are bound by a professional code of conduct with duties and obligations to act in accordance with the law, the best interests of their clients, in the public interest and in the interests of the profession as a whole. In certain circumstances, these duties and obligations may also compete with and prevail over the Group's duties and obligations to Shareholders, which may result in loss of clients, potentially impacting the Group's revenue.

1.11. Litigation

There is a risk that the Group may be exposed to potential litigation from third parties such as clients, regulators, employees, service providers and business associates. Any such litigation may adversely affect the Group's profit and reputation.

1.12. Dividends

Payment of future dividends will depend on matters such as the future profitability and financial position of the Company and the other risk factors set out in this Section. There can be no guarantee as to the future dividend policy, the extent of future dividends, or the level of franking of such dividends.

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Key Risks (cont'd)

2. GENERAL INVESTMENT RISKS

2.1. Economic downturn

2.1.1. Global

As a business operating in both local and international markets, the Group's revenue is subject to fluctuations in the global economy or country specific economic circumstances. A substantial proportion of the Group's revenue is derived from foreign clients. Accordingly, adverse economic conditions overseas may potentially have an adverse effect on the Group's revenue. Any significant downturn in investment in research and development may result in a reduction in demand for the Group's services and a reduction in revenue earned.

2.1.2. Local

Local clients are an important source of revenue for the Group. Accordingly, adverse economic conditions in Australia and New Zealand may affect the Group's revenue. Given that a larger proportion of Watermark's revenue (43%) and Griffith Hack's revenue (53%) is attributable to local clients compared with Shelston IP's local revenue (25%), the Group's exposure to adverse conditions in the Australia and New Zealand economies is increased.

2.2. Liquidity

The Group's Shares are only listed on the ASX and will not be listed for trading on any other securities exchanges. There can be no guarantee that an active market in the Shares will develop or continue. If an active market for the Shares does not develop or is not sustained, it may be difficult for investors to sell their Shares at the time or for the price they seek. Further, the market price for Shares may fall or be made more volatile because of the relatively low volume of trading in the Company's securities. When trading volume is low, significant price movements can be caused by the trading in a relatively small number of shares. Sales of a substantial number of Shares following the Offer, either by the principals (once escrow ends) or by new Shareholders, or the perception or expectation that such sales may occur, could cause the market price of the Shares to decline. The Company may also offer additional Shares in subsequent offerings, which may adversely affect the market price for the Shares.

2.2.1. Concentration of shareholding

On completion of the Griffith Hack acquisition, the Griffith Hack principals will hold approximately 24.8% of the Group's Shares and the principals of all the IP firms will together hold approximately 43.9⁽¹⁾% of the Group's Shares. This may enable the Griffith Hack principals or the principals collectively to exercise substantial influence over the election of Directors and other matters put before Shareholder meetings. There may be circumstances where the principals collectively have different objectives or motivations from other Shareholders and there is a risk that the principals collectively could exercise their voting rights differently from other Shareholders. Concentration of shareholding may also impact market liquidity for Xenith's Shares. All of the Shares that remain held by the principals collectively are subject to voluntary escrows. There is also a risk that, due to personal circumstances or other reasons, one or more principals may seek to sell some or all of their Shares immediately or shortly after the relevant escrow period ends. Subject to liquidity, timing and other factors, this could have an adverse impact on Xenith's share price.

46 (1) The calculation of principals' shareholdings assumes that the relevant Shelston IP principals participate in the Offer to the extent indicated by them prior to the opening of the Offer.



Key Risks (cont'd)

2.3. Risks Associated With Not Taking Up New Shares Under the Entitlement Offer

Entitlements cannot be traded on ASX or privately transferred. New Shares equivalent to the number of New Shares not taken up will be offered for subscription in either the institutional shortfall bookbuild or the retail shortfall bookbuild, as applicable. If you are a shareholder and you do not take up New Shares under the Entitlement Offer, you will not receive any value for your entitlement and your proportionate shareholding will be diluted. Before deciding whether to take up New Shares under the Entitlement Offer, you should seek independent tax advice.

2.4. Taxation

Future changes in taxation law, including changes in interpretation or application of the law by the courts or taxation authorities, may affect taxation treatment of an investment in Xenith shares or the holding and disposal of those shares. Further, changes in tax law, or changes in the way tax law is expected to be interpreted, in the various jurisdictions in which Xenith operates, may impact the future tax liabilities and performance of Xenith. Any changes to the current rates of income tax apply to individuals and trusts will similarly impact on shareholder returns.

