

Xped Limited



Bonus Options Offer – Prospectus lodged and Offer underwritten

Xped Limited ([ASX: XPE](#)) (“Xped” or “the Company”) is pleased to confirm that it has today lodged a prospectus (**Prospectus**) for the non-renounceable pro rata offer to shareholders of one Bonus Option for every two shares held in the Company, initially announced on 18 May 2017 (**Bonus Option Offer**). The Bonus Options have an issue price of \$0.001 each and will be exercisable at \$0.04 each within six months of issue (18 January 2018).

Xped is also pleased to announce that the Bonus Option Offer has been underwritten by Leadenhall Australia Pty Ltd (up to a maximum of 576,436,319 Bonus Options). Details regarding the underwriting arrangements are set out in the Prospectus.

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 Thursday 22 June 2017 and whose registered address is in Australia or New Zealand.

The Prospectus, together with a personalised application form, will be dispatched to eligible shareholders on Tuesday 27 June 2017.

An updated 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

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CORPORATE ENQUIRIES:

Cameron Low
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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 | 576,436,319 Bonus Options |
| 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, an exercise price of \$0.04 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.

Appendix 3B
New issue announcement

<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</p> <p>Assuming full subscription, the maximum total issue price will be approximately \$570,000.</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) customer delivery; (b) administration costs; and (c) employment 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>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

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><small>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.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	<p>The issue date for Bonus Options (excluding under the Shortfall Offer) will be 18 July 2017. The issue for Bonus Options under the Shortfall Offer will be 25 July 2017.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; padding: 2px;">Number</td> <td style="width: 50%; padding: 2px;">+Class</td> </tr> </table>	Number	+Class
Number	+Class			

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

8	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in section 2 if applicable)	899,331,783	Ordinary fully paid shares
		5,000,000	Fully paid ordinary shares (subject to voluntary escrow until 7 September 2017)
		102,254,564	31/12/2018 \$0.10 listed options (XPEOC)
		576,436,319	Bonus Options expire 6 months from issue

⁺ See chapter 19 for defined terms.

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	248,540,855	Fully paid ordinary shares (subject to ASX escrow)
	15,000,000	07/09/2017 \$0.10 options
	3,750,000	Expire 24 months from allotment, \$0.14 options
	3,750,000	Expire 24 months from allotment, \$0.18 options
	3,750,000	Expire 24 months from allotment, \$0.22 options
	3,750,000	Expire 24 months from allotment, \$0.26 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
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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.

Appendix 3B
New issue announcement

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	22 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.
19	Closing date for receipt of acceptances or renunciations	11 July 2017

⁺ See chapter 19 for defined terms.

20	Names of any underwriters	Leadenhall Australia Pty Ltd
21	Amount of any underwriting fee or commission	6% of funds raised from the issue of Bonus Options (being a maximum of \$34,586)
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	27 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	19 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.

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New issue announcement

- 32 How do security holders dispose of their entitlements (except by sale through a broker)? N/A
- 33 ⁺Issue date The issue date for Bonus Options (excluding under the Shortfall Offer) will be 18 July 2017. The issue date for Bonus Options under the Shortfall Offer will be 25 July 2017.

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.

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	<p>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 					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ 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:



Date: 19/06/2017

(Director/Company secretary)

Print name:

.....Athan Lekkas.....== == == == ==

+ 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	
Add the following: <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 Note: <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”	

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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>Insert 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>Note:</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>	
Total [“A” x 0.15] – “C”	<i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ 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	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <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> 	
“E”	

+ 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.



Prospectus

Xped Limited ACN 122 203 196 (Company)

Bonus Option Offer to Eligible Shareholders

For a pro-rata offer to Eligible Shareholders of one (1) Option with an issue price of \$0.001 each, exercisable at \$0.04 each, expiring on 18 January 2018 for every two (2) Shares held by Eligible Shareholders at 7.00pm (AEST) on the Record Date (22 June 2017) and whose registered address is in Australia or New Zealand. Up to \$576,436.32 may be raised as a result of the Bonus Option Offer.

Shortfall Offer to Investors

For an offer to Investors to acquire any Bonus Options forming part of the Shortfall from the Bonus Option Offer at an issue price of \$0.001 each, exercisable at \$0.04 each, expiring on 18 January 2018 (**Shortfall Bonus Options**) to raise up to \$576,436.32 (**Shortfall Offer**).

Important Notice

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The Bonus Options offered by this Prospectus should be considered as speculative.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

Not for distribution in the United States of America or to U.S. persons.

Prospectus

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Chairman's letter

Dear existing investors and prospective investors,

Overview

On behalf of the Board of Directors of Xped Limited, it is my pleasure to present this Prospectus and to reward you for your commitment to the future growth of the Company through this offer of securities.

As you know, on 5 April 2016, Xped Limited ("Xped" or "the Company") was reinstated to official quotation on the Australian Securities Exchange ("ASX"), completing the Company's transformation into an Internet of Things ("IoT") technology business.

Since relisting Xped has completed a number of synergistic acquisitions. The acquisition of JCT Healthcare Pty Ltd and Jackson Care Technologies Pty Ltd ("JCT") provided Xped with access to a revenue generating entity in the key Healthcare sector. JCT also provide technical integration capabilities, software development resources, and bespoke Nurse call software. Xped and JCT are able to leverage each others' knowledge to enhance their products and solutions.

Xped also recently acquired the Jemsoft Group. Jemsoft Pty Ltd ("Jemsoft") is a computer vision and artificial intelligence software development company. Xped will be implementing some of Jemsoft's technologies into our IoT platform. As part of the Jemsoft purchase, Xped acquired a 56% interest in Media Intelligence Co ("MIC"). MIC makes use of software to provide real-time and after-the-fact insights and measurements for brands and media owners alike.

Xped has and will continue to invest heavily in engineering and product development resourcing. In the past 12 months we have developed our Xped App, our Xped Infrastructure Cloud Services and both Telink and Intel Gateway ADRC ports. The Company is actively delivering on agreements with Vital Xense, Telink and Solekai Systems. The Company is also pursuing opportunities with Intel based solutions by integrating our gateway services with their smart home solution (SHDAP). This integration will allow us to increase the number of devices available to be controlled through our App. The Company is focussed on increasing the number of devices available to be controlled through our App, as it increases our value proposition to prospective customers.

We recently delivered production iPark Apps to Shenzhen Lenze Technology Co. Ltd ("Lenze"). Lenze commences production of their Smart USB lead in June, and has indicated it has advanced orders for their Smart USB lead, iPark App compatible product. Xped anticipates generating revenue from this development. This demonstrates the capability of our software development team and Xped IoT platform to provide a solution to volume manufacturers.

Xped is pursuing new commercial opportunities with Silicon Vendors, ODMs, OEMs, Service Providers, Telcos, Retailers and others. The future is exciting, but we understand that it has been a difficult period for shareholders who have invested in the early stage of the Company's development and we are therefore offering a Bonus Option Offer to Eligible Shareholders.

Bonus Option Offer

As announced to the market on 18 May 2017, the Company is offering Eligible Shareholders the opportunity to participate in its Bonus Option Offer.

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.

The Bonus Options will be offered to all Shareholders who hold Shares on the Record Date of 22 June 2017 who are resident in Australia or New Zealand. The Bonus Options will have a nominal issue price of \$0.001 and will be exercisable at \$0.04 each within six months of issue (18 January 2018). The Bonus Options Offer is made on a pro-rata basis and is non-renounceable.

If you are an Eligible Shareholder, your personalised Entitlement and Acceptance Form in relation to the Bonus Option Offer together with a reply paid envelope are included in this package. The Bonus Option Offer will open on **27 June 2017** and will close at **5.00pm (AEST) on 11 July 2017**. Accordingly, Eligible Shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible. Further details about how to apply for the Bonus Options are set out in section 6 of the Prospectus. Your right to participate lapses on the closing date of the Bonus Option Offer if you choose not to participate in the Bonus Option Offer.

The Bonus Option Offer is underwritten by Leadenhall Australia Pty Ltd. In the event that less than 576,436,319 Bonus Options are applied for under the Bonus Option Offer, the shortfall will be subscribed for by the Underwriter or other Investors determined at the discretion of the Underwriter, subject to the terms of the Underwriting Agreement.

Offers under the Prospectus

The offers of Bonus Options under the Bonus Option Offer and the Shortfall Offer are made pursuant to this Prospectus.

This Prospectus includes details of the Offers and the Company, together with a statement of the risks associated with investing in the Company. I recommend that you study the document carefully and seek independent professional advice before investing in the Company.

On behalf of the Directors, I invite you to consider this investment opportunity and look forward to your continued support as a shareholder.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'A. Lekkas', written over a light blue horizontal line.

Athan Lekkas
Executive Chairman & CEO
Xped Limited

1. Offer Statistics

Issue Price of Bonus Options	\$0.001
Expected number of Bonus Options to be issued ¹	576,436,319
Exercise Price of Bonus Options	\$0.04
Expiry Date of Bonus Options	18 January 2018
Number of Options on issue prior to Offers ²	132,254,564
Expected total Options on issue following the Offers ^{1, 2}	708,690,883
Number of Shares on issue prior to the Offers	1,152,872,638
Expected number of Shares on issue following the Offers	1,152,872,638

¹ This assumes the maximum number of Bonus Options are issued.

² This assumes that none of the current Options are exercised and that none of the existing convertible securities on issue are converted. Further details regarding the Options and convertible securities presently on issue are set out in Sections 4.6 and 8.4.

2. Key Dates

Event	Date
Announcement of Offer	18 May 2017
Consolidation completes	9 June 2017
Prospectus lodged with ASIC and the ASX and despatch of notice to existing option holders	19 June 2017
Despatch of notice to security holders containing information required by Appendix 3B	20 June 2017
Record date	22 June 2017
Despatch of prospectus	27 June 2017
Offers open	27 June 2017
Bonus Option Offer closes	11 July 2017
Notification of Shortfall	14 July 2017
Issue of Bonus Options (excluding under Shortfall Offer)	18 July 2017
Despatch of new holding statements for Bonus Options (excluding under Shortfall Offer)	21 July 2017
Shortfall Offer closes	21 July 2017
Trading commences for Bonus Options (excluding under Shortfall Offer)	24 July 2017
Issue of Bonus Options under Shortfall Offer	25 July 2017
Despatch of new holding statements for Bonus Options under Shortfall Offer	27 July 2017
Trading commences for Bonus Options under Shortfall Offer	28 July 2017

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offers without prior notice; or
- (b) vary any of the important dates set out in this Prospectus, including extending the Offers.

3. Important information

3.1 General

This Prospectus is dated 19 June 2017 and was lodged with ASIC on that date. Neither ASIC nor the ASX (nor their officers) take any responsibility as to the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Bonus Options may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

This Prospectus contains the offer of Bonus Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

Applications for the Bonus Options offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form. Applications for the Bonus Options by Investors under the Shortfall Offer can only be submitted on an original Application Form.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options that are the subject of this Prospectus should be considered speculative.

3.2 Foreign Shareholders and Investors

This Prospectus does not constitute an offer of the Bonus Options in any place in which, or to any person to whom, it would not be lawful to make such an offer. The Company has not made any investigations as to the regulatory requirements that may prevail in countries, outside of Australia and New Zealand, in which Shareholders may reside. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. In particular, the Offers have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States, and the Bonus Options the subject of the Offers may not be offered or sold in the United States or to or for the account or benefit of any US Persons, except in a transaction exempt from the registration requirements of the US Securities Act and applicable United States state securities laws.

3.3 New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

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

3.4 Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of Bonus Options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.5 Risk factors

Shareholders should be aware that holding securities in the Company involves a number of risks. The key risk factors of which Shareholders should be aware are set out in section 10 of this Prospectus with a summary set out in section 4.7 of the Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of Bonus Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the issue of the Bonus Options pursuant to this Prospectus.

3.6 Deciding to accept the Offers

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the Bonus Options or Shares. The information in this Prospectus does not constitute a securities recommendation or financial product advice. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.

This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offers. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.xped.com.

3.7 Glossary

Certain terms used in this Prospectus are defined in the Glossary in Section 13 of this Prospectus. Money, as expressed in this Prospectus, is in Australian dollars unless otherwise indicated.

3.8 Forward Looking Statements

The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward looking statements. The forward looking statements in this Prospectus are based on the Company's current expectations about future events. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward looking statements in this Prospectus. Investors should specifically refer to the "Risks Section" in section 10 of this Prospectus. That section refers to some, but not all, of the matters that may cause actual results to differ from the position stated in any forward looking statement in this Prospectus.

Investors should be aware that past Share or Option price performance of the Company provides no guidance to its future Share or Option price performance. Neither the Company nor any other person warrants or guarantees the future performance of the Bonus Options offered under this Prospectus or the Shares generally or any return on any investment made pursuant to this Prospectus.

4. Investment Summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

4.1 The Company and its progress since re-listing

Xped relisted on the ASX on 5 April 2016. Since then the Company has invested heavily in technical resources within the engineering teams, strengthened the board with key appointments, completed strategic synergistic acquisitions, and transitioned the company to become a technology and solutions provider for the Internet of Things (“IoT”).

The Company has achieved several technical and commercial milestones since relisting including:

- a) Development and release of a Native Device Browser app, the Xped App, on both the Apple and Google Android platforms. The App provides a framework for development of white labelled solutions for customers. The App provides flexibility for development of solutions tailored to specific customer requirements.
- b) Development of Xped Cloud Services, the Xped Infrastructure Platform, on the Microsoft Azure platform.
- c) Successful porting of ADRC onto Intel IoT Gateway device and Telink chipset. The Company continues to invest in development on the Intel’s Smart Home Acceleration Platform (SHDAP).
- d) The Company became a Platinum member of the Open Connectivity Foundation. The Open Connectivity Foundation (“OCF”) provides an opportunity for Xped to network with other companies involved in the OCF, and provide technical input to OCF technical working groups.
- e) The Company has made new appointments to the board with Martin Despain joining as Managing Director, and Dr. Wenjun Sheng joining as Non-Executive Director.
- f) The Company acquired a healthcare technology company, JCT Healthcare Pty Ltd and Jackson Care Technologies Pty Ltd (together referred to as “JCT”), in July 2016. The acquisition provided Xped with immediate revenue and access to the healthcare technology market. The Company is currently working together with JCT on an IoT project for Disability SA.
- g) The Company acquired a Computer Vision and Artificial Intelligence (AI) software development company Jemsoft Pty Ltd in May 2017. Xped will implement some of these advanced technologies into its IoT platform.
- h) As part of the Jemsoft purchase, Xped acquired 56% interest in Media Intelligence Co (“MIC”). MIC makes use of software to provide real-time and after-the-fact insights and measurements for brands and media owners alike.
- i) The Company acquired a 35% interest in Vital Xense in exchange for providing services. Xped has provided designs, and technologies, and is providing technical support to Vital Xense for new IoT products and solutions that Vital Xense will market.
- j) The Company’s subsidiary, Xped USA LLC, has entered into license agreement with Solekai Systems to provide Xped technologies to existing Solekai customers in the media and set top box markets. Xped and Solekai are collaboratively developing this technical solution, and have begun initial product and solutions marketing.

