

Xped Limited



Bonus Options Offer

Highlights

- Bonus Options offer on 1:2 basis
- Shareholders rewarded as Xped continues to develop

Xped Limited (**ASX: XPE**) (“Xped” or “the Company”) is pleased to announce a pro rata offer to shareholders of one Bonus Option for every two shares held in the Company.

Participation in the Bonus Option offer is optional and is available exclusively to shareholders of Xped who are registered as holders of Shares at 7pm (AEST) on the Record Date of 19 June 2017 and whose registered address is in Australia or New Zealand. The Bonus Option offer will commence after completion of the proposed share consolidation (which is subject to shareholder approval at the general meeting being held on 30 May 2017). The Bonus Option offer will be non-renounceable.

A further announcement will be made once the prospectus for the offer of the Bonus Options (which will contain full details of the offer) has been completed and filed with ASIC. The Prospectus, together with a personalised application form, will be dispatched to eligible shareholders on 22 June 2017.

Xped is pleased with and would like to thank shareholders for the support it has received during this early stage of the Company’s development. There have been advances as well as delays, and the Company’s Directors believe that these Bonus Options will reward shareholders for their patience as the Company continues to develop.

Each Bonus Option issued will have an issue price of \$0.001, an exercise price of \$0.02 pre-consolidation (or \$0.04 post consolidation) and will expire 6 months from the date of issue. The Company will make an application to have the Bonus Options admitted to the official list of ASX with a proposed ASX code of “XPEO”.

The aim of the Bonus Option offer is to give loyal shareholders the offer to participate in the short term growth of the Company as it brings its products to market and, at the same time, to generate funds which will assist in the rollout of those products.

Xped Limited



Timetable

The indicative timetable for the Bonus Option offer is set out below:

Description	Business Day
Announce bonus option offer and lodge Appendix 3B	Wednesday, 17 May 2017
Complete consolidation	Friday, 9 June 2017
Lodge s713 prospectus and notice to existing option holders	Wednesday, 14 June 2017
Notice to security holders containing information required by Appendix 3B	Thursday, 15 June 2017
"Ex" date	Friday, 16 June 2017
Record Date	Monday, 19 June 2017
Despatch of prospectus	Thursday, 22 June 2017
Offer closing date	Thursday, 6 July 2017
Securities quoted on a deferred settlement basis	Friday, 7 July 2017
Notification of under subscriptions	Tuesday, 11 July 2016
Issue date	Thursday, 13 July 2017

Note: The above timetable is indicative only. The Directors of the Company reserve the right to amend the record date and timetable for the issue of the Bonus Options, subject to the requirements of the Corporations Act 2001 and ASX Listing Rules.

An Appendix 3B in respect of the proposed Bonus Option offer is attached.

By Order of The Board

Xped Limited



ABOUT XPED

Xped is an Australian Internet of Things (“IoT”) technology business. Xped has developed revolutionary and patent-protected technology that allows any consumer, regardless of their technical capability, to connect, monitor and control devices and appliances found in our everyday environment. It’s as simple as two people shaking hands. By enabling the Internet of Things, Xped’s ADRC platform will bring benefit to Manufacturers, Retailers, Service Providers, and Consumers.

At Xped, we’re **Making Technology Easy Again**

FOR MORE INFORMATION:



Contact Xped Limited

ABN 89 122 203 196
Level 6, 412 Collins Street
Melbourne VIC 3000

T 03 9642 0655
F 03 9642 5177
E info@xped.com
www.xped.com

Corporate Enquiries:

Cameron Low
T 03 9225 5474
E ir@xped.com

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Xped Limited

ABN

89 122 203 196

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Bonus Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1,118,939,876 Bonus Options pre-consolidation (consolidation is subject to shareholder approval); OR
559,469,938 Bonus Options post-consolidation |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

- 3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)

The Bonus Options will have an issue price of \$0.001 (regardless of the position in respect of the proposed share consolidation), an exercise price of \$0.02 pre-consolidation or \$0.04 post-consolidation and will expire 6 months from the date of issue. The Company intends to seek quotation of the Bonus Options.

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>The options will be a new class of listed options.</p> <p>The options once exercised will rank pari passu with the ordinary shares of the Company at the time of exercise.</p>
<p>5 Issue price or consideration</p>	<p>\$0.001 per Bonus Option (Note that proposed share consolidation will not alter the issue price which will remain at \$0.001 per Bonus Option)</p> <p>Assuming full subscription, the maximum total issue price will be approximately \$1.1million on a pre-consolidation basis or \$550,000 on a post-consolidation basis.</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds raised from the issue of the Bonus Options will be used to cover the costs of the Bonus Option offer and to raise additional funding for the Company to deliver and execute on its planned aggressive growth and expansion including in respect of:</p> <ul style="list-style-type: none"> (a) sale and business development costs; (b) engineering development costs; (c) research and development costs; (d) administration costs; (e) employment costs; and (f) acquisition costs.
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	13 July 2017

+ See chapter 19 for defined terms.

	Number	+Class
<p>8 Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)</p>	1,730,798,046	Ordinary fully paid shares
	10,000,000	Fully paid ordinary shares (subject to voluntary escrow)
	204,508,980	31/12/2018 listed options (XPEOC) \$0.05
	1,118,939,876 (pre consolidation at an exercise price of \$0.02 OR 559,469,938 (post-consolidation at an exercise price of \$0.04)	Bonus Options expire 6 months from issue, (XPEO)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	497,081,706	Fully paid ordinary shares (subject to ASX escrow)
		30,000,000	07/09/2017 \$0.05 options
		7,500,000	Expire 24 months from allotment, \$0.07 options
		7,500,000	Expire 24 months from allotment, \$0.09 options
		7,500,000	Expire 24 months from allotment, \$0.11 options
		7,500,000	Expire 24 months from allotment, \$0.13 options
		1	Convertible Security (Tranche 1A), expires 36 months after issue
	1	Convertible Security (Tranche 1B), expires 36 months after issue	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable

+ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	1 Bonus Option for every 2 fully paid ordinary shares held as at the record date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	19 June 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Any fractional entitlements to Bonus Options will be rounded to the nearest whole number
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Canada, Denmark, Hong Kong, India, Malaysia, Netherlands, Panama, Papua New Guinea, Singapore, South Africa, Spain, Sri Lanka, Switzerland, Taiwan, Province of China, Thailand, United Arab Emirates, United Kingdom, United States, Singapore, United States, Hong Kong.
19	Closing date for receipt of acceptances or renunciations	6 July 2017

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	22 June 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	14 June 2017
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

--

39 +Class of +securities for which quotation is sought

--

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

--

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



(Company secretary)

Date: 18 May 2017

Print name: Julie Edwards

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	
“A”	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
“C”	
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total [“A” x 0.15] – “C”</p>	<p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	
Step 2: Calculate 10% of “A”	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period under rule 7.1A</p> <p><i>Notes:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>“E”</p>	

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10</p> <p><i>Note: number must be same as shown in Step 2</i></p>	
<p>Subtract “E”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	
<p>Total [“A” x 0.10] – “E”</p>	<p><i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.