Appendix A: Introduction to Xenith

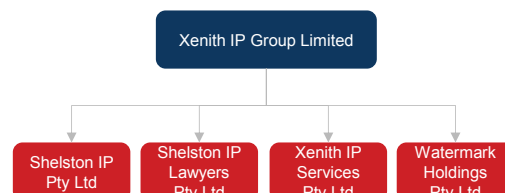


Overview of Xenith IP Group

A leading Australasian specialist IP group

- Xenith IP Group Limited is the holding company of Shelston IP Pty Ltd, Shelston IP Lawyers Pty Ltd, Xenith IP Services Pty Ltd and Watermark Holdings Pty Ltd
- The Group's core business is to provide a broad range of IP services, including identification, registration, management, commercialisation and enforcement of IP rights locally and internationally
- Shelston IP is consistently recognised as one of the leading Australian specialist IP firms, with a rich 157-year history dating back to 1859
- The Group employs over 200 personnel, including approximately 39 patent and trade mark attorneys and IP lawyers
- Majority of revenue is derived from foreign clients (75% in FY16), with the remainder (25% in FY16) sourced from Australia and New Zealand (prior to inclusion of Watermark which was acquired on 2 November 2016)

Xenith group structure overview



Recent awards and acknowledgements

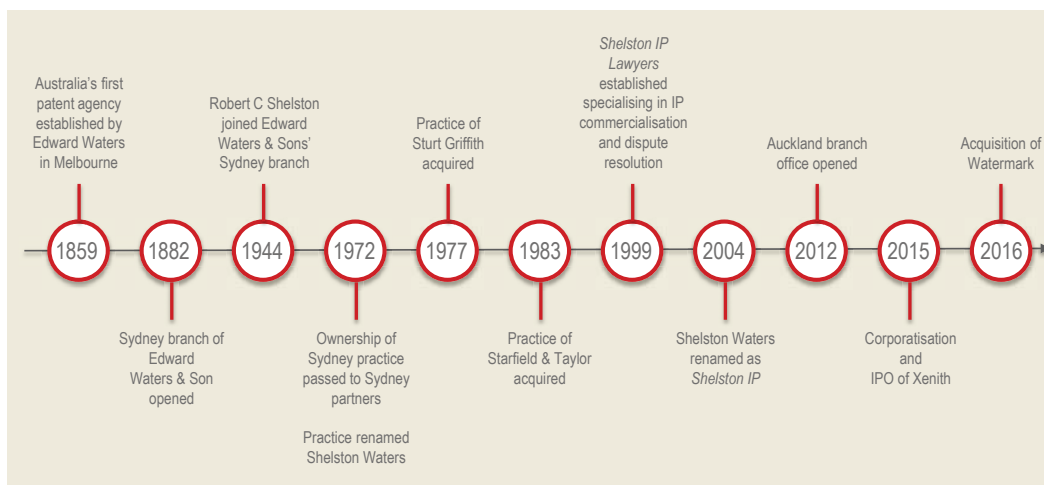


49



Xenith's history

Xenith holds the oldest IP firm in Australia with a proud 157 year history, dating back to its inception as Edward Waters & Sons in Melbourne, in 1859



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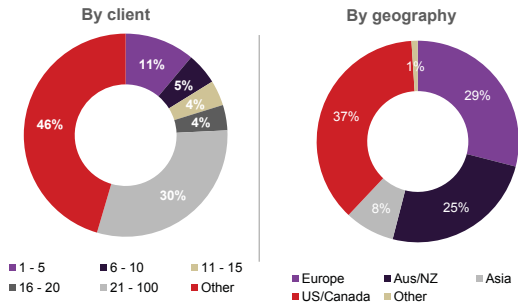


Overview of revenue base⁽¹⁾

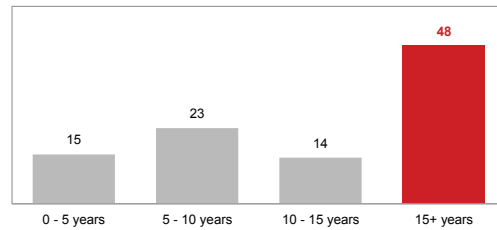
Diversified revenue base – by client

- Xenith has over 3,000 clients including:
 - Major multinational corporations
 - Domestic and foreign corporations, research institutes, educational institutions and SMEs
 - Domestic professional services firms
 - Foreign associates including offshore IP & other law firms
- Significant diversification of clients across geographies, service lines and industries
- Resulting diversification of revenue across the client base, with the top 20 clients providing only 24% of revenue
- Xenith has long-term relationships with many of its largest clients:
 - 62 of the top 100 clients with the firm for more than 10 years
 - 48 of the top 100 clients with the firm for more than 15 years.

FY16 revenue by client size and geography



Tenure of top 100 clients



51 (1) All details shown prior to acquisition inclusion of Watermark and Griffith Hack.