- k) The Company's subsidiary, Xped Asia Holdings Pty Ltd, entered into a license agreement with Shenzhen Lenze Technology Co Ltd and Complex Semiconductor (HK) Co. Ltd ("**Lenze**") to license Xped technologies, and develop a white labelled App to interact with Lenze smart devices. As part of this agreement, Xped has recently delivered production IPark Apps for Lenze's Smart Lead product. Lenze has begun marketing this product. Revenue for Xped is anticipated from this agreement.
- l) The Company has established offshore development capability to increase technical resources to facilitate delivery of projects.

In addition to the achievements listed, Xped has been actively engaging with Silicon Vendors, ODMs, OEMs, retailers and system integrators with a view to license Xped technologies and services or to engage as channel partners.

The Company continues to evaluate acquisition, collaborative agreement, and joint venture opportunities. As at the date of this Prospectus, the Company is not party to any agreements in respect of acquisitions, collaborative agreements or joint venture opportunities other than as disclosed in this Prospectus or to the ASX previously. The Company will continue to update the market on its progress in respect of any such opportunities from time to time.

4.2 The Offers

As announced on 18 May 2017, the Company is pleased to offer Eligible Shareholders one (1) Bonus Option for every one (2) Shares held in the Company as at the Record Date. The Bonus Options will be a new class of Option which have an issue price of \$0.001 each, are exercisable at \$0.04 each, expire on 18 January 2018 and are otherwise on the terms set out in section 9.1. It is intended that the Bonus Options will be listed (**Bonus Option Offer**).

The Company is also pleased to advise that the Bonus Option Offer has been underwritten by the Underwriter up to a maximum of 576,436,319 Bonus Options. As such, any Bonus Options forming part of the Shortfall arising from the Bonus Option Offer are offered to Investors on the same terms as the Bonus Options as set out in section 9.1 (**Shortfall Offer**).

4.3 Minimum subscription

There is no minimum subscription to the Offers.

4.4 Purpose of the Offers and proposed use of funds

The purpose of the Bonus Option Offer is to reward Shareholders for their support of the Company.

Funds raised from the issue of the Bonus Options (up to a maximum of \$576,436.32) will be used to cover the costs of the Offers and to raise additional funding for the Company to deliver and execute on its business plan including in respect of:

- (a) customer delivery;
- (b) administration costs; and
- (c) employment costs.

The issue of the Bonus Options will also provide the Company with a potential source of additional capital if the Bonus Options are exercised. Up to approximately \$570,000 may be raised through the issue of the Bonus Options pursuant to this Prospectus. If all the Bonus Options are exercised, the Company will receive approximately \$23,057,452.76. Any funds raised upon the exercise of any of the Bonus Options will be allocated to the Company's working and investment capital.

Offer costs

Item of expenditure	Amount of expenditure (\$) (excluding GST)
Underwriting Fees ¹	\$34,586
ASX and ASIC fees	\$30,000
Legal	\$36,500
Accounting	\$6,000
Printing and registry costs	\$55,000
Estimated total	\$162,086
GST	\$16,209
Estimated total (including GST)	\$178,295

Notes:

1. Leadenhall will be paid a fee of 6% on the amount raised from the Offers. Further details in this regard are set out in section 11.3.

Notwithstanding the allocations set out above, in the event that circumstances change or other beneficial opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

4.5 Capital Structure post-Offers assuming Offers are fully subscribed and no Bonus Options are exercised

In the event the Offers are fully subscribed and that no Bonus Options are exercised, the Company's capital structure will be as follows:

Securities	Number of Shares	%	Number of Options	%
Existing securities	1,152,872,638 ¹	100%	132,254,564 ¹	18.66%
New securities offered under the Prospectus	Nil	0%	576,436,319 ²	81.34%
TOTAL³	1,152,872,638	100%	708,690,883	100%

Notes:

¹ Assumes that no existing Options are exercised after the date of this Prospectus. Further details regarding the existing Options on issue and their potential impact on the Offers are set out in Section 8.4.

² Assumes the Offers are fully subscribed.

³ Assumes no Shares are issued on conversion of the existing convertible securities of the Company. There are two convertible securities issued under Tranche 1A and under Tranche 1B of the Convertible Securities Agreement entered into between the Company and the convertible securities holder on 16 November 2016. Full details of the terms of those convertible securities were set out in the recent Notice of Meeting of the Company dated 26 April 2017. As at the date of this Prospectus, there is a remaining face value of the Tranche 1A Convertible Securities of \$1,000,000 and a remaining face value in Tranche 1B Convertible Securities of \$683,333 which may be converted into shares. Further details regarding the convertible securities presently on issue and their potential impact on the Offers are set out in Section 8.4.

4.6 Capital Structure post-Offers assuming Offers are fully subscribed and all Bonus Options are exercised

In the event the Offers are fully subscribed and that all the Bonus Options are exercised, the Company's capital structure will be as follows:

Securities	Number of Shares	%	Number of Options	%
Existing securities	1,152,872,638 ¹	66.67%	132,254,564 ¹	100%
Extra securities on issue if all Bonus Options are exercised	576,436,319 ^{2,4}	33.33%	Nil	Nil
TOTAL ³	1,729,308,957	100%	132,254,564	100%

Notes:

¹ Assumes that no existing Options are exercised after the date of this Prospectus. Further details regarding the existing Options on issue and their potential impact on the Offers are set out in Section 8.4.

² Assumes the Offers are fully subscribed.

³ Assumes no Shares are issued on conversion of the existing convertible securities of the Company. There are two convertible securities issued under Tranche 1A and under Tranche 1B of the Convertible Securities Agreement entered into between the Company and the convertible securities holder on 16 November 2016. Full details of the terms of those convertible securities were set out in the recent Notice of Meeting of the Company dated 26 April 2017. As at the date of this Prospectus, there is a remaining face value of the Tranche 1A Convertible Securities of \$1,000,000 and a remaining face value in Tranche 1B Convertible Securities of \$683,333 which may be converted into shares. Further details regarding the convertible securities presently on issue and their potential impact on the Offers are set out in Section 8.4.

⁴ Assumes that all Bonus Options are exercised after their issue and no other Options are exercised.

4.7 Risk factors

Investing in the Company involves risk. Prior to making an investment decision with regard to the IoT industry, investors should carefully consider the risk factors, all of which may affect the Company and the industry in which it will operate.

There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approach taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for Bonus Options, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Protection of IP/IT	<p>At the core of Xped's business is its proprietary application software and the intellectual property of the Xped Technology is key to its success. There is a risk that other individuals or companies may claim to have an interest in the intellectual property utilised in Xped Technology.</p> <p>If Xped fails to protect its Xped Technology intellectual property rights adequately, competitors may gain access to Xped Technology or parts of it which may harm its business and the value of the Shares.</p> <p>In addition, there may well be a significant value attached to the trademarks and other similar forms of intellectual property associated with the Xped brand. Failure by Xped to adequately</p>

Risk	Details
	<p>protect against infringements of intellectual property associated with its brand may result in significant damage to that brand and ultimately the value of the Shares.</p> <p>Effective patent, trademark, copyright and trade secret protection may not be available to Xped in every country in which the Xped Technology may eventually be launched. Accordingly, despite its efforts, Xped may not be able to prevent third parties from infringing upon or misappropriating its intellectual property in that country.</p>
Dependence on the Internet and telecommunications infrastructure	<p>The success of Xped Technology and products will depend to some extent on the availability and stability of telecommunications infrastructure, and in particular the infrastructure over which devices directly communicate with each other and the Internet.</p> <p>The utility of both connectivity and the Internet for carrying communications between devices can be adversely impacted upon as a result of the rapidly increasing demands for bandwidth, data security, reliability, cost, accessibility and quality-of-service. Delays in the development or adoption of new standards and protocols to handle these increased demands may impact on the adoption of Xped Technology and ultimately the success of Xped's business. The performance of the Internet has been harmed by "viruses," "worms" and similar malicious programs, and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure.</p> <p>Importantly, Xped's ADRC is agnostic of the transmission technology used. A wide range of wireless as well as wireline options can be used and would be dependent upon the application and development resources. This is a decision made by the manufacturer on what best suits the needs of their customers.</p> <p>Please note that Xped's ADRC platform does not rely on access to the internet to function, however the experience may be enhanced if connection is made. The Xped Infrastructure Platform will require internet connectivity to deliver full functionality.</p>
Standardisation Risk	<p>Whilst Xped is hopeful that its ADRC technology may present the opportunity for adoption as a future standard, because of the activity by others at this time in this sector using different standards, no assurance can be given that Xped's technology will be adopted as the standard in this sector. The Company is mitigating this risk through diversifying its onboarding capabilities to include other standards including BLE, and WiFi transport standards.</p>
Commercialisation Risk	<p>Commercialisation of Xped's technology will require Xped to identify appropriate vendors, product designers, and manufacturers and negotiate agreements on commercial terms to generate royalty and licence fee-based revenue income. Whilst Xped is in either collaboration arrangements or proof of concept trials with a number of international and Australian companies, it does not at this time have a revenue-generating licence agreement with any third parties and no assurance can be given that Xped will be successful in entering into such agreements.</p>

Risk	Details
Hacker risk, Technology / disruption / corruption / systems failure	<p>Security concerns and the possibility of data corruption and data manipulation are particular concerns with NFC technology. Where consumers perceive that ADRC is insecure and open to being hacked then the adoption of Xped Technology may be impacted. This may ultimately impact on the success of Xped.</p> <p>Whilst Xped has sought as part of the design of their ADRC technology to incorporate security aspects, at the present time this security design is still being investigated and no assurance can be given at this time that Xped's technology will be immune from the usual range of IoT technology risks.</p> <p>To mitigate risks associated with NFC security and hacking, Xped commissioned a security audit of its ADRC technologies by an independent security consultant. Xped is working on implementing the main recommendations.</p>
Extensive competition	<p>There is a great deal of interest in the "Internet of Things" and device connectivity. Accordingly, there is huge potential future competition and there can be no assurances that the competitive environment will not change adversely due to actions of competitors or changes in customer preferences.</p>
Loss of key personnel	<p>The Company will rely heavily on the experience and knowledge of Martin Despain, Athan Lekkas, John Schultz and Christopher Wood. In the event that any of these persons or any other key personnel that the Company subsequently recruits leave the Company and the Company is unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company.</p>
Research and Development Risks	<p>Investments in research and development technologies such as the Xped Technology are often uncertain or unproven, and the exact value of those assets may not be known at the time that the Company acquires them.</p>
Material arrangements	<p>Xped and its subsidiaries have entered various material arrangements which are important to the future of the Group. Any failure by counterparties to these arrangements to perform their obligations under such material arrangements may have a material adverse effect on the Group. There can be no assurance that the Group would be successful in attempting to enforce any of its rights through legal action.</p> <p>In addition, Xped and its subsidiaries have entered a number of non-binding arrangements, by way of memorandums of understanding. These arrangements by their nature may be nonbinding and unenforceable. As such, in the event that the other parties to these arrangements fail to perform their obligations, the Group may have no right to enforce the provisions of these arrangements through legal action.</p>
Relationships with suppliers	<p>The Company will rely on sourcing products from various suppliers and any material adverse change in the Company's relationships with its suppliers, its terms of trade, or the ability of key suppliers to service orders could have an adverse impact on the Company's prospects.</p>

Risk	Details
	<p>It is important to note, however, that the business model for Xped is licensing of IP software infrastructure services, and professional services. As such, its business revolves largely around the supply of software and professional services and does not heavily rely upon the supply of other products.</p> <p>In areas where supply of components is necessary, i.e. to provide that same IP on a module, multiple avenues of supply will be available. Xped's ADRC is agnostic of the chip supplier and Xped is in discussions with several semiconductor firms to ensure that problems with availability are mitigated.</p>
Growth prospects and company expansion plans	<p>The Company's growth prospects are dependent upon a number of factors. If the Company fails to execute any expansion plan, its financial performance is likely to be negatively affected.</p> <p>Xped recognises that any exponential growth will be achieved through partnerships it creates. The Company's technology has diverse appeal and application and as such the partnerships either formed or being created are in a diverse set of industry verticals. The Company has identified a number of target vertical markets including Healthcare and through its subsidiary JCT Healthcare has a clear entry point into this market. The Company has identified Data Centres as another vertical and through a partnership with Vital Xense is actively developing solutions in this market.</p> <p>Xped is also taking proactive steps to enter verticals where there is opportunity for commercial return.</p>
Regulatory risks	<p>Currently there are few IoT-specific laws and regulations. However in Australia, IoT-based technologies may be impacted by informational privacy laws. Such laws differ from jurisdiction to jurisdiction.</p> <p>In Australia, the collection, use, storage and disclosure of "personal information" is principally regulated by the <i>Privacy Act 1988</i> (Cth) (Privacy Act). The Privacy Act does not prohibit IoT-based technologies but it could in certain circumstances impose additional compliance obligations on businesses that use or commercialise those technologies.</p> <p>The compliance obligations under the Privacy Act only extend to "personal information". The term "personal information" is defined in the Privacy Act to mean (in summary) information or an opinion about an identified individual, or an individual who is reasonably identifiable.</p> <p>If the ADRC IoT Platform Technology collects data which falls within the definition of "personal information", then the compliance regime under the Privacy Act will apply to the Company in respect of the collection, use, storage and disclosure of that "personal information".</p> <p>If the data collected by the ADRC IoT Platform Technology does not (by itself) constitute "information or an opinion about an identified individual" (such a device MAC address, an IP address or event metadata), it is still possible that such data could be aggregated with other datasets which, together, could be considered personal information.</p> <p>The Company will take steps to ensure compliance with any applicable requirements of the Privacy Act.</p>

Risk	Details
	<p>In addition there may be increased regulation and therefore increased regulatory compliance costs for Xped's business in respect of such areas as:</p> <ul style="list-style-type: none"> - spectrum management; - interoperability and open systems; - network resilience and Security; - security and data privacy; - data sharing; and - numbering. <p>As laws and regulations develop around each of these areas in jurisdictions in which devices using Xped Technology are located, or in which data necessary for the application of that technology is collected, transferred, accessed, stored or analysed, there may be increased regulatory compliance costs for Xped's business. However, these costs may be off-set to some degree by the increased take up and adoption of IoT applications in general, and Xped's technology in particular as consumer confidence in the security, safety and reliability of these IoT technologies increase.</p>

Further details regarding risks which may affect the Company in the future are set out in section 10.