Xenith revenue base⁽¹⁾

Diversified revenue base – by industry and service line

| By Practice Area | | | | | | |
|---|---|----------------------------|------------------------------|----------------------------|----------------------------|---------------------------|
| | Patents and Designs | Trade Marks | IP Transactions and Disputes | | | |
| Overview | Xenith provides a comprehensive range of IP services including registration, management, commercialisation and enforcement of IP rights | | | | | |
| FY16 professional fees | | | | | | |
| By Practice Group | | | | | | |
| | Mechanical | Chem/ Pharma | Biotech/ Pharma | Electrical/ ICT | Trade Marks | Transactions and Disputes |
| FY16 professional fees | | | | | | |
| Professionals ⁽¹⁾ (including principals) | 7 attorneys (2 principals) | 6 attorneys (3 principals) | 5 attorneys (2 principals) | 8 attorneys (3 principals) | 7 attorneys (2 principals) | 6 lawyers (3 principals) |

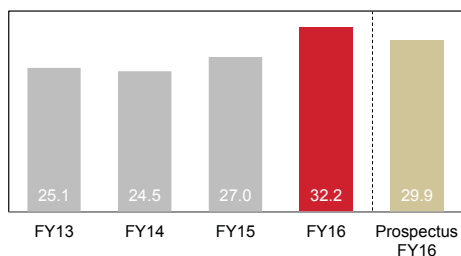
52 (1) All details shown prior to acquisition inclusion of Watermark acquired on 2 November 2016.



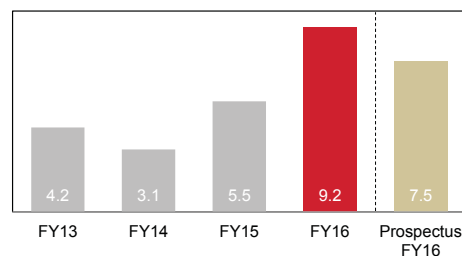
Xenith financial performance⁽¹⁾

Xenith continues to grow and improve margins

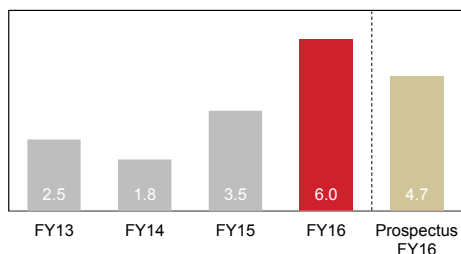
Pro forma revenue (\$m)



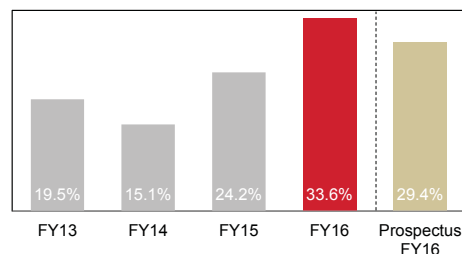
Pro forma EBITDA (\$m)



Pro forma NPAT (\$m)



Pro forma EBITDA margin (% of professional fees)



53 (1) All details shown prior to acquisition inclusion of Watermark. References to "Prospectus FY16" are references to the relevant metric forecast for FY16 in Xenith's prospectus dated 28 October 2015.
 (2) Note: Pro forma results are presented to highlight underlying performance of the business in its current structure, adjusted for IPO costs and other one-off expenses and notional costs associated with the restructure and IPO of the business. Please refer Xenith prospectus dated 28 October 2015 for more detailed information and reconciliation between the statutory and pro forma results.



Appendix B: Supporting Financial Information



Xenith – Statutory to Pro Forma Reconciliation

| For the financial year ended 30 June 2016 (A\$000's) | Xenith |
|--|--------------|
| Statutory net profit after tax | 6,535 |
| Add: statutory tax expense | 295 |
| Add: statutory interest expense | 194 |
| Add: statutory depreciation and amortisation | 377 |
| Statutory EBITDA | 7,401 |
| Add: IPO transaction costs | 1,630 |
| Add: share based payments expense | 525 |
| Add: net lease surrender costs | 466 |
| Add: acquisition costs | 321 |
| Less: Incremental Short term incentive plan and long term incentive plan adjustments | (8) |
| Less: Incremental Principal remuneration | (853) |
| Less: Incremental public company cost | (300) |
| Pro forma EBITDA | 9,182 |
| Less: pro forma depreciation and amortisation | (377) |
| Less: pro forma net interest expense | (257) |
| Less: pro forma net tax expense | (2,564) |
| Pro forma net profit after tax | 5,984 |

55 Note: Refer to Xenith FY16 annual financial report released to ASX on 30 September 2016 for further details.



Appendix C: Additional Information



Underwriting Agreement Summary

Xenith has entered into an underwriting agreement dated 25 November 2016 ("**Underwriting Agreement**") with Shaw and Partners Limited ABN 24 003 221 583, UBS AG, Australia Branch ABN 47 088 129 613 and Ord Minnett Limited ABN 86 002 733 048 (the "**Underwriters**" and each an "**Underwriter**") under which the Underwriters have agreed to manage and underwrite the Offer. The obligations of the Underwriters are subject to the satisfaction of certain customary conditions precedent. The Underwriters will receive a fee and be reimbursed for reasonable costs and expenses for acting in this capacity.