The securities offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

4.8 Terms of Securities

A summary of the rights attaching to the Bonus Options offered by this Prospectus as well as the Shares that will be issued on exercise of the Bonus Options are set out in section 9.1 and 9.2 respectively.

4.9 Applying for Bonus Options

The Bonus Option Offer will open on 27 June 2017 and will remain open until 5.00pm (AEST) on 11 July 2017. The Shortfall Offer will open on 27 June 2017 also and will remain open until 5.00pm (AEST) on 19 July 2017. Information regarding how to apply for the Bonus Options is set out in section 6 below.

5. Details of the Offers

5.1 The Offers

The following Offers are being made pursuant to this Prospectus:

Bonus Option Offer

This Prospectus provides for an offer of up to 576,436,319 Bonus Options on the basis of one (1) Bonus Option for every two (2) Shares held by Eligible Shareholders to participate in a Bonus Option Offer. The Bonus Options will have an issue price of \$0.001, an exercise price of \$0.04 each and will expire on 18 January 2018.

Information regarding how to apply for the Bonus Options is set out in sections 6.1 and 6.2 below.

Shortfall Offer

An offer of the Shortfall (which may be up to 576,436,319 Bonus Options) to Investors. The Shortfall Bonus Options will have an issue price of \$0.001, an exercise price of \$0.04 each and will expire on 18 January 2018.

Information regarding how to apply for Shortfall Bonus Options under the Shortfall Offer is set out in section 6.3 below.

General Information relating to the Offers

Fractional entitlements to Bonus Options will be rounded to the nearest whole number.

Up to \$576,436.32 funds may be raised pursuant to the Offers.

As at the date of this Prospectus the Company has unlisted Options on issue, which have different terms to the Bonus Options offered under this Prospectus. As such, the Bonus Options will form a new class of securities which, subject to compliance with the ASX requirements, will be listed on the ASX.

All of the Bonus Options offered under this Prospectus will be issued on the terms and conditions set out in section 9.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with the Shares on issue at the date of issue. Please refer to section 9.2 for further information regarding the rights and liabilities attaching to the Shares.

The Offers are non-renounceable.

6. How to apply

6.1 Eligible Shareholders may participate in the Bonus Option Offer as follows:

(a) Take up the Bonus Option Offer in full

The Bonus Option Offer will open on 27 June 2017 and will remain open until 5.00pm (AEST) on 11 July 2017.

Eligible Shareholders who wish to take up all of your Entitlement must either:

- (1) make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Entitlement and Acceptance Form, which accompanies this Prospectus which is required to identify your holding, in accordance with the instructions set out on the form so that your BPAY® payment is received by no later than the Closing Date for the Bonus Option Offer, being **5.00pm (AEST) on 11 July 2017** or such later date as the Directors determine.

If you have multiple holdings, you will have multiple BPAY Reference Numbers. To ensure you receive your Bonus Options under the Bonus Option Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any Bonus Options that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded.

If you make your payment using BPAY® you do not need to return your Entitlement and Acceptance Form. 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. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit; or

- (2) complete the enclosed Entitlement and Acceptance Form and send it by mail or delivery together with payment so that it is received by no later than the Closing Date for the Bonus Option Offer, being **5.00pm (AEST) on 11 July 2017** or such later date as the Directors determine to the Company's share registry at the below address:

**Automic
Level 3, 50 Holt Street
Surry Hills NSW 2010**

Payment should be made by cheque in Australian currency made payable to "Xped Limited" and crossed "not negotiable".

If you make your payment by cheque or bank draft, forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry so that it is received no later than 5.00pm (AEST) on the Closing Date or such later date as the Directors determine.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

(b) Take up some of your Entitlement under the Bonus Option Offer

Eligible Shareholders who wish to take up only some of your Entitlement must either:

- (1) make a BPAY® payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Entitlement and Acceptance Form, which accompanies this Prospectus which is required to identify your holding, in accordance with the instructions set out on the form so that your BPAY® payment is received by no later than the Closing Date for the Bonus Option Offer, being **5.00pm (AEST) on 11 July 2017** or such later date as the Directors determine.

If you have multiple holdings you will have multiple BPAY Reference Numbers. To ensure you receive your Bonus Options under the Bonus Option Offer in respect of that holding you must use the specific Biller Code and Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any Bonus Options that you may wish to apply for in respect of that holding. If you inadvertently use the same Reference Number for more than one of your applications, you will be deemed to have applied only for that application to which that Reference Number applies and any excess amount will be refunded.

If you make your payment using BPAY® you do not need to return your Entitlement and Acceptance Form. 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. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay via BPAY does not exceed your limit; or

- (2) complete the enclosed Entitlement and Acceptance Form, by inserting the number of Bonus Options for which you wish to accept the Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form) and send it by mail or delivery together with payment so that it is received by no later than the Closing Date for the Bonus Option Offer, being **5.00pm (AEST) on 11 July 2017** or such later date as the Directors determine to the Company's share registry at the below address:

**Automic
Level 3, 50 Holt Street
Surry Hills NSW 2010**

Payment should be made by cheque in Australian currency made payable to "Xped Limited" and crossed "not negotiable".

If you make your payment by cheque or bank draft, forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry so that it is received no later than 5.00pm (AEST) on the Closing Date or such later date as the Directors determine.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

(c) Do nothing

You may do nothing, in which case you will have no right to subscribe for Bonus Options and no Bonus Options will be issued to you.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, in the event that the Bonus Options that are issued are exercised, your percentage shareholding in the Company will decrease.

(d) General

If you intend to pay for the Bonus Options by BPAY, there is no need to return the Entitlement and Acceptance Form, but you must ensure that your payment is received by no later than 5:00pm (AEST) on the Closing Date or such later date as the Directors' determine (keeping in mind that payments made by BPAY may take 1 or more Business Days to clear). You should ensure that sufficient funds are held in the relevant account(s) to cover the application monies. If the amount of your cheque for application monies is insufficient to pay in full for the number of Bonus Options you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of Bonus Options as your cleared application monies will pay for (and to have that number of Bonus Options on your Entitlement and Acceptance Form). Alternatively, your application will be rejected. If your cheque does not clear due to insufficient funds in your account, your application will be rejected. Further, if you provide a cheque or money order for the incorrect amount, the Company may treat you as applying for as many Bonus Options as your cheque, bank draft or money order will pay for.

Applicants should not forward cash and direct bank transfers are not permitted. You will not be able to withdraw or revoke your application once you have submitted it, other than as required by the Corporations Act.

Applicants are encouraged to lodge their Entitlement and Acceptance Form as soon as possible, as the Bonus Option Offer may close early without notice.

No stamp duty, brokerage or handling fees are payable by the Applicant for the Bonus Option Offer offered by this Prospectus.

Application monies will be held in trust in a subscription account until allotment of the Bonus Options. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the application monies will be retained by the Company irrespective of whether allotment takes place.

If you have any queries concerning your Entitlement, please contact the Share Registry on 1300 288 664 or contact your stockbroker or professional advisor.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Issue Price of \$0.001 per Bonus Option is payable in full on acceptance of part or all of your Entitlement.

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment, however, to exercise the Bonus Options you will need pay the exercise price of \$0.04 per Share.

6.2 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire Bonus Options on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for Bonus Options. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

(a) **Acknowledgements and Certifications**

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

- (1) you are an Eligible Shareholder and you are not a person to whom it would be illegal to make an offer or issue of Bonus Options;
- (2) you have read the terms and conditions set out in this Prospectus in full and agree that your application is made in accordance with the terms and conditions set out in the Prospectus;
- (3) you declare that all statements in your Entitlement and Acceptance Form are true and complete and not misleading;
- (4) you accept that your application is irrevocable and unconditional (i.e. it cannot be withdrawn);
- (5) as at the Record Date, you were recorded on the Company's share register as being a registered holder of Shares and having an address in Australia or New Zealand;
- (6) you authorise the Company (and its offers or agents) to correct any error or omission in your Entitlement and Acceptance Form and to complete the Entitlement and Acceptance Form by the insertion of any missing details;
- (7) you acknowledge that the Company may at any time determine that your Entitlement and Acceptance is valid, in accordance with the terms and conditions set out in this Prospectus, even if the Entitlement and Acceptance Form is incomplete, contains errors or is otherwise defective;
- (8) you agree that where you have previously provided the Company or its share registry with bank account details, any refund to be paid to you under these terms and conditions may be direct credited into that nominated account;
- (9) you accept the risk associated with any refund that may be sent to you by direct credit or cheque to your address shown on the Company's register;
- (10) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (11) you agree to be bound by the constitution of the Company (as amended and as it may be amended from time to time in the future);
- (12) you acknowledge that the Company has not provided you with investment advice or financial product advice, and that it does not have any obligation to provide this advice, concerning your decision to apply for and buy Bonus Options under the Bonus Option Offer;
- (13) you acknowledge that the Company is not liable for any exercise of its discretions referred to in this Prospectus; and
- (14) you are not in the United States (including nominees or custodians acting for the account or benefit of a person in the United States) and are not otherwise a person to whom it would be illegal to make an offer or issue Bonus Options under the Bonus Option Offer, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;

- (15) you acknowledge that the Bonus Options have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia and New Zealand; and
- (16) you have not and will not send any materials relating to the Bonus Options to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States unless such person is an investor who purchases the Bonus Options in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

(b) **Non-residents**

The right to participate in this offer under the Bonus Option Offer is available exclusively to persons who were registered as holders of Shares at 7.00pm (AEST) on the Record Date and whose registered address was in Australia or New Zealand. Eligible Shareholders who are not residents of Australia should consult their professional advisers as to whether any formalities need to be observed (either by them or the Company) to enable them to apply for Bonus Options. It is the responsibility of such Eligible Shareholders to obtain all necessary approvals so they may legally apply for Bonus Options.

The return of a completed Entitlement and Acceptance Form and accompanying application amount, or the forwarding of payment of the application amount using BPAY from a non-resident Eligible Shareholder will be taken by the Company to constitute a representation and warranty by that Eligible Shareholder that all relevant approvals have been obtained and that the Company may legally offer the Shares to that Eligible Shareholder.

(c) **Shortfall**

If the amount raised under the Bonus Option Issue is less than \$576,436.32 (and less than 576,436,319 Bonus Options are applied for and issued), the Shortfall may be placed to Investors at the discretion of the Underwriter, subject to the terms of the Underwriting Agreement.

The Shortfall Offer is a separate offer to the Bonus Option Offer and will be made pursuant to this Prospectus.

6.3 Shortfall Offer – How to Apply

Investors who wish to apply for Shortfall Bonus Options must lodge their Application Form by the Closing Date for the Shortfall Offer, **5.00pm (AEST) on 21 July 2017**.

The completed Application Form and cheque or bank draft for the total amount payable to subscribe for the Shortfall Offer must be mailed or delivered to the Company at the below address:

**Xped Limited
Level 6, 412 Collins Street
Melbourne VIC 3000**

Cheques and bank drafts, in **Australian currency**, should be made payable to “Xped Limited” and crossed “not negotiable”.

Application Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

Application monies will be held in trust in a subscription account until allotment of the Shortfall Bonus Options. The subscription account will be established and kept by the Company on behalf of the Shortfall Applicants. Any interest earned on the application monies will be retained by the Company irrespective of whether allotment takes place.

6.4 Opening and Closing Dates

The Opening Date and Closing Date for the Offers are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offers early, extend the Closing Date for any Offers or to withdraw any Offers at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Entitlement and Acceptance Form or Application Form as soon as possible after the Opening Date.

6.5 Issue

Bonus Options issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and indicative timetable set out at the commencement of this Prospectus.

Holding statements for Bonus Options, issued under the Offers will be mailed in accordance with the ASX Listing Rules and timetable set out in section 2 of this Prospectus and in any event, as soon as practicable after their issue.

6.6 ASX listing

Application for Official Quotation of the Bonus Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If the ASX does not grant Official Quotation of the Bonus Options offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus (or such period as varied by ASIC), the Company will not issue any Bonus Options.

The fact that the ASX may grant Official Quotation of the Bonus Options is not to be taken in any way as an indication of the merits of the Company or the Bonus Options now offered.

6.7 Underwriting

The Bonus Option Offer is underwritten by Leadenhall. A summary of the terms of the Underwriting Agreement is in section 11.3.

6.8 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

Electronic registers mean that the Company will not be issuing certificates to Shareholders with respect to the Bonus Options. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Bonus Options allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship. After allotment of the Bonus Options, those who are issuer sponsored holders will receive an issuer sponsored statement and those who are CHES holders will receive an allotment advice. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

6.9 Enquiries

If you are an Eligible Shareholder or an Investor and have any questions in relation to the Offers, please contact your stockbroker or professional adviser. If you have questions in relation to how to complete the Entitlement and Acceptance Form or Application Form, please contact the Company Secretary on +61 (0) 3 9642 0655.

7. Company information

7.1 Company Overview

Information regarding the Company is set out in Section 4.1 and the Directors recommend that you read the Company's announcements available at www.xped.com or www.asx.com.au.

7.2 The Directors

The Directors bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, without undue constraints from other commitments.

Only Dr Wenjun Sheng is considered by the Board to be able to fulfil the role of Independent Directors for the purposes of the ASX Corporate Governance Principles and Recommendations (Third Edition). Each of Martin Despain, Athan Lekkas, Chris Wood and John Schultz are not considered independent as they are executive Directors.

The following persons are directors of the Company as at the date of this Prospectus:

Martin Despain, Managing Director BA (University of Nevada), MBA (Georgia Institute of Technology)	<p>Mr Despain was appointed as Managing Director with effect from 19 September 2016.</p> <p>Martin was recently General Manager, Smart Homes Division, Internet of Things Group at Intel Corporation head office developing and implementing Intel's IoT strategy and product offering for the home. Intel's charter was to transition the industry from the connected home, into the smart home era, by delivering a foundation infrastructure focused on Security, Compute, Connectivity, and Contextual awareness.</p> <p>Based in Santa Clara, Martin oversaw the Smart Home business with responsibility for Engineering, Product Marketing, Operations, Business Development, and Go-to-Market.</p> <p>Martin's area of expertise includes product management, semiconductors and SoC's, embedded systems, start-ups, international sales and marketing, strategic partnerships and planning and visionary for the organisation.</p> <p>Prior to his most recent position with Intel, Marty has held various Director Roles within Intel Corporation over the last 11 years, including establishing the product management team and leading the Content and Strategy organization within Intel Media; Martin has also lead several different teams within Intel's Digital Home Group that developed product offerings for telco/cable and consumer electronics companies such as Sony, Visio and Samsung as well as partnerships with Yahoo, Google, and Microsoft.</p> <p>Martin Despain brings to the board high level experience in leading and growing start-ups in the technology sector and with his experience and connections in the industry will be able to provide an opportunity for Xped to grow and realise potential and value for shareholders.</p>
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<p>Athan Lekkas, Chief Executive Director / Chair Dip Business and Management</p>	<p>Mr Lekkas was appointed as a director on 19 February 2013 and was re-elected as a Director most recently on 30 November 2016. Mr Lekkas was appointed as Chief Operating Officer on 5 April 2016. On 29 June 2016 Mr Lekkas was appointed as Chief Executive Officer and Chair of the Board.</p> <p>Mr Lekkas has participated in a broad range of business and corporate advisory transactions, specialising in the restructure and recapitalisation of various companies through his institutional funding contacts in Asia and North America.</p> <p>Mr Lekkas has completed successful turnaround projects in manufacturing, logistics and implemented successful operational changes restoring companies into profitability. He was instrumental in the structuring and funding of the Xped transaction.</p> <p>Since his time with Xped, Mr Lekkas has been instrumental in securing international talented professionals to serve on the Board of Xped including Dr Wenjun Sheng and Mr Martin Despain. Mr Lekkas has extensive international networks and professional relationships across various industries and is proficient and versed in growing public companies in the small capital markets. Outside of leading and running organisations, Mr Lekkas has demonstrated the ability to secure funding and capital commitments from international and local funding institutions as and when required.</p> <p>Mr Lekkas identified and secured the Telink opportunity for Xped and established the close working relationship between the parties and wishes to see this grow further as the Company continues its development work with Telink. His skillset in mergers and acquisitions was recently shown when he identified the JCT Healthcare opportunity and managed the deal with the JCT vendor for a favourable outcome for all parties whilst seeking to add value to Xped shareholders by securing recurring revenue.</p> <p>Mr Lekkas is also a Director of ASX listed investment company First Growth Funds Limited.</p>
<p>John Schultz, Executive Director B Engineering. University of South Australia</p>	<p>Mr Schultz was appointed on 5 April 2016 by the Directors upon completion of the acquisition of Xped Holdings Limited and was re-elected as a Director on 30 November 2016. Mr Schultz is the co-founder of the Xped technology and business. Mr Schultz is the Head of Engineering of Xped Limited.</p> <p>Mr Schultz (B Eng. Uni of SA) is a serial entrepreneur founding and successfully growing several companies over the last two decades specialising in the design, manufacture and business development of electronics systems.</p> <p>Mr Schultz has a wealth of experience running design and manufacturing businesses, managing staff and subcontractors and secured significant international business exporting vehicle immobilisers to Malaysia for aftermarket distribution and direct fit to Honda.</p> <p>This contract saw a peak of 30 employees locally employed and managed at Technology Park. Mr Schultz's involvement was system specification, design, product design and manufacture, resource management and developing initial commercialisation opportunities.</p>

<p>Christopher Wood, Executive Director B of Electrical and Computer Systems Engineering Hons, Monash University, Victoria Australia</p>	<p>Mr Wood was appointed on 5 April 2016 by the Directors upon completion of the acquisition of Xped Holdings Limited and was re-elected as a Director on 30 November 2016. Mr Wood is the co-founder of the Xped technology and business. Mr Wood is the Chief Technology Officer of Xped Limited.</p> <p>Mr Wood has extensive experience in large telecommunications companies developing mission critical software applications.</p> <p>Mr Wood has architected projects worth up to \$200 million and supported by a pool of 200 IT staff. Mr Wood is a domain expert in the areas of GPS, inertial sensors and communications. Mr Wood also possesses substantial technology development commercialisation experience.</p> <p>In 2003 Mr Wood founded Neve Technologies Pty Ltd, a company which developed and commercialised an augmented GPS system for positioning vehicles in areas where GPS signals are severely degraded. In the commercialisation process Mr Wood established a joint venture with the University of South Australia. Neve secured COMET funding, raised capital and successfully commercialised its technology internationally.</p>
<p>Wenjun Sheng, Non-Executive Director BS Electronics Engineering, ME and PhD Electrical Engineering</p>	<p>Dr Sheng was appointed on 21 April 2016 by the Directors and was re-elected as a Director on 30 November 2016.</p> <p>Dr Sheng has over 15 years of semiconductor industry experience, he has shown an ability to grow businesses from inception, to first revenue and profitability in an effective and accelerated manner. Prior to co-founding Telink Semiconductor in 2010, he was VP of RFIC design at Wiscomm Microsystem Inc., a start-up company focusing on CMOS satellite TV tuner chip product.</p> <p>Dr Sheng has held key technical positions with industry leaders like Qualcomm and Silicon Labs etc., and was one of the pioneers in CMOS RFIC design. Dr Sheng holds 30 patents in RF and mixed-signal IC design, and is a member of China's top recruitment program of global experts "Thousand Talents Program". Dr Sheng holds a BS in electronics engineering from Tsinghua University and an ME and Ph.D. in electrical engineering from Texas A&M.</p>

8. Effect of the Offers

8.1 Effect of the Offers

The principal effect of the Offers will be that if all of the Bonus Options offered under the Prospectus are issued, there will be a new class of listed securities (subject to meeting the ASX requirements), being up to 576,436,319 new Bonus Options.

8.2 Effect on Balance Sheet

The Bonus Options to be issued pursuant to this Prospectus will be issued for approximately \$570,000 consideration. Accordingly, there will be some immediate effect on the Company's balance sheet. Capital will be raised if the Bonus Options are exercised, being an amount of \$0.04 per Bonus Option exercised. This will affect the Company's balance sheet, however the Company is not able to specify with any certainty the extent of that change given the uncertainty around whether the Bonus Options will be exercised (which is dependent on the market price of Shares from time to time until the Bonus Options expire).

The Company's Annual Report for the financial year ended 30 June 2016 was released to the ASX on 29 September 2016. The Company's Half Year Report for the six months ended 31 December 2016 was released to the ASX on 28 February 2017. The Annual Report and Half Year Report can be viewed at www.xped.com and at www.asx.com.au.

The Company's latest Quarterly Cash Flow Report and Quarterly Activities Report were released to the ASX on 1 May 2017. These reports can be reviewed at www.xped.com and at www.asx.com.au.

Additional information, including copies of the ASX releases and investor presentations, is also available on the Company's website.

This section sets out the historical and pro-forma financial information of the Company. The basis for the preparation and presentation of this information is also set out below.

The financial information has been prepared by management and adopted by the Board. The Board is responsible for the inclusion of all financial information in the Prospectus.

The historical and pro-forma financial information has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards. The historical and pro-forma financial information comprises financial information of the Company. The historical and pro-forma financial information is presented in an abbreviated form insofar as it does not include all the disclosure and notes required in an annual financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

The information in section 8.2 has been provided for Shareholders to gain an indication of the effect of the Offers on the Company. It does not necessarily illustrate the future financial performance of the Company because past performance is not a guide to future performance.

(a) Historical Financial Information

The historical financial information for the Company set out below comprises:

- (1) the reviewed Consolidated Statement of Financial Position as at 31 December 2016; and
- (2) selected notes to the reviewed Statement of Financial Position.

The historical financial information has been extracted from the reviewed Company's Financial Statements for the half-year ended 31 December 2016.

(b) **Pro-forma Statement of Financial Position – 31 December 2016**

The pro-forma financial information for the Company set out below comprises:

- (1) the unaudited Pro-Forma Statement of Financial Position as at 31 December 2016 based on completion of the Offers; and
- (2) selected notes to the unaudited Pro-Forma Statement of Financial Position.

The unaudited Pro-Forma Statement of Financial Position has been derived from the reviewed Consolidated Statement of Financial Position as at 31 December 2016 adjusted for the following transactions as if they had occurred at 31 December 2016 (pro-forma transactions):

- (1) The issue on 3 January 2017 under the SPP of 94,508,980 fully paid ordinary shares at 3.3 cents each (\$3,118,795) and 94,508,980 bonus options exercisable at 5 cents each, expiring on 31 December 2018;
- (2) The issue of 35,000,000 options to the convertible securities holder and 75,000,000 Advisor Options issued to professional advisers in respect of offers as set out in the Prospectus dated 16 December 2016.
- (3) The drawdown of \$1,800,000 and \$1,200,000 in respect of Tranches 1A and 1B respectively of a convertible note facility in January 2017 and the part conversion of \$1,250,500 (Tranche 1A), net of issuance costs, into 34,004,825 fully paid ordinary shares;
- (4) Transaction costs related to the issue of shares, convertible notes and options issued in January 2017 totalling \$340,000 plus GST of \$34,000;
- (5) The part conversion of \$437,675 (Tranche 1B), net of issuance costs, of the convertible note facility into 16,833,654 fully paid ordinary shares in April 2017;
- (6) The part conversion of \$125,050 (Tranche 1B), net of issuance costs, of the convertible note facility into 7,815,625 fully paid ordinary shares in May 2017;
- (7) The part conversion of \$250,100 (Tranche 1B), net of issuance costs, of the convertible note facility into 17,864,286 fully paid ordinary shares in May 2017;
- (8) The payment of \$700,000 in January 2017 to Mr Eddie Jackson in respect to the acquisition of JCT following the conditions of the secondary payment being satisfied and under the terms of the Sales and Purchase Agreement ("SPA");
- (9) Acquisition of all the issued capital in Jemsoft Pty Ltd (which includes a 51% interest in Media Intelligence Co), the consideration comprising cash of \$200,000 and the issue of 50,000,000 fully paid ordinary shares at a fair value of 1.4 cents each (\$700,000). For pro-forma purposes it is assumed that the consolidated assets acquired in Jemsoft Pty Ltd comprises intangible assets only. \$60,000 in transaction costs have been expensed in respect of this acquisition;
- (10) Acquisition of a further 5% interest in Media Intelligence Co post acquisition for cash consideration of \$51,755, increasing Xped Limited's interest in MIC to 56%.
- (11) The consolidation of the Company's share capital on a 2 for 1 basis, for both ordinary shares and outstanding options;

- (12) The issue of 576,436,319 Bonus Options at 0.1 cents each, post consolidation of the Company's share capital (assuming the Bonus Option Offer is fully subscribed);
- (13) Payment of costs associated with the Bonus Options Offer, estimated to be \$162,086 as disclosed in section 4.4;
- (14) GST payable associated with the Offer (assuming the maximum subscription is issued) is approximately \$16,209.

Historical and Pro-forma Consolidated Statements of Financial Position		Actual Reviewed 31 December 2016	Pro-forma Adjustments	Pro-forma Unaudited 31 December 2016
	Notes	\$	\$	\$
ASSETS				
Current assets				
Cash and cash equivalents	Note 1	5,521,969	5,131,182	10,653,151
Trade and other receivables		277,027	50,209	327,236
Other financial assets		240,000	-	240,000
Other assets		394,345	-	394,345
Inventory		1,109,359	-	1,109,359
Total current assets		7,542,700	5,181,391	12,724,091
Non-current assets				
Plant and equipment		513,436	-	513,436
Intangible assets		6,847,200	1,407,199	8,254,399
Investments accounted for using the equity method		1,300,000	-	1,300,000
Total non-current assets		8,660,636	1,407,199	10,067,835
TOTAL ASSETS		16,203,336	6,588,590	22,791,926
LIABILITIES				
Current liabilities				
Trade and other payables		3,564,904	(700,000)	2,864,904
Borrowings		528,527	-	528,527
Provisions		649,511	-	649,511
Total current liabilities		4,742,942	(700,000)	4,042,942
Non-current liabilities				
Other payables		929,722	-	929,722
Borrowings		149,805	800,233	950,037
Provisions		77,298	-	77,928
Deferred Tax Liability		999,710	-	999,710
Total non-current liabilities		2,156,535	800,233	2,956,767
TOTAL LIABILITIES		6,899,476	100,233	6,999,709
NET ASSETS		9,303,860	6,488,357	15,792,217
EQUITY				
Contributed equity	Note 2	16,186,354	5,792,913	21,979,267
Reserves		2,363,000	300,000	2,663,000
Non-controlling interest		-	455,444	455,444
Accumulated losses		(9,245,494)	(60,000)	(9,305,494)
TOTAL EQUITY		9,303,860	6,488,357	15,792,217

Note 1 - Cash and cash equivalents - Pro-forma

	Pro-forma Adj. Ref	Pro-forma Adjustments
		\$
Cash and cash equivalents at 31 December 2016		5,521,969
Proceeds from issue of Shares under the SPP	(1)	3,118,795
Proceeds from issue of Convertible Securities (Tranche 1A Offer)	(3)	1,800,000
Proceeds from issue of Convertible Securities (Tranche 1B Offer)	(3)	1,200,000
Payment of Capital Raising fees	(4)	(340,000)
GST – Capital Raising fees	(4)	(34,000)
Payment of cash to former shareholders of JCT under terms of the SPA	(8)	(700,000)
Cash consideration paid for acquisition of 100% interest in Jemsoft Pty Ltd and 51% interest in Media Intelligence Co	(9)	(200,000)
Transaction costs – Jemsoft Pty Ltd	(9)	(60,000)
Cash consideration paid for acquisition of additional 5% interest in Media Intelligence Co	(10)	(51,755)
Proceeds from Bonus Options Offer	(12)	576,436
Payment of Capital Raising Fees	(13)	(162,086)
GST – Capital Raising Fees	(14)	(16,209)
Pro-forma cash and cash equivalents		10,653,151

Note 2 Contributed equity – Pro-forma

	Pro-forma Adj. Ref	No. of Shares	\$	No. Options
<i>Assumes Maximum Subscription</i>				
Actual issued at 31 December 2016		2,084,716,668	16,186,354	210,000,000
Cancellation of performance options		-	-	(150,000,000)
Issued under the SPP	(1)	94,508,980	3,118,795	94,508,940
Issue of options to convertible note holder under the prospectus dated 16 December 2016	(2)	-	-	35,000,000
Capital raising fees – Advisor Options issued under the prospectus dated 16 December 2016	(2)	-	(30,000)	75,000,000
Convertible note (Tranche 1A) conversion to ordinary shares	(3)	34,004,825	1,068,344	-
Capital raising fees – SPP and Convertible Notes	(4)	-	(173,000)	-
Convertible note (Tranche 1B) conversion to ordinary shares	(5)	16,833,654	373,920	-
Convertible note (Tranche 1B) conversion to ordinary shares	(6)	7,815,625	106,834	-

Convertible note (Tranche 1B) conversion to ordinary shares (post 2 for 1 share consolidation)	(7)	17,864,286	213,669	-
Fully paid ordinary shares issued for the acquisition of Jemsoft Pty Ltd (issued post 2 for 1 share consolidation)	(9)	50,000,000	700,000	-
Share & option consolidation (2 for 1 basis)	(11)	(1,152,871,400)	-	(132,254,376)
Bonus Options Offer (1 for 2 basis)	(12)	-	576,436	576,436,319
Capital raising fees associated with the Bonus Option Offer	(13)	-	(162,086)	-
Pro-forma issued capital		1,152,872,638	21,979,267	708,690,883

8.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Bonus Options offered under the Prospectus are issued is set out in sections 4.5 and 4.6. Refer also to section 8.4 below.