An Underwriter may terminate the Underwriting Agreement and be released from its obligations under it if certain events occur, including (but not limited to) if:

- the cleansing notice is or becomes defective;
- Xenith is prevented from granting the Entitlements or issuing the New Shares under the ASX Listing Rules or ASIC modifications, any applicable law, an order of a court of competent jurisdiction or by a government agency;
- Xenith or a subsidiary that represents 5% or more of the consolidated assets or earnings of Xenith and its subsidiaries, becomes insolvent;
- Xenith ceases to be admitted to the official list of ASX or the New Shares are suspended from trading on ASX or ASX refuses to grant quotation to the New Shares;
- a change in the Chief Executive Officer, Chief Financial Officer or Chair of Xenith occurs;
- Xenith takes certain actions in relation to the Offer or the Offer documents, including the withdrawal of an Offer document, the Offer or indicates that they do not intend to proceed with the Offer;
- a director of Xenith is charged with an indictable offence, is disqualified from managing a corporation or Xenith, its directors or officers engage in fraudulent conduct;
- there are any delays in the timetable (except where such delay is approved by Underwriters);
- the Acquisition agreement is terminated, rescinded, withdrawn or revoked, or if Xenith is in material breach of, or default under, any provision in the Acquisition agreement, or if the Acquisition agreement has been amended or varied in any material respect without the prior written consent of the Underwriters.

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Underwriting Agreement Summary (cont'd)

An Underwriter may also terminate the Underwriting Agreement if, in the reasonable opinion of the Underwriters, certain events including (but not limited to) the events listed below, has, or could reasonably be expected to have, a material adverse effect on the financial condition, financial position or financial prospects of the Xenith, its subsidiaries, or the Combined Group, the success or outcome of the Entitlement Offer; or the ability of the terminating Underwriter to market or promote or settle the Entitlement Offer; or the event could give rise to a contravention by the terminating Underwriter of or liability for the Underwriter under the Corporations Act or any other applicable law:

- a new circumstance arises after the lodgement of the Offer documents that would have been required to be included in those documents if it had arisen prior to lodgement;
- an Offer Document or any statement, report, representation, matter or thing contained therein, is or becomes misleading or deceptive or is likely to mislead or deceive;
- there is an omission from an Offer Document of material required to be included by the Corporations Act or any other applicable law;
- there is an application to a government agency for any order, declaration or other remedy, or any a regulatory body commences any public action in relation to the Offer;
- there is an adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects or forecasts of Xenith or its subsidiaries;
- a change of law or government policy is announced or introduced in Australia, United States of America, the United Kingdom or Hong Kong or any State or Territory in Australia;
- there is a disruption to commercial banking activities, an adverse effect on the financial markets, or any adverse change in political, financial or economic conditions in certain jurisdictions (including but not limited to Australia, the United States, the United Kingdom or Hong Kong); or
- there is an outbreak or major escalation of hostilities involving any one or more of Australia, the United States of America, any member state of the European Union, Hong Kong or the United Kingdom, or if there is a major act of terrorism in any of the aforementioned countries.

Subject to certain exclusions relating to, among other things, gross negligence, recklessness, fraud or wilful misconduct by an indemnified party, Xenith agrees to keep the Underwriter and certain affiliated parties indemnified from losses suffered in connection with the Offer. The Underwriting Agreement also contains certain customary representations, warranties and undertakings by Xenith to the Underwriters.

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International Offer restrictions

This document does not constitute an offer of new ordinary shares ("**New Shares**") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "**SFO**"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance).

No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMC Act**").

In relation to the institutional component of the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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International Offer restrictions (cont'd)

Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "**institutional investor**" (as defined in the SFA) or (iii) a "**relevant person**" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

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9 Additional information

This Information Booklet (including the ASX announcements and the Investor Presentation reproduced in it) and the accompanying personalised Entitlement and Acceptance Form have been prepared by Xenith. The information in this Information Booklet is dated Monday 28 November 2016 (other than the Investor Presentation and ASX announcement published on the ASX website on Friday 25 November 2016 and the Institutional Entitlement Offer completion announcement published on the ASX website on Monday 28 November 2016).