8.4 Existing Options and Convertible Securities

The Company currently has on issue 132,254,564 Options to subscribe for Shares. The holders of the existing Options are not entitled to participate in the Bonus Option Offer unless they are an Eligible Shareholder on the Record Date. If all existing Option holders exercised their Options prior to the Record Date, this would result in 132,254,564 new Shares being issued which would result in up to 66,127,282 additional Bonus Options being offered under this Prospectus. The existing Options have exercise prices ranging from \$0.10 - \$0.26 per Option.

There are two convertible securities issued under Tranche 1A and under Tranche 1B of the Convertible Securities Agreement entered into between the Company and the convertible securities holder on 16 November 2016. Full details of the terms of those convertible securities were set out in the recent Notice of Meeting of the Company dated 26 April 2017. As at the date of this Prospectus, there is a remaining face value of the Tranche 1A Convertible Securities of \$1,000,000 and a remaining face value in Tranche 1B Convertible Securities of \$683,333 which may be converted into shares. The holder of the convertible securities are not entitled to participate in the Bonus Option Offer unless they are an Eligible Shareholder on the Record Date.

The holder of the Tranche 1A and Tranche 1B Convertible Securities has undertaken not to convert more than \$350,000 of those Securities in any 30 day period. As such, it is possible that up to \$350,000 of the convertible securities may be converted into Shares prior to the Record Date. As the issue price of those Shares is dependent upon the VWAP per Share during the 5 trading days prior to issue of the conversion notice, it is not possible to calculate the number of Shares which may be issued on part conversion of the existing convertible securities prior to the Record Date. If for example the applicable conversion price was \$0.023 and there was a conversion equal to \$350,000 prior to the Record Date this would result in an additional 15,217,392 new Shares being issued which would result in up to 7,608,696 additional Bonus Options being offered under this Prospectus.

As such, holders of existing Options and convertible securities need not take any steps in respect of the Offers in their capacity as holders of the existing Options or convertible securities unless they are an Eligible Shareholder on the Record Date.

8.5 Effect on control

The issue of the Bonus Options themselves will have no effect on the control of the Company unless and until they are converted to Shares.

The substantial Shareholders are listed below in section 8.6. If these Shareholders are eligible to receive the Bonus Options and subsequently choose to exercise the Bonus Options issued to them, it may affect their overall percentage shareholding. The final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which the Shareholders and Investors (to the extent that there is any Shortfall) participate in the Offers and subsequently exercise the Bonus Options.

8.6 Details of substantial holders

At the date of this Prospectus, the Company is of the view that there is no single entity that controls the Company.

The persons holding a relevant interest in more than 5% of the Company's Shares as at 16 June 2017 are JK Group Australia Pty Ltd <JK Family A/C> and Alanticx Technologies Pty Ltd < Alanticx A/C>, entities which are owned and controlled by directors John Schultz and Chris Wood respectively. JK Group Australia Pty Ltd has advised the Company that its present intention is to take up to \$10,000.00 worth of Bonus Options under the Bonus Option Offer, which equates to up to 10,000,000 Bonus Options. Alanticx Technologies Pty Ltd has advised the Company that its present intention is to take up to \$25,000 worth of Bonus Options under the Bonus Option Offer, which equates to up to 25,000,000 Bonus Options. The details, including the respective effects on control of the Company if JK Group Australia Pty Ltd or Alanticx Technologies Pty Ltd are to acquire Bonus Options based on their present intentions, are as follows:

Shareholder	Present Relevant Interest in Shares	% issued capital	Present number of options held	Number of Bonus Options shareholder intends to subscribe for	Relevant Interest in Shares if all Bonus Options subscribed for are exercised
JK GROUP AUSTRALIA PTY LTD <JK FAMILY A/C>	140,288,321	12.17%	Nil	Up to 10,000,000	12.92% ¹
ALANTICX TECHNOLOGIES PTY LTD <ALANTICX A/C>	112,732,700	9.78%	Nil	Up to 25,000,000	11.69% ²

¹ This assumes that JK Group Australia Pty Ltd <JK Family A/C> subscribes for 10,000,000 Bonus Options only. It also assumes that only JK Group Australia Pty Ltd <JK Family A/C> exercises the Bonus Options and no other Options are exercised or Shares are issued.

² This assumes that Alanticx Technologies Pty Ltd <Alanticx A/C> subscribes for 25,000,000 Bonus Options only. It also assumes that only Alanticx Technologies Pty Ltd <Alanticx A/C> exercises the Bonus Options and no other Options are exercised or Shares are issued.

The top 20 Shareholders of the Company as at 15 June 2017 are as follows:

Shareholder	Shares	% issued capital
JK GROUP AUSTRALIA PTY LTD <JK FAMILY A/C>	140,288,321	12.17%
ALANTICX TECHNOLOGIES PTY LTD <ALANTICX A/C>	112,732,700	9.78%
DALEXT PTY LTD <DALEXT UNIT A/C>	28,077,273	2.44%
JORDAN ANTHONY GREEN & EMILY LAUREN RICH <ZANZIBAR INVESTMENT A/C>	25,000,000	2.17%
PHILLIP CARRIG	10,148,936	0.88%
MR YIN KIAN CHOONG <JDE SUPER FUND A/C>	10,141,875	0.88%
MR IVAN IVANOV	7,639,298	0.66%
MR MICHAEL PAUL PARTINGTON	7,394,722	0.64%
CITICORP NOMINEES PTY LIMITED	6,948,607	0.60%
MR PETER GEISNER	6,611,826	0.57%
MISS LAN DAI	6,186,515	0.54%
MR GARRY SHANE COLLINS & MRS JANICE ANN COLLINS <COLLINS SUPER FUND A/C>	6,065,873	0.53%
J P MORGAN NOMINEES AUSTRALIA LIMITED	5,830,226	0.51%
SYNERGY PRACTICE COMPANY PTY LTD <SYNERGY S/F A/C>	5,641,950	0.49%
HEL RAY SUPERANNUATION PTY LTD <HEL RAY SUPER FUND A/C>	5,500,000	0.48%
MR ALAN SCOTT DOWNIE	5,000,000	0.43%
JAY-V INC	5,000,000	0.43%
DUS SUPER PTY LTD <DUS SUPER FUND A/C>	5,000,000	0.43%
MR CHARLES CASELLA	4,800,000	0.42%
SYKES TECHNOLOGY PTY LTD	4,250,000	0.37%
TOWNS CORPORATION PTY LTD <PAE FAMILY A/C>	4,110,000	0.36%
MR GARRY JOHN SULLIVAN	4,077,500	0.35%
TOTAL	416,445,622	36.12%

8.7 Details of holdings of Underwriter

Scenario 1: If Eligible Shareholders take up 100% of the Bonus Option Offer and the Underwriter does not take up any of the Bonus Options

The Underwriter does not presently hold any Shares in the Company. If Eligible Shareholders fully subscribe to the Bonus Option Offer, there would be no Shortfall and the Underwriter would not acquire a relevant interest in the Company. In this scenario, the details, including the effect on control of the Company are as follows:

Shareholder	Present Relevant Interest in Shares	% issued capital	Total securities on issue if Bonus Option Offer is fully subscribed by Eligible Shareholders and if all Bonus Options are exercised	Relevant Interest in Shares if all Bonus Options subscribed for are exercised
Existing Shareholders	1,152,872,638 ^{1, 2}	100%	1,729,308,957 ¹⁻⁴	100%
Leadenhall	Nil	Nil	Nil	Nil
TOTAL	1,152,872,638 ^{1, 2}	100%	1,729,308,957 ¹⁻⁴	100%

Notes:

1. Assumes that no existing Options are exercised after the date of this Prospectus. Further details regarding the existing Options on issue and their potential impact on the Offers are set out in Section 8.4.
2. Assumes no Shares are issued on conversion of the existing convertible securities of the Company. There are two convertible securities issued under Tranche 1A and under Tranche 1B of the Convertible Securities Agreement entered into between the Company and the convertible securities holder on 16 November 2016. Full details of the terms of those convertible securities were set out in the recent Notice of Meeting of the Company dated 26 April 2017. As at the date of this Prospectus, there is a remaining face value of the Tranche 1A Convertible Securities of \$1,000,000 and a remaining face value in Tranche 1B Convertible Securities of \$683,333 which may be converted into shares. Further details regarding the existing convertible securities on issue and their potential impact on the Offers are set out in Section 8.4.
3. Assumes the Bonus Option Offer is fully subscribed by Eligible Shareholders.
4. Assumes that all Bonus Options are exercised after their issue and no other Options are exercised or Shares are issued.

Scenario 2: If Shareholders take up 50% of the Bonus Option Offer and the Underwriter takes up 50% of the Shortfall Offer

If Eligible Shareholders subscribe for 50% of the Bonus Option Offer, the Underwriter would take up 50% of the Bonus Options under the Shortfall Offer. In this scenario, the details, including the effect on control of the Company are as follows:

Shareholder	Present Relevant Interest in Shares	% issued capital	If Eligible Shareholders subscribe for 50% of the Bonus Option Offer, the Underwriter subscribes for the balance 50% by way of the Shortfall Offer and if all Bonus Options are exercised	Relevant Interest in Shares if all Bonus Options subscribed for are exercised
Existing Shareholders	1,152,872,638 ^{1, 2}	100%	1,441,090,798 ¹⁻⁴	83.33%
Leadenhall	Nil	Nil	288,218,160 ¹⁻⁴	16.67%
TOTAL ²	1,152,872,638 ^{1, 2}	100%	1,729,308,958 ¹⁻⁴	100%

Notes

1. Assumes that no existing Options are exercised after the date of this Prospectus. Further details regarding the existing Options on issue and their potential impact on the Offers are set out in Section 8.4.
2. Assumes no Shares are issued on conversion of the existing convertible securities of the Company. There are two convertible securities issued under Tranche 1A and under Tranche 1B of the Convertible Securities Agreement entered into between the Company and the convertible securities holder on 16 November 2016. Full details of the terms of those convertible securities were set out in the recent Notice of Meeting of the Company dated 26 April 2017. As at the date of this Prospectus, there is a remaining face value of the Tranche 1A Convertible Securities of \$1,000,000 and a remaining face value in Tranche 1B Convertible Securities of \$683,333 which may be converted into shares. Further details regarding the existing convertible securities on issue and their potential impact on the Offers are set out in Section 8.4.
3. Assumes Eligible Shareholders subscribe for 50% of the Bonus Option Offer, with the balance being subscribed for by the Underwriter.
4. Assumes that all Bonus Options are exercised after their issue and no other Options are exercised or Shares are issued.

Scenario 3: If the Underwriter takes up 100% of the Shortfall Offer

Shareholder	Present Relevant Interest in Shares	% issued capital	If the Underwriter subscribes for the maximum Underwritten Shortfall and if all Bonus Options are exercised	Relevant Interest in Shares if all Bonus Options subscribed for are exercised
Existing shareholders	1,152,872,638 ^{1,2}	100%	1,152,872,638 ¹	66.67%
Leadenhall	Nil	Nil	576,436,319 ¹⁻⁴	33.33%
TOTAL ²	1,152,872,638 ^{1,2}	100%	1,729,308,958 ¹⁻⁴	100%

Notes

1. Assumes that no existing Options are exercised after the date of this Prospectus. Further details regarding the existing Options on issue and their potential impact on the Offers are set out in Section 8.4.
2. Assumes no Shares are issued on conversion of the existing convertible securities of the Company. There are two convertible securities issued under Tranche 1A and under Tranche 1B of the Convertible Securities Agreement entered into between the Company and the convertible securities holder on 16 November 2016. Full details of the terms of those convertible securities were set out in the recent Notice of Meeting of the Company dated 26 April 2017. As at the date of this Prospectus, there is a remaining face value of the Tranche 1A Convertible Securities of \$1,000,000 and a remaining face value in Tranche 1B Convertible Securities of \$683,333 which may be converted into shares. Further details regarding the existing convertible securities on issue and their potential impact on the Offers are set out in Section 8.4.
3. Assumes Eligible Shareholders do not subscribe for any Bonus Options and that the Underwriter subscribes for the maximum underwritten Shortfall.
4. Assumes that all Bonus Options are exercised after their issue and no other Options are exercised or Shares are issued.

9. Rights and liabilities attaching to securities

9.1 Bonus Option terms and conditions

- (a) The Bonus Options shall be offered to Eligible Shareholders on the basis of one Bonus Option for every two fully paid ordinary shares held in the Company on the Record Date (22 June 2017);
- (b) The Bonus Options shall be offered to Investors under the Shortfall Offer;
- (c) The Bonus Options shall have an issue price of \$0.001 (**Issue Price**);
- (d) The exercise price of each Bonus Option is \$0.04 (**Exercise Price**);
- (e) The Bonus Options will expire on 18 January 2018 (**Expiry Date**) unless earlier exercised;
- (f) The Bonus Options are transferrable;
- (g) The Bonus Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with payment for the Exercise Price per Bonus Option to the Company at any time on or after the date of issue of the Bonus Options and on or before the Expiry Date. Payment may be made as directed by the Company from time to time, which may include by cheque, electronic funds transfer or other methods;
- (h) The number of Bonus Options that may be exercised at one time must be not less than 1,000, unless the Bonus Option holder holds less than 1,000 Options in which case all Options must be exercised at one time;
- (i) Upon the valid exercise of the Bonus Options and payment of the Exercise Price, the Company will issue fully paid ordinary shares ranking pari passu with the then issued ordinary shares within 10 business days of valid exercise and payment;
- (j) Bonus Option holders do not have any right to participate in new issues of securities in the Company made to shareholders generally. The Company will, where required pursuant to the ASX Listing Rules, provide Bonus Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to shareholders generally) to exercise the Bonus Options, in accordance with the requirements of the Listing Rules.
- (k) Option holders do not participate in any dividends unless the Bonus Options are exercised and the resultant shares of the Company are issued prior to the record date to determine entitlements to the dividend;
- (l) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
 - (1) the number of Bonus Options, the Exercise Price of the Bonus Options, or both will be reorganised (as appropriate) in a manner consistent with the ASX Listing Rules as applicable at the time of reorganisation, but with the intention that such reorganisation will not result in any benefits being conferred on the holders of the Bonus Options which are not conferred on shareholders; and
 - (2) subject to the provisions with respect to rounding of entitlements as sanctioned by a meeting of shareholders approving a reorganisation of capital, in all other respects the terms for the exercise of the Bonus Options will remain unchanged;

- (m) If there is a pro rata issue (except a bonus issue), the Exercise Price of a Bonus Option may be reduced according to the following formula:

$$O^n = O - \frac{E [P - (S + D)]}{N + 1}$$

Where:

- O^n = the new exercise price of the Bonus Option;
- O = the old exercise price of the Bonus Option;
- E = the number of underlying securities into which one Bonus Option is exercisable;
- P = the volume weighted average market price per security of the underlying securities during the 5 trading days ending on the day before the ex right date or the ex entitlements date;
- S = the subscription price for a security under the pro rata issue;
- D = dividend due but not yet paid on the existing underlying securities (except those to be issued under the pro rata issue); and
- N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- (m) If there is a bonus issue to the holders of shares in the Company, the number of shares over which the Bonus Option is exercisable may be increased by the number of shares which the Bonus Option holder would have received if the Bonus Option had been exercised before the record date for the bonus issue;
- (n) The terms of the Bonus Options shall only be changed if holders (whose votes are not to be disregarded) of ordinary shares in the Company approve of such a change. However, unless all necessary waivers of the ASX Listing Rules are obtained, the terms of the Bonus Options shall not be changed to reduce the Exercise Price, increase the number of Bonus Options or change any period for exercise of the Bonus Options;
- (o) The Company shall apply for listing of the Bonus Options on the ASX; and
- (p) The Company shall apply for listing on the ASX of the resultant Shares of the Company issued upon exercise of any Bonus Option.