No party other than Xenith has authorised or caused the issue of the information in this Information Booklet, or takes any responsibility for, or makes any statements, representations or undertakings in this Information Booklet.

This information is important and requires your immediate attention.

You should read the information in this Information Booklet carefully and in its entirety before deciding whether to invest in New Shares or Additional New Shares. In particular, you should consider the risk factors outlined in the 'Key risks' section of the Investor Presentation (contained in Section 8), any of which could affect the operating and financial performance of Xenith or the value of an investment in Xenith.

You should consult your solicitor, stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

Xenith has applied to ASX for the grant of official quotation of the New Shares. It is expected that normal trading on ASX will commence in relation to New Shares and any Additional New Shares issued under the Retail Entitlement Offer on Tuesday 20 December 2016. Xenith will have no responsibility and disclaims all liability (to the maximum extent permitted by law, including for negligence) to persons who trade New Shares (or Additional New Shares, if any) before they are quoted on ASX or before they receive their confirmation of issue, whether on the basis of confirmation of the allocation provided by Xenith, the Registry, the Joint Lead Managers or otherwise. ASX accepts no responsibility for any statement in this Information Booklet.

9.1 Eligible Retail Shareholders

The information in this Information Booklet contains an offer of New Shares to Eligible Retail Shareholders in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act. The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only.

Eligible Retail Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at the Record Date⁴;
- have a registered address on the Xenith share register in Australia or New Zealand;
- are not in the United States or a person acting for the account or benefit of such person; and

⁴ In reliance on a confirmation provided by ASX, and for the purposes of determining Entitlements, Xenith may ignore changes in security holdings which occur after the imposition of the trading halt in Shares on Friday 25 November 2016 (other than registrations of transactions which were effected through ASX Trade before the trading halt).

- did not receive an offer (other than as nominee) under the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer.

Retail Shareholders who do not satisfy each of these criteria are '**Ineligible Shareholders**'. Ineligible Shareholders will be sent a letter in the form lodged with ASX on or about Friday 2 December 2016.

Xenith, in its absolute discretion, reserves the right to determine whether a shareholder is an Eligible Retail Shareholder and is therefore able to participate in the Retail Entitlement Offer, or an Ineligible Shareholder and is therefore unable to participate in the Retail Entitlement Offer. Xenith disclaims all liability to the maximum extent permitted by law in respect of any determination as to whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Shareholder.

Xenith may (in its absolute discretion) extend the Retail Entitlement Offer to any Shareholder in other foreign jurisdictions (subject to compliance with applicable laws).

The Retail Entitlement Offer is not being extended to any Shareholders outside Australia or New Zealand. By returning a completed Entitlement and Acceptance Form or making a payment by BPAY, you will be taken to have represented and warranted that you satisfy each of the criteria listed above. Eligible Retail Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

Xenith may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional Shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

9.2 Eligible Institutional Shareholders

Eligible Institutional Shareholders means a shareholder who receives an offer from the Company through the Joint Lead Managers to subscribe for Offer Shares under the Institutional Entitlement Offer on the basis that it is an institutional investor, including where the offer is made to a person for whom the shareholder holds Xenith securities.

9.3 Ineligible Shareholders

Xenith has decided that it is unreasonable to make offers under the Retail Entitlement Offer to retail investors who are holders of Shares and who are in the United States or have registered addresses outside Australia and New Zealand having regard to the number of such holders in those places and the number and value of the New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Shareholders are not eligible to participate in the Retail Entitlement Offer due to securities law restrictions on the offer of New Shares in certain jurisdictions. Xenith arranged for the New Shares in respect of the Entitlements which would otherwise have been available to Ineligible Shareholders (along with those which would otherwise have been available to ineligible institutional Shareholders) to be offered for subscription to certain institutional investors on behalf of Ineligible Shareholders through the Institutional Bookbuild.

9.4 Reconciliation, Top-Up Shares and the rights of Xenith and the Joint Lead Managers

The Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that Xenith may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. The price at which these Top-Up Shares would be issued is not known.

Xenith also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders, or persons claiming to be Eligible Institutional Shareholders or other applicable investors, if Xenith believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Cardno may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Joint Lead Managers at the Offer Price per New Share. If necessary, the relevant shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by Xenith in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Xenith or the Joint Lead Managers to require any of the actions set out above.

9.5 No cooling-off rights

Cooling-off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your application once it has been accepted.

9.6 Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the next whole number of New Shares.

9.7 No Entitlements trading

Entitlements are non-renounceable and cannot be traded on ASX or any other exchange, nor can they be privately transferred.

9.8 Not investment advice or financial product advice

The Entitlement Offer to which the information in this Information Booklet relates is being made in reliance on section 708AA of the Corporations Act. The information in this Information Booklet is not a prospectus, product disclosure statement, disclosure document or other offering document under the Corporations Act (or any other law) and has not been lodged with the Australia Securities and Investments Commission.