9.2 Rights attaching to Shares issued on exercise of Bonus Options

The following is a summary of the more significant rights and liabilities attaching to Shares, being the underlying securities of and which will be issued on exercise of the Bonus Options to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Each Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the Corporations Act and any other laws.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any special rights or restrictions (at present there are none), at any Shareholder meeting, each Shareholder present in person or by proxy has one vote on a show of hands. On a poll, a holder of fully paid Shares has one vote for each share held and the holder of a partly paid share has a voting entitlement to the proportion which the amount paid is of the total amounts paid and payable.

(c) Dividend rights

Subject to any special rights (at present there are none), all dividends that may be declared by the Company are payable on all fully-paid Shares and partly paid Shares in proportion to the amount paid (not credited).

(d) Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution:

- divide among the Shareholders the whole or any part of the Company's property; and
- decide how the division is to be carried out between the Shareholders (or different classes of shareholders),

but may not require a Shareholder to accept any Shares or other securities in respect of which there is any liability.

The liquidator may, with the sanction of a special resolution of the Company, vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of Shares

Subject to the Constitution, the Corporations Act and other relevant laws, the Shares may be transferred by market transfer in accordance with a computerised or electronic system established or recognised under the Listing Rules or the Corporations Act, and by instrument in writing.

The Directors may decline to register a transfer of Shares where:

- the Listing Rules permit the Company to do so;

- the Listing Rules require the Company to do so; or
- the transfer is in breach of the Listing Rules or any escrow agreement relating to “restricted securities” (defined under the Listing Rules) entered into by the Company under the Listing Rules.

(g) Future increase in capital

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to the Corporations Act, the Listing Rules and the Company's Constitution, the Directors may issue shares on such terms and conditions as they determine.

(h) Variation of rights

The rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

(j) ASX Listing Rules

As the Company is already admitted to the Official List of the ASX, the following clauses apply despite the provisions of the Company's Constitution:

- notwithstanding anything contained in the Company's Constitution, if the Listing Rules prohibit an act being done, the act shall not be done;
- nothing contained in the Company's Constitution prevents an act being done that the Listing Rules require to be done;
- if the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- if the Listing Rules require the Company's Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision;
- if the Listing Rules require the Company's Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision; and
- if any provision of the Company's constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of that inconsistency.

10. Investment Risks

10.1 General risks

A summary of the major general risks is set out below.

(a) Trading Price of Shares and Options

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Shares and Bonus Options. In addition, the price of Shares and Bonus Options is subject to varied and often unpredictable influences on the market for equities, including but not limited to general economic conditions including the performance of the Australian dollar on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares or Bonus Options. In addition factors that in the future may impact specifically on the share prices of listed companies identified as being part of or involved in the technology or IT sector may impact likewise on the price of the Company's securities. In particular, the share prices for many companies including Xped, have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy and trading on the market. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(b) Economic Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates in Australia and other jurisdictions in which the Company does business, as well as globally, may have an adverse effect on the Company's activities, as well as on its ability to fund those activities. Further, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (1) general economic outlook;
- (2) interest rates and inflation rates;
- (3) currency fluctuations;
- (4) changes in investor sentiment toward particular market sectors;
- (5) the demand for, and supply of, capital; and
- (6) terrorism or other hostilities.

(c) General legislative change

The Company is not aware of any current or proposed material changes in relevant regulations or policy in Australia or in any other markets in which the Company may do or intend to do business. However, changes in laws and regulations in Australia or other relevant jurisdictions may adversely affect the financial performance or the current and proposed operations generally of the Company. Of particular note here might be laws or regulations affecting the resources and energy, technology, IT and telecommunications sectors.

Further consideration of the regulatory environment with regards to the IoT industry are discussed in section 10.2(n).

(d) **Government policy**

In addition to legislation changes, changes in relevant taxation, interest rates, other legal or administrative regimes, as well as Government policies in Australia or in any other markets in which the Company may do or intend to do business, may have an adverse effect on the assets, operations and ultimately the financial performance of both Xped and the entities in which it invests. These factors may ultimately affect the financial performance of Xped and the market price of its securities. Of particular note here might be Government policies affecting the technology, IT and telecommunications sectors.

Further, in addition to the normal level of income tax imposed on all industries, Xped may be required to pay indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to financial services regulation and protection of investment activities, together with the nature of the political process, provide the possibility for future policy changes. There is a risk that such changes may affect the Company's business, operations or financial condition.

(e) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(f) **Management actions**

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security, but without assuming any personal liability for the same.

(g) **Additional Requirements for Capital**

The capital requirements of the Company depend on numerous factors.

Depending on the ability of the Company to generate income from its operations, the Company is likely to require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(h) **Litigation Risks**

The Company is exposed to possible disputes and litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. If any such claim or dispute is proven, this may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.

(i) **Force Majeure**

The Company, now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, extreme weather conditions, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

(j) **Acquisitions**

As part of its business strategy, the Company may make acquisitions of, or significant investments in, companies, products, technologies and/or products that are complementary to Xped's business. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of companies, products and technologies, such as integrating cultures and systems of operation, relocation of operations, short term strain on working capital requirements, achieving the sales and margins anticipated and retaining key staff and customer and supplier relationships.

10.2 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in Section 10.1, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

(a) **Dilution Risk**

The Company currently has 1,152,872,638 Shares and 132,254,564 existing Options on issue. At Completion, the Company proposes to issue up to 576,436,319 Bonus Options, subject to the matters set out in section 8.4.

Assuming full subscription of Bonus Option Offer

Upon Completion of the Bonus Option Offer and assuming that the Bonus Option Offer is fully subscribed, the Eligible Shareholders (assuming each Eligible Shareholder subscribes for their full entitlement under the Bonus Option Offer) will retain approximately 100% of the Company's issued Share capital.

Examples of the potential dilution on the issued Share capital of the Company if subsequently all Bonus Options are exercised (and provided no other Shares are issued or Options exercised), are set out in sections 4.5 and 4.6 above.

There is also a risk that the interests of Shareholders will be further diluted as a result of future capital raisings required in order to fund the development of Xped.

(b) **Liquidity Risk**

There are presently 253,540,855 Shares classified as Restricted Securities, of which 248,540,855 are subject to mandatory escrow until up to 5 April 2018 and 5,000,000 are subject to voluntary escrow until 7 September 2017. This gives rise to an increased liquidity risk as a large portion of issued capital is not be able to be traded freely for a period of time.

(c) **Protection of IP/IT**

At the core of the Company's business is its proprietary application software such as its Auto Discovery Remote Control (**ADRC**) which utilises Near Field Communications technology (**NFC**) and Near Field Ping (**NFP**), as well as Xped's Device Browser, the Xped App and the Xped Infrastructure Platform (**XIP**) (the **Xped Technology**). The intellectual property at the core of the Xped Technology is key to its success. There is

a risk that other individuals or companies may claim to have any interest in the intellectual property utilised in Xped Technology.

If the Company fails to protect its Xped Technology intellectual property rights adequately, competitors may gain access to Xped Technology or parts of it which may harm its business and the value of the Shares.

In addition, there may well be significant value attached to the trademarks and other similar forms of intellectual property associated with the Xped brand. Failure by the Company to adequately protect against infringements of intellectual property associated with its brand may result in significant damage to that brand and deterioration in the goodwill of the Xped business and the value of the Shares may be reduced.

However, legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain, and particularly so with software. Effective patent, trademark, copyright and trade secret protection may not be available to the Company in every country in which the Xped Technology may eventually be sold or otherwise launched. Accordingly, despite its efforts, Xped may not be able to prevent third parties from infringing upon or misappropriating its intellectual property.

Market conditions depending, the Company may be required to incur significant expense in monitoring and protecting its intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company, cause a distraction to management, and ultimately damage its business.

Dependence on the Internet and telecommunications infrastructure

The success of the Xped Technology and products will depend to some extent on the availability and stability of the:

- (1) telecommunications infrastructure, and in particular the infrastructure over which devices directly communicate with each other; and
- (2) internet.

The utility of Xped's ADRC Technology depends initially on smart devices being able to establish communications between themselves using NFC (at less than approximately 1 cm), and then direct communications between devices, and then possibly pathways to transmit packets of data between each of those devices over the Internet. Accordingly, direct connectivity (wireless or wireline) is likely to be critical to the adoption of Xped Technology and ultimately the success of the Xped business.

The utility of both connectivity and the Internet for carrying communications between devices can be adversely impacted upon as a result of the rapidly increasing demands for bandwidth, data security, reliability, cost, accessibility and quality-of-service. Delays in the development or adoption of new standards and protocols to handle these increased demands may impact on the adoption of Xped Technology and ultimately the success of Xped's business.

In particular, the performance of the Internet has been harmed by "viruses," "worms" and similar malicious programs, and the Internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If for any reason the Internet does not remain a widespread communications medium, the demand for Xped Technology would be significantly reduced, which would harm its business.

Importantly, Xped's ADRC is agnostic of the transmission technology used. A wide range of wireless as well as wireline options can be used and would be dependent upon the application. This is a decision made by the manufacturer on what best suits the needs of their customers.

Please note that Xped's ADRC platform does not rely on access to the internet to function, however the experience may be enhanced if connection is made. The Xped Infrastructure Platform will require internet connectivity to deliver full functionality.

(d) **Standardisation Risk**

The application and use of different technologies in the IoT sector is presently subject to many different standards due to the absence of any agreed architecture framework for IoT solutions. Whilst Xped is hopeful that its ADRC technology may present the opportunity for adoption as a future standard, because of the activity by others at this time in this sector using different standards, no assurance can be given that Xped's technology will be adopted as the standard in this sector. The Company is seeking to mitigate this risk through diversifying its onboarding capabilities to include other standards including BLE, and WiFi transport standards.

(e) **Commercialisation Risk**

Commercialisation of Xped's technology will require the Company to identify appropriate vendors, product designers and manufacturers and negotiate agreements on commercial terms to generate royalty and licence fee based revenue income. Whilst the Company is in either collaboration arrangements or advanced discussions with a number of international companies, as yet it has not generated revenue from these and no assurance can be given that the Company will be successful in entering into new agreements. Xped does have an existing license agreement with Lenze and it expects this will generate revenue from, however no revenue has as yet been generated from this license agreement.

(f) **Hacker risk, Technology / disruption / corruption / systems failure**

Security concerns and the possibility of data corruption and data manipulation are particular concerns with the ongoing confidence in IoT applications. Where consumers perceive that the Company's technology is insecure and open to being hacked, then the adoption of Xped Technology may be impacted. This may ultimately impact on the success of the Company.

Similarly the threat of the hacking of communications over the Internet between devices may similarly impact of the uptake of Xped Technology.

The perception of risk associated with the theft of devices on which consumers are running Xped's Device Browser to communicate and control their other devices may also have a significant impact on the uptake of Xped Technology.

Whilst Xped have sought as part of the design of their ADRC technology to incorporate security aspects, at the present time this security design is still being investigated and no assurance can be given at this time that Xped's technology will be immune from the usual range of IoT technology risks.

To mitigate risks associated with security and hacking, Xped commissioned a security audit of its ADRC technologies by an independent security consultant. Xped is working on implementing the main recommendations.

(g) **Extensive competition**

There is a great deal of interest in the “Internet of Things” and device connectivity. Accordingly there is huge potential future competition and there can be no assurances that the competitive environment will not change adversely due to actions of competitors or changes in customer preferences. The Company’s financial performance or operating margins could be adversely affected if the actions of competitors or potential competitors become more effective, or if new competitors enter the market and the Company is unable to counter these actions.

(h) **Reliance on Key Management**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and directors. The Company will rely heavily on the experience and knowledge of Martin Despain, Athan Lekkas, John Schultz and Christopher Wood. In the event that any of these persons or any other key personnel that the Company subsequently recruits leaves the Company and the Company is unable to recruit suitable replacements, such loss could have a materially adverse effect on the Company. There can be no assurance that there will be no detrimental impact on the performance of the Company or its growth potential if one or more of these key management personnel cease their engagement with the Company and suitable replacements are not identified and engaged in a timely manner.

(i) **Risk of High Volume of Share Sales**

There are presently a significant number of Shares subject to ASX imposed escrow as well as voluntary escrow. Upon release of such escrow it may be the case that some of the holders of such Shares may not intend to continue to hold those securities and may wish to sell them on the ASX. There is a risk that an increase in the number of people wanting to sell Shares may adversely impact on the market price of the Company’s Shares.

There can be no assurance that there will be, or continue to be, an active market for Shares or that the price of Shares will increase. As a result, holders of Shares may, upon selling their securities, receive a market price for their securities that is less than the price of Shares offered pursuant to the Offers.

(j) **Research and Development Risks**

Investments in research and development technologies such as the Xped Technology are often uncertain or unproven, and the exact value of those assets may not be known at the time that the Company acquires them. Expenditure on research and development may yield no results or results different to what is expected. Additionally investments in new technologies, products and processes may not yield the required return on those products for the Company to generate a return above cost.

(k) **Relationships with suppliers**

The Company will rely on sourcing products from various suppliers and any material adverse change in the Company’s relationships with its suppliers, its terms of trade, or the ability of key suppliers to service orders could have an adverse impact on the Company’s prospects.

In areas where supply of components is necessary, i.e. to provide that same IP on a module, multiple avenues of supply will be available. Xped’s ADRC is agnostic of the chip supplier and Xped is in discussions with several semiconductor firms to ensure that problems with availability are mitigated.

(l) **Material arrangements**

Xped and its subsidiaries have entered various material arrangements which are important to the future of the Group. Any failure by counterparties to these arrangements to perform their obligations under such material arrangements may have a material adverse effect on the Group, and there can be no assurance that the Group would be successful in attempting to enforce any of its rights through legal action.

In addition Xped and its subsidiaries have entered a number of non-binding arrangements, by way of memorandums of understanding. These arrangements by their nature may be nonbinding and unenforceable. As such, in the event that the other parties to these arrangements fail to perform their obligations, the Group may have no right to enforce the provisions of these arrangements through legal action.

(m) **Growth prospects and company expansion plans**

The Company's growth prospects are dependent upon a number of factors. If the Company fails to execute any expansion plan, its financial performance is likely to be negatively affected.

Xped recognises that any exponential growth will be achieved through partnerships it creates. The Company's technologies have diverse appeal and application and as such the partnerships either formed or being created are in a diverse set of industry verticals. The Company has identified a number of target vertical markets including Healthcare and through its subsidiary, JCT Healthcare, has a clear entry point into this market. The Company has identified Data Centres as another vertical and through a partnership with Vital Xense is actively developing solutions in this market.

Xped is also taking proactive steps to enter verticals where there is opportunity for commercial return.

(n) **Regulatory risks**

Currently there are few IoT-specific laws and regulations. One area of particular concern is that of data privacy and protection. Currently in Australia IoT-based technologies may be impacted by informational privacy laws. Such laws differ from jurisdiction to jurisdiction.

In Australia, the collection, use, storage and disclosure of "personal information" is principally regulated by the Privacy Act. The Privacy Act does not prohibit IoT-based technologies; but it could in certain circumstances impose additional compliance obligations on businesses that use or commercialise those technologies.

The compliance obligations under the Privacy Act only extend to "personal information". The term "personal information" is defined in the Privacy Act to mean (in summary) information or an opinion about an identified individual, or an individual who is reasonably identifiable.

If the ADRC IoT Platform Technology collects data which falls within the definition of "personal information", then the compliance regime under the Privacy Act will apply to the Company in respect of the collection, use, storage and disclosure of that "personal information".

If the data collected by the Xped Technology does not (by itself) constitute "information or an opinion about an identified individual" (such a device MAC address, an IP address or event metadata), it is still possible that such data could be aggregated with other datasets which, together, could be considered personal information.

The Company will take steps to ensure compliance with any applicable requirements of the Privacy Act.

In addition, there are on-going policy developments in a number of areas relevant to the take-up of IoT which may result in increased regulation and therefore increased regulatory compliance costs for Xped's business. These areas include:

- (1) spectrum management;
- (2) interoperability and open systems;
- (3) network resilience and security;
- (4) security and data privacy;
- (5) data sharing; and
- (6) numbering.

As laws and regulations develop around each of these areas in jurisdictions in which devices using Xped Technology are located, or in which data necessary for the application of that technology is collected, transferred, accessed, stored or analysed, there may be increased regulatory compliance costs for Xped's business. However, these costs may be off-set to some degree by the increased take-up and adoption of IoT applications in general, and Xped's technology in particular as consumer confidence in the security, safety and reliability of these IoT technologies increase.

(o) Tenements

The Company continues to hold its existing geothermal exploration tenements. The tenements of the Company are in various stages of exploration and potential investors should understand that geothermal exploration and development are high-risk enterprises, only occasionally providing high rewards.

Inherent in geothermal exploration operations is a real environmental risk. The legal framework governing this area is constantly developing. As such the Company is unable to fully ascertain any future liability that might arise from environmental laws or regulations, although such regulation is typically strict and may impose severe penalties.

The Australian tenements remain on care and maintenance and the Company is presently working with Department of State Development to rehabilitate and restore these tenements in the 2017 calendar year, with some remediation works having commenced.

Xped entered a Sale and Purchase Agreement ("SPA") with KS Orka Pte Ltd to divest the Company's 45% equity interest in the Sokoria Geothermal Project. The SPA has concluded and if certain milestones are reached, Xped will be entitled to an additional payment of up to USD\$947,368.00.

10.3 General

The above list of risk factors, both general and specific, ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. Any combination of the above factors may materially affect any business operations or the financial performance of Xped and the value of its securities. The above factors, and others not specifically referred to above may, in the future, materially affect the financial performance of the Company and the value of the Company's securities. To that extent the Bonus Options offered in this Prospectus are subject to significant risk and uncertainty with respect to return or preservation of capital, the

price (if any) at which the Shares or Bonus Options may trade and the payment of dividends in any future time. Therefore, the securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

11. Additional information

11.1 Continuous disclosure obligations

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the Corporations Act. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by the ASX at all times during the three (3) months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offers, the effect of the Offers on the Company and the rights and liabilities attaching Options and Shares to be issued on exercise of the Bonus Options. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to the ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (a) annual financial report for the period ending 30 June 2016;
- (b) reviewed half-yearly financial statements for the Company for the period ending 31 December 2016; and
- (c) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to the ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2016 and ending on the date of lodgement of this Prospectus with ASIC.

Details of documents lodged by the Company with the ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of Announcement
29/09/2016	2016 Annual Report
29/09/2016	2016 Appendix 4G and Corporate Governance Statement
29/09/2016	Appendix 3B – Release of Securities from Escrow
03/10/2016	Release of Securities from Escrow
04/10/2016	Xped Launches New Corporate Website
12/10/2016	Xped Receives Platinum Membership with OCF

Date	Description of Announcement
12/10/2016	Appendix 3B - Release of Securities from Escrow
13/10/2016	Trading Halt
14/10/2016	Xped to Acquire Leading Software Developer
21/10/2016	Release of Securities from Escrow
24/10/2016	Appendix 3B - Release of Securities from Escrow
26/10/2016	ASX Waiver and Variation of Incentives
28/10/2016	Quarterly Activities and Cashflow Report
31/10/2016	Investor Roadshow Presentation
31/10/2016	Notice of Annual General Meeting and Proxy Form
07/11/2016	Trading Halt
09/11/2016	Suspension from Official Quotation
16/11/2016	Xped Secures up to \$10 Million Premium to Convertible Note
16/11/2016	Reinstatement to Official Quotation
16/11/2016	Company Update
18/11/2016	Xped Completes Porting to Chipset Manufacturers
18/11/2016	Appendix 3B - Release of Securities from Escrow
21/11/2016	Appendix 3B - Release of Securities from Escrow
22/11/2016	Q&A with the Managing Director
24/11/2016	Company Update
30/11/2016	AGM Resolutions Withdrawn
30/11/2016	Chairman Letter
30/11/2016	Xped AGM Presentation
01/12/2016	Result of 2016 Annual General Meeting
12/12/2016	Delivery of Production Samples Utilising ST Micro Processors
15/12/2016	Company Update – Complex Semi iCharger
15/12/2016	Expiry of Unlisted Options
16/12/2016	ADRC Now Available on STM32 Microcontrollers
16/12/2016	Xped Customer Presentation
16/12/2016	ADRC Now Available on STM32 Microcontrollers
16/12/2016	Xped Customer Presentation
16/12/2016	Notice of Meeting
16/12/2016	Prospectus
21/12/2016	Supplementary Prospectus
22/12/2016	ASX Waiver
22/12/2016	Intel Smart Home Platforms to Integrate Xped ADRC Technology
03/01/2017	Appendix 3B - Tranche 1A
05/02/2017	Appendix 3B - Cancellation of Performance Shares

Date	Description of Announcement
10/01/2017	Appendix 3B - Part Conversion of Convertible Security
12/01/2017	Agreement Signed with Arcadyan
16/01/2017	KS Orka Completes Acquisition of Sokoria Geothermal Project
20/01/2017	Results of Extraordinary General Meeting
20/01/2017	Trading Halt
20/01/2017	Appendix 3B - Convertible Note Conversion
24/01/2017	Maiden License Agreement Signed
25/01/2017	Appendix 3B - Tranche 1B
25/01/2017	Share Purchase Plan Result
27/01/2017	Change of Director's Interest Notice
27/01/2017	Appendix 3B - SPP Share Issue
31/01/2017	Xped Presentation
31/01/2017	Appendix 3B - Additional Options
31/01/2017	Quarterly Activities and Cashflow Report
01/02/2017	Change in Substantial Holding
01/02/2017	Supplementary Presentation Release
03/02/2017	Change in substantial holding
06/02/2017	MOU Signed with Solekai Systems
13/02/2017	Update on Convertible Notes
15/02/2017	Telink Port Completion Date Set For March 31
17/02/2017	STMicro Invite Xped to Embedded World
22/02/2017	Licensing Agreement Signed with Solekai
27/02/2017	MOU Signed with Advanced Semiconductor Engineering
28/05/2017	Interim Financial Report and Appendix 4D
08/03/2017	Company Update
23/03/2017	MOU signed with Dexatek
03/04/2017	Telink Port Completion
03/04/2017	Lenze iCharger Update
04/04/2017	Appendix 3B - Part Conversion of Convertible Security
06/04/2017	Appendix 3B - Part Conversion of Convertible Security
06/04/2017	Appendix 3B – Clarification
26/04/2017	Notice of General Meeting
26/04/2017	Unmarketable Parcel Share Sale Facility
01/05/2017	Appendix 4C – quarterly
02/05/2017	Quarterly Activities Report
11/05/2017	Acquisition of Artificial Intelligence Company Jemsoft
11/05/2017	Acquisition Presentation - Company Overview

Date	Description of Announcement
17/05/2017	Appendix 3B - Part Conversion of Convertible Security
18/05/2017	Bonus Options Offer
19/05/2017	Lenze App Delivered
22/05/2017	Xped Complete Jemsoft Acquisition
23/05/2017	Consolidation/Split – XPE
23/05/2017	Appendix 3B - Part Conversion of Convertible Security
23/05/2017	Update - Consolidation/Split – XPE
30/05/2017	Results of Meeting
01/06/2017	Appendix 3B
01/06/2017	Share Trading on a Deferred Settlement Basis
01/06/2017	Update – Consolidation/Split - XPE
02/06/2017	Lenze IPark 20 Million Order
02/06/2017	Company Update
09/06/2017	Share Consolidation Complete
13/06/2017	XPED PARTNER WITH COMPAL ELECTRONICS
14/06/2017	Bonus Options Offer – updated timetable
16/06/2017	Update on Media Intelligence Co. Pty Ltd

11.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on the ASX.

The highest, lowest and last market sale prices of the Shares on the ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

	Share price	Date
Highest	0.025 (Pre consolidation)	31/3/2017
Lowest	0.011 (Pre consolidation)	1/6/2017
Last	0.023 (Post consolidation)	16/06/2017

11.3 Underwriting Agreement

The Company has entered into an Underwriting Agreement with Leadenhall Australia Pty Ltd (**Underwriter**).

Pursuant to the Underwriting Agreement, as consideration for underwriting the Bonus Option Offer (the Shortfall underwritten is up to 576,436,319 Bonus Options (**Underwritten Options**), the Company has agreed to pay to the Underwriter (or its nominee) an underwriting fee (**Underwriting Fee**) of 6% of the amount raised from the issue of the Underwritten Options being a maximum of \$34,586 plus GST based on the maximum amount underwritten of \$576,436.32. It is noted that in the event that any of the existing Options are exercised or the existing convertible securities on issue in the Company are converted into Shares prior to the Record Date and this results in a higher number of Bonus Options being offered under the

Bonus Option Offer, this will not increase the maximum number of Underwritten Options which will remain as 576,436,319 Bonus Options.

Pursuant to the terms of the Underwriting Agreement it will be an Event of Termination if any of the following occur:

- (a) Any announcement is made by the Government of Australia or any state of Australia or any governmental authority or the Reserve Bank of Australia which in the reasonable opinion of the Underwriter could materially adversely affect the success of the Bonus Option Offer as a consequence of proposed or promulgated legislation or regulations which would materially adversely affect the operations of the Company; or
- (b) There is in the reasonable opinion of the Underwriter any material adverse change in relation to any of the interests held by the Company or in any of its projects or businesses which are referred to in the Prospectus;
- (c) The Company is in default under any of the material terms and conditions of the Underwriting Agreement;
- (d) The Company does not lodge the Prospectus on the lodgement date or the Company withdraws the Prospectus without prior written consent of the Underwriter;
- (e) The Prospectus does not comply with or breaches the Corporations Act 2001 (Cth) including, without limitation, any provision of Chapter 6D of the Corporations Act 2001 (Cth) or any other relevant provision of the Corporations Act;
- (f) ASX refuses, does not grant on terms acceptable to the Underwriter, or withdraws approval for the granting of Official Quotation for the Bonus Options offered pursuant to the Bonus Option Offer or ASX makes a statement to that effect to the Company, the Underwriter or any other person;
- (g) There is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, the Philippines, the United Kingdom, the United States of America, India, Pakistan, Russia or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic military, commercial or political establishment of any of those countries anywhere in the world;
- (h) If a resolution is passed by the Company for its voluntary liquidation or an order is made for its winding-up or the Company enters into a scheme of arrangement with its creditors under the Corporations Act or any liquidator, receiver, or official manager is appointed in respect of the Company or if the Company becomes insolvent;
- (i) There is in the reasonable opinion of the Underwriter a material adverse change in the state of domestic and/or overseas securities markets that jeopardise the success of the Bonus Option Offer;
- (j) The All Ordinaries Index of the ASX is at any time after the date of this Agreement, 10% or more below its respective levels as at the close of business on the Business Day prior to the date of the Underwriting Agreement;
- (k) There is in the opinion of the Underwriter any material adverse change in the financial position or prospects of the Company from that which exist as at the date of the Underwriting Agreement.
- (l) The Underwriter forms the view on reasonable grounds that a supplementary or replacement prospectus should be lodged with ASIC for any of the reasons referred to in Section 719(1) of the Corporations Act and the Company fails to lodge a

supplementary or replacement prospectus in such form and content and within such time as the Underwriter may reasonably require;

- (m) The Company lodges a supplementary or replacement prospectus without the prior written consent of the Underwriter;
- (n) It transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Section 713 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;
- (o) It transpires that the Prospectus does not contain all the information required by Section 713 of the Corporations Act;
- (p) Any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (q) An application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, and that application has not been dismissed or withdrawn;
- (r) ASIC gives notice of its intention to hold a hearing under Section 739 or any other provision of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or the ASIC makes an interim or final stop order to the Prospectus under Section 739 or any other provision of the Corporations Act;
- (s) Any authorisation which is material to the business of the Company or the Bonus Option Offer is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (t) Application for Official Quotation of the Options has not been made by the Closing Date;
- (u) The Company is prevented from allotting the Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX, or any governmental or semi-governmental agency or authority;
- (v) Subject always to the Underwriter's ability to waive termination, if any of the following events occur:
 - (1) (Default): default or breach by the Company under the Underwriting Agreement of any material terms, condition, covenant or undertaking; or
 - (2) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes materially untrue or incorrect; or
 - (3) (Significant change): a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor; or
 - (4) (Public statements): without the prior approval of the Underwriter, a public statement is made by the Company in relation to the Option Issue or the Prospectus; or

- (5) (Change in Act or Policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in existing, monetary, taxation, exchange or fiscal policy; or
- (6) (Suspension of debt payments): the Company suspends payment of its debts generally; or
- (7) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the Closing Date without the prior written consent of the Underwriter, such consent not to be unreasonably withheld; or
- (8) (Timetable): there is a delay in any specified date in the timetable which is greater than 3 Business Days unless approved by the Underwriter, such approval not to be unreasonably withheld; or
- (9) (Force Majeure): a Force Majeure affecting any obligation under the Underwriting Agreement lasting in excess of 7 days occurs; or
- (10) (Investigation): any person is appointed under any legislation in respect to investigate the affairs of the Company or any of its related companies; or
- (11) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or
- (12) (Suspension): the Company is removed from the Official List or the Shares become suspended from Official Quotation and that suspension is not lifted within 24 hours following such suspension.