The information in this Information Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Xenith's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at www.asx.com.au.

The information in this Information Booklet is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs or circumstances. Xenith is not licensed to (and does not) provide financial product advice in respect of the New Shares or Additional New Shares.

The information in this Information Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Shares the subject of the Retail Entitlement Offer. If, after reading this Information Booklet, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser.

9.9 Foreign jurisdictions

The information in this Information Booklet has been prepared to comply with the applicable requirements of the securities laws of Australia and New Zealand.

The information in this Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Shares or Additional New Shares, or otherwise permit a public offering of the New Shares or Additional New Shares, in any jurisdiction outside of Australia and New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by Xenith to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia or New Zealand.

The distribution of this Information Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Information Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Refer to the Appendix C - Offer Jurisdictions of the Investor Presentation (contained in Section 8) for more information.

A) New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of Xenith with registered addresses in New Zealand to whom the offer is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

This Information Booklet or material accompanying it has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Information Booklet or material accompanying it is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

B) United States

This Information Booklet and any material accompanying it may not be released or distributed in the United States. This Information Booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Entitlements, New Shares and Additional New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States and the New Shares and Additional New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Shares and Additional New Shares to be offered and sold to Eligible Retail Shareholders will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the U.S. Securities Act) in compliance with Regulation S thereunder.

9.10 Governing law

The information in this Information Booklet, the Retail Entitlement Offer, and dealings in the Entitlements and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to the personalised Entitlement and Acceptance Forms are governed by the law applicable in New South Wales, Australia. Each shareholder who applies for New Shares and Additional New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

9.11 Taxation

Set out below is a general summary of the potential Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Shares on capital account.

The summary below does not deal with the tax implications for Eligible Retail Shareholders who are not residents of Australia for tax purposes. It also does not deal with the tax implications for Eligible Retail Shareholders:

- who hold their Shares (or will hold their Entitlements) as revenue assets or trading stock such as banks, insurance companies and taxpayers carrying on a business of share trading;
- have acquired their Shares for the purposes of resale at a profit; or
- who acquired their Shares (or will hold their Entitlements) under an arrangement that constitutes an 'employee share scheme' for Australian tax purposes.

It is intended as a general guide only and is not an authoritative or complete statement of all potential tax implications for each Eligible Retail Shareholder.

The summary below is not advice and should not be relied on as such. It also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Taxation is a complex area of law and the taxation consequences for each Eligible Retail Shareholder may differ depending on their own particular circumstances.

Accordingly, Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own financial or tax advisers.

The summary below is based on the law in effect as at the date of this Information Booklet. Future changes in Australian taxation law, including changes in interpretation or application of the law by the courts or taxation authorities in Australia, may affect taxation treatment of an investment in Shares or the holding and disposal of Shares.

Issue of Entitlements

The issue of the Entitlements should not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

Entitlements not taken up

Any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Shareholder will not receive any consideration as a result of the expiration of the Entitlement. On this basis, in these circumstances, there should not be any tax implications for an Eligible Retail Shareholder.

Sale of Entitlements

There is no opportunity for Eligible Retail Shareholders to sell their Entitlements.

Exercise of Entitlements

For Eligible Retail Shareholders who exercise their Entitlements and are allocated New Shares:

- the Entitlements will cease to exist and a CGT event will occur, but any capital gain or loss made on the exercise of the Entitlement should be disregarded for tax purposes;
- the New Shares acquired as a result of exercising the Entitlements will be treated for CGT purposes as having been acquired on the day on which the Entitlements are exercised; and
- the New Shares should have a cost base for CGT purposes equal to:
 - where the Eligible Retail Shareholder's existing Shares were acquired (or are taken to be acquired) on or after 20 September 1985, the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them; or
 - where the Eligible Retail Shareholder's existing Shares were acquired (or are taken to be acquired) before 20 September 1985, the sum of the market value of the Entitlements when they were exercised and the Offer Price payable by them for those New Shares plus certain non-deductible incidental costs they incur in acquiring them.

New Shares

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and may acquire, in Xenith's absolute discretion, Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares or Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares or Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of those shares. The cost base of those shares is described above.

Any capital gain arising to Eligible Retail Shareholders who are individuals and trusts (other than trusts that are complying superannuation funds) can generally be reduced by 50% (after first offsetting current year or prior year capital losses from other asset disposals) if the New Shares or Additional New Shares are held for at least 12 months between the date the New Shares or Additional New Shares (as applicable) are acquired and the date of disposal. For Eligible Retail Shareholders which are complying superannuation funds, any capital gain can generally be reduced by one-third (after first offsetting current year or prior year capital losses from other asset disposals) if the New Shares or Additional New Shares are held for at least 12 months between the date the New Shares or Additional New Shares (as applicable) are acquired and the date of disposal. The CGT discount is not available to Eligible Retail Shareholders that are companies.

New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT rules as having been acquired when Xenith issues or allots those Additional New Shares.

Taxation of Financial Arrangements (TOFA)

Australian income tax law includes specific TOFA rules. In summary, the TOFA rules can operate to make assessable or deductible, gains or losses arising from certain 'financial arrangements'.

As the application of the TOFA rules is dependent on the particular facts and circumstances of the taxpayer, Eligible Retail Shareholders should obtain their own advice in relation to the potential applicability of the TOFA rules, in light of their own individual facts and circumstances.

Other Australian taxes

No goods and services tax (**GST**) is payable and no stamp duty should be payable in respect of the grant, exercise or sale of the Entitlements or the acquisition of New Shares or Additional New Shares.

9.12 Underwriting

On 25 November 2016, Xenith entered into an underwriting agreement with the Joint Lead Managers, under which the Joint Lead Managers has agreed to manage the Entitlement Offer and fully underwrite the Entitlement Offer (**Underwriting Agreement**).

Please refer to page 57 of the Investor Presentation (contained in Section 8 of this Information Booklet) for further information about the Underwriting Agreement.

The Joint Lead Managers have not authorised or caused the issue of this Information Booklet and takes no responsibility for any information in this Information Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Joint Lead Managers exclude and disclaims all liability, for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and the information in this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise.

9.13 Financial data

All dollar values in this Information Booklet are in Australian dollars (\$) or A\$) unless otherwise stated.

9.14 Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information Booklet during the Retail Entitlement Offer period by calling the Xenith Offer Information Line on 1300 855 080 (within Australia) or + 61 3 9415 4000 (from outside Australia) at any time from 8.30am to 5.00pm (Sydney time) Monday to Friday during the Retail Entitlement Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the information in this Information Booklet in its entirety. The electronic version of this Information Booklet on the Xenith website will not include a personalised Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Xenith Offer Information Line or obtained online by visiting the website at www.investorcentre.com during the Retail Entitlement Offer period. Neither this Information Booklet nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons that are in the United States or otherwise distributed in the United States.

9.15 Forward-looking statements and future performance

Neither Xenith, its officers, employees, agents, associates and advisers, nor any other person warrants or guarantees the future performance of the New Shares or Additional New Shares or any return on any investment made pursuant to the information in this Information Booklet. Forward-looking statements, opinions and estimates provided in the information in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward-looking statements including projections, guidance on sales, earnings, dividends, and other estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Xenith and the board of directors of Xenith, including the risks described in the Investor Presentation (contained in Section 8), which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information Booklet.

9.16 Past performance

Past performance and pro-forma historical financial information given in this Information Booklet is provided for illustrative purposes only and is not, and should not be relied upon as, an indication of future performance. The historical information in this Information Booklet is, or is based upon, information that has been released to the market. For further information, please see past announcements released to ASX.

9.17 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of their beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees or custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Shares as nominees or custodians who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Holders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- (c) Ineligible Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States, or any person that is acting for the account or benefit of a person in the United States.

The Company is not required to determine whether or not any Shareholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws.

The Company is not able to advise on foreign laws. Eligible Retail Shareholders who are nominees or custodians are therefore advised to seek independent advice as to how to proceed.

9.18 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet. Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by Xenith, or its related bodies corporate, in connection with the Retail Entitlement Offer.

Except as required by law, and only to the extent so required, none of Xenith, or any other person, warrants or guarantees the future performance of Xenith or any return on any investment made pursuant to this Information Booklet.

10 Definitions

Additional New Shares means New Shares which Eligible Retail Shareholders are able to apply for in excess of their Entitlement as described in this Information Booklet.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 and the securities exchange operated by it.

Listing Rules means the official listing rules of ASX.

Business Day has the same meaning as in the ASX Listing Rules.

Closing Date means 5.00pm (Sydney time) on Tuesday 13 December 2016, the day the Retail Entitlement Offer closes.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Institutional Shareholder has the meaning given in Section 9.2.

Eligible Retail Shareholder has the meaning given in Section 9.1.

Entitlement means the right to subscribe for 1 New Shares for every 1.33 Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Information Booklet.

Entitlement Offer means the Institutional Entitlement Offer and the Retail Entitlement Offer.

Institutional Entitlement Offer means the accelerated pro rata non-renounceable entitlement offer to Eligible Institutional Shareholders under the Entitlement Offer.

Information Booklet means this document.

Investor Presentation means the presentation to investors released to the ASX on Friday 25 November 2016, incorporated in Section 8 of this Information Booklet.

Joint Lead Managers means Ord Minnett Limited ABN 86 002 733 048, Shaw and Partners Limited ABN 24 003 221 583 and UBS AG, Australia Branch ABN 47 088 129 613.

New Shares means Shares to be issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer (but excludes any Additional Shares offered).

Offer Materials has the same meaning given in the Underwriting Agreement.

Offer Price means \$2.40 per New Share.

Record Date means 7.00pm (Sydney time) on Tuesday 29 November 2016.

Retail Entitlement Offer means the pro rata non-renounceable entitlement offer to Eligible Retail Shareholders under the Entitlement Offer.

Share means a fully paid ordinary share in the capital of Xenith.

Share Registry means Computershare Investor Services Pty Limited
ABN 48 078 279 277.

Shareholder means a holder of Shares.

TERP means the theoretical price at which Xenith shares should trade immediately after the ex-date of the Entitlement Offer.

Timetable means the indicative table set out in the 'key dates' section of this Information Booklet.

Underwriting Agreement means the underwriting agreement dated on or about Friday 25 November 2016 between Xenith and the Joint Lead Managers.

US Securities Act means the US Securities Act of 1933, as amended.

Xenith means Xenith IP Group Limited ABN 88 607 873 209.

11 Corporate Directory

COMPANY INFORMATION

Registered office

Xenith IP Group Limited
Level 21
60 Margaret Street
SYDNEY NSW 2000

Website

www.xenithip.com.com

Xenith Offer Information Line

Australia 1300 855 080
International + 61 3 9415 4000

Open 8.30am to 5.00pm (Sydney time) Monday to Friday
during the Retail Entitlement Offer period

REGISTRY

Computershare Investor Services Pty Limited
Level 4
60 Carrington Street
Sydney NSW 2000

Tel (within Australia): 1800 783 447
Tel (outside Australia): +61 3 9473 2555

JOINT LEAD MANAGERS

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Shaw and Partners Limited
Level 15
60 Castlereagh Street
Sydney NSW 2000

UBS AG, Australia Branch
Level 16, Chifley Tower
2 Chifley Square, Sydney, NSW 2000

AUSTRALIAN LEGAL ADVISER

Clayton Utz
Level 15
1 Bligh Street
Sydney NSW 2000



For all enquiries:

Phone:
(within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000




XIP
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Offer and how to make your payment

Non-Renounceable Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEDT) Tuesday, 13 December 2016**

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 1.33 existing Shares that you hold on Tuesday, 29 November 2016 (**Record Date**), at an Offer Price of \$2.40 per New Share. You may also apply for Additional New Shares in excess of your Entitlement.

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares. ~~Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.~~

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Offer Document dated 28 November 2016.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Xenith IP Group Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.

Turn over for details of the Offer →


Entitlement and Acceptance Form with Additional Shares

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STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

 For your security keep your SRN/HIN confidential.

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at Tuesday, 29 November 2016:

1,000

Entitlement to New Shares on a 1 for 1.33 basis:

752

Amount payable on full acceptance at \$2.40 per New Share:

\$1,804.80

* Maximum additional New Shares for which you may apply under the Retail Over Subscription Facility (50% of your Entitlement):

376

Amount payable on full acceptance of Entitlement and application for the maximum additional New Shares:

\$2,707.20

* You may only apply for additional New Shares under the Retail Over Subscription Facility if you have applied for 100% of your Entitlement

STEP 2 Make Your Payment



Billers Code: 323774
Ref No: 1234 5678 9123 4567 89

Pay by Mail:



Make your cheque, bank draft or money order payable to "Xenith IP Group Limited" and cross "Not Negotiable".

Return your cheque with the below payment slip to:
Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Acceptance of Entitlement Offer

By either returning the Entitlement and Acceptance form with payment to the Share Registry, or making a payment using BPAY:

- you represent and warrant that you have read and understood the Offer Document and that you acknowledge the matters, and make the representations and warranties;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Xenith IP Group Limited.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (AEDT) Tuesday, 13 December 2016. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Xenith IP Group Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (AEDT) Tuesday, 13 December 2016. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Xenith IP Group Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

[Detach here](#)

Xenith IP Group Limited Acceptance Payment Details

Entitlement taken up:

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Number of Additional New Shares applied for:

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Amount enclosed at \$2.40 per New Share:

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Entitlement No: 12345678

Payment must be received by 5:00pm (AEDT) Tuesday, 13 December 2016

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ Daytime Telephone _____

Cheque Details

| Drawer | Cheque Number | BSB Number | Account Number | Amount of Cheque |
|--------|---------------|------------|----------------|------------------|
| | | | | A\$ |

123456789123456789+000000001-3051+14