Subject to the information below, if an Event of Termination occurs an Underwriter may terminate the Underwriting Agreement at any time on or before the Closing Date by giving notice in writing to the Company which sets out:

- (a) the Event of Termination; and
- (b) that the Underwriting Agreement is terminated.

The Underwriter may not terminate the Underwriting Agreement if an Event of Termination set out in paragraphs (b), (g), (i), (j), (k), (s), (v)(5), (v)(9) or (v)(11) occur unless the Underwriter determines in good faith that the Event of Termination has resulted or could result in the Underwriter's obligations under the Underwriting Agreement becoming materially more onerous than those which exist at the date of the Underwriting Agreement.

11.4 Constitution

The Constitution is in a form common to public companies in Australia and was adopted by the Company on 4 March 2016.

The Company will provide a copy of the Constitution to any Shareholder upon request, free of charge.

11.5 Corporate Governance

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

11.6 Interests of Directors

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the Company in connection with:
 - (1) its formation or promotion;
 - (2) the Offers; or
- (c) the Offers,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Director or proposed director:

- (a) to induce them to become, or to qualify as, a Director of the Company; or
- (b) for services provided by a Director in connection with:
 - (1) the formation or promotion of the Company; or
 - (2) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is as follows:

Director (including associated entities)	Current Shareholding (Direct and Indirect) ¹	% of Total Share Capital (1,152,872,638 Shares on issue) ¹
John Schultz	140,288,321	12.17%
Christopher Wood	112,732,700	9.78%
Athan Lekkas	28,077,273	2.44%
Martin Despain	Nil	Nil
Wenjun Sheng	Nil	Nil

Notes:

1 This includes the 253,540,855 shares subject to escrow.

In addition, the Directors may participate in the Bonus Option Offer if they are Eligible Shareholders. As outlined in section 8.6, JK Group Australia Pty Ltd has advised the Company that its present intention is to take up to \$10,000.00 worth of Bonus Options under the Bonus Option Offer, which equates to up to 10,000,000 Bonus Options. Alanticx Technologies Pty Ltd has advised the Company that its present intention is to take up to \$25,000 worth of Bonus Options under the Bonus Option Offer, which equates to up to 25,000,000 Bonus Options. Further, Mr Lekkas has advised that he presently intends to take up his full entitlement in respect of the Bonus Option Offer.

Remuneration

Each of Christopher Wood, John Schultz, Martin Despain and Athan Lekkas are executive Directors.

Dr Wenjun Sheng is a non-executive Director. The total maximum remuneration of non-executive Directors is set by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration for the previous 2 financial years and the current financial year to date paid to those Directors who are currently Directors as at the date of this Prospectus.

Director	Financial Year ending 30 June 2015	Financial Year ending 30 June 2016	To date in this Financial Year
Christopher Wood ⁴	\$38,640	\$125,133 ¹	\$385,815 ¹
John Schultz ^{2, 4}	\$16,197	\$76,833	\$258,133
Athan Lekkas ⁴	\$85,410	\$246,438 ³	\$662,805
Martin Despain	-	-	\$431,065
Wenjun Sheng	-	\$30,000	\$222,055

Notes: The above disclosure relates only to current Directors and does not include directors who resigned during the periods shown.

1 This includes benefits such as living allowance costs, accommodation and health insurance.

2 In addition to his remuneration, the Company engages Electro CAD Australia Pty Ltd on an as needs basis, a company controlled by John Schultz, to provide services to the Company, details of which are set out in section 11.7 below. The Company has paid Electro CAD fees during the 24 months prior to the date of this Prospectus.

3 This includes remuneration paid prior to the reverse takeover.

4 Includes GST where applicable.

11.7 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arm's length" basis, reasonable remuneration basis or been approved by Shareholders in general meetings.

The Company discloses the following transactions with related parties which have either proceeded on an "arm's length" or reasonable remuneration basis. The transactions are:

- (a) consultancy agreements with the Directors as follows:
 - (1) with Mr Christopher Wood and Alanticx Pty Ltd which provides a remuneration package of US\$272,000 per annum, including Board fees, and additional relocation and living allowance costs will be paid by the Company under the consultancy agreement to the extent Mr Wood is required to relocate to the USA at any time, including reasonable relocation and return expenses, motor vehicle expenses, rent of residence in the USA up to US\$6,000 per month and health insurance for Mr Wood and his immediate family in the USA;
 - (2) with Mr John Schultz and JK Group which provides for remuneration of \$220,000 per annum, plus Board fees of \$36,000 per annum;
 - (3) with Mr Athan Lekkas and Dalext Pty Ltd which provides a remuneration package of US\$362,000 per annum, including Board fees. Additional relocation and living allowance costs will be paid by the Company under the consultancy agreement to the extent Mr Lekkas is required to relocate to the USA at any time, including reasonable relocation and return expenses, motor vehicle expenses, rent of residence in the USA up to US\$12,000 per month and health insurance for Mr Lekkas and his immediate family in the USA. Mr Lekkas will also be paid the following cash bonuses, subject to remaining engaged by the Company at the time of satisfying the relevant milestone:
 - (A) a cash bonus equal to 30% of the annual consultancy fee (being 30% of US\$362,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$2.5million in revenue, during the period commencing on the Milestone Date and ending 24 months after the Milestone Date (**Milestone A**);
 - (B) a cash bonus equal to 30% of the annual consultancy fee (being 30% of US\$362,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$5.0million in revenue during the period commencing on the Milestone Date and ending 24 months after the Milestone Date (**Milestone B**); and
 - (C) a cash bonus equal to 30% of the annual consultancy fee (being 30% of US\$362,000) within 20 Business Days of certification by the Board that the Company has raised at least AUD\$5.0million from the placement of shares in the Company during the period commencing on

the Milestone Date and ending 24 months after the Milestone Date
(**Milestone C**).

For the avoidance of doubt revenue generated and received which is included in respect of the Milestone A calculation will also be included in the Milestone B calculation;

- (4) with Mr Martin Despain which provides a remuneration package of US\$360,000 per annum including Board fees and payment of medical insurance of up to US\$27,000 per annum. Mr Despain is also entitled to a signing bonus of US\$80,000, 50% payable on the commencement date and the balance 50% payable on the date that is 6 months after the commencement date. Mr Despain will also be paid the following cash bonuses, subject to remaining engaged by the Company at the time of satisfying the relevant milestone:
 - (A) a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$360,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$2.5million in revenue, during the period commencing on the Despain Commencement Date and ending 24 months after the Despain Commencement Date (**Milestone A**); and
 - (B) a cash bonus equal to 30% of the annual consultancy fee (being 30% of USD\$360,000) within 20 Business Days of certification by the Board that the Company (on a consolidated basis) has generated and received at least AUD\$5.0million in revenue during the period commencing on the Despain Commencement Date and ending 24 months after the Despain Commencement Date (**Milestone B**).

For the avoidance of doubt revenue generated and received which is included in respect of the Milestone A calculation will also be included in the Milestone B calculation;

- (5) with Dr Wenjun Sheng which provides a remuneration package of US\$180,000 per annum, including Board fees; and
- (b) Mr John Schultz is a director of Electro CAD Australia Pty Ltd which provides contracted engineering services on an as needs basis to the Company including printed circuit boards assembly, component sourcing and costings and kitting. Fees in the amount of \$501,789 have been charged by Electro CAD Australia Pty Ltd to Xped or its subsidiaries from 15 December 2014 to 14 June 2017.

The Board considers that the remuneration and benefits in (a) above are reasonable remuneration pursuant to section 211 of the Corporations Act or in the case of (b) are on arm's length commercial terms.

11.8 Interests of experts and advisers

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and any financial services licensee named in the Prospectus as involved in the Offers (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offers; or
- (c) the Offers under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) Offers under this Prospectus.

11.9 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company which would have a material effect on the Company.

11.10 Subsequent events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

11.11 Privacy

By submitting an Entitlement and Acceptance Form you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Automic, an external service provider. The Company requires Automic to comply with the National Privacy Principles with performing these services. The Company's register is required under the Corporations Act to contain certain personal information about you such as your name, address and number of shares and options held. In addition, the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;

- (d) to other members in the Xped group of companies;
- (e) to your broker; and
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Automic, except in limited circumstances. If you wish to access, update or correct your personal information held by Automic or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

11.12 Consents

Each of the parties referred to in this section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

HopgoodGanim Lawyers are named in the Corporate Directory as Solicitors to the Offers and have performed work in relation to the Prospectus. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. They do not make any statement in this Prospectus. HopgoodGanim Lawyers has given its consent to be named as Solicitors to the Offers in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. HopgoodGanim Lawyers will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at \$36,500 (excluding disbursements and GST) at the date of this Prospectus. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charge out rates.

Automic Registry Services has given its written consent to be named as the Share Registrar in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Automic Registry Services has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus.

Leadenhall Australia Pty Ltd are named in this Prospectus as Underwriter to the Bonus Option Offer. Leadenhall has not authorised or caused the issue of this Prospectus and does not make or purport to make any statement in this Prospectus. Leadenhall has given its written consent to be named in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus with ASIC. Leadenhall will be paid for services provided pursuant to the Underwriting Agreement, details of which are set out in section 11.3. The maximum fee that Leadenhall may be paid under the Underwriting Agreement is \$34,586 (excluding disbursements and GST).

11.13 Expenses of the Offers

The total expenses of the Offers are estimated to be approximately \$162,086 (excluding GST). Please see section 4.4 for further details.

12. Directors' Authorisation

This Prospectus is issued by Xped Limited. Each Director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Xped Limited by:

A handwritten signature in black ink, consisting of a series of stylized, overlapping loops and curves, representing the name Athan Lekkas.

Athan Lekkas
Executive Chairman & CEO

13. Glossary

\$ or AUD\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application Form means an application form in a form accompanying this Prospectus in respect of the Shortfall Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited and the Australian Securities Exchange as the context requires.

ASX Listing Rules means the listing rules of the ASX.

Board means the board of Directors unless the context indicates otherwise.

Bonus Option means an option to acquire a Share on the terms and conditions set out in section 9.1 of this Prospectus.

Bonus Option Offer means the non-renounceable offer and issue of the Bonus Options the subject of this Prospectus.

Business Day means a day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Adelaide.

Closing Date means the closing date for each Offer as set out in section 2, subject to variation by the Company without notice.

Company means Xped Limited ACN 122 203 196.

Constitution means the constitution of the Company as at the date of this Prospectus.

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

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder who is eligible to participate in the Bonus Option Offer, being shareholders of the Company who are registered as holders of Shares at 7pm (AEST) on the Record Date of 22 June 2017 and whose registered address is in Australia and New Zealand.

Entitlement and Acceptance Form or Form means an entitlement and acceptance form in the form accompanying this Prospectus in respect of the Bonus Option Offer.

Entitlement means the entitlement of Eligible Shareholders to apply for Bonus Options under this Prospectus.

Group means the Company and its subsidiaries.

Investors means the Underwriter or any other investors identified and selected by the Underwriter to participate in the Shortfall Offer.

Issue Date means the date on which the Bonus Options are issued as set out in section 2, subject to variation by the Company without notice.

Leadenhall or Underwriter means Leadenhall Australia Pty Ltd ACN 007 997 248.

ODM means an original design manufacturer, which is a company that designs, develops and manufactures a product as specified and eventually rebranded by another firm for sale. Such companies allow the firm that owns or licenses the brand to produce products (either as a supplement or solely) without having to engage in the organisation or running of a factory.

OEM means an original equipment manufacturer, which is a technology provider that distributes output devices produced by another company under its own brand name.

Offers means the Bonus Option Offer and the Shortfall Offer and **Offer** means any of them.

Official Quotation means official quotation on the ASX.

Opening Date means the opening date for each Offer as set out in section 2, subject to variation by the Company without notice.

Options means the Options on issue in the Company from time to time.

Prospectus means this prospectus dated 19 June 2017 as modified or varied by any supplementary prospectus made by the Company and lodged with ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus.

Record Date means 7pm (AEST) on 22 June 2017.

securities has the same meaning as in section 92 of the Corporations Act.

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

Share Registry or **Automic** means Automic Registry Services.

Shareholder means a holder of a Share.

Shortfall means the Bonus Options which are not subscribed for after the Bonus Option Offer closes.

Shortfall Applicant means a person who submits an Application Form.

Shortfall Bonus Option means an option to acquire a Share on the terms and conditions set out in section 9.1.

Shortfall Offer means the offer and issue of the Shortfall Bonus Options the subject of the Prospectus.

Silicon Vendors means semiconductor companies that sell microchips. There are two types of Silicon Vendors. Integrated Device Manufacturers - these design, manufacture and sell their chips. Fabless - these design and sell, but outsource the manufacturing process.

Trading Day has the meaning given to that term in the Listing Rules.

Underwriting Agreement means the underwriting agreement entered between the Underwriter and the Company dated 18 June 2017, details of which are set out in section 11.3.

US Securities Act means the US Securities Act of 1933 as amended from time to time.

vertical market means a market in which vendors offer goods and services specific to an industry, trade, profession, or other group of customers with specialised needs.

VWAP means in relation to a Trading Day, the volume weighted average price of the Shares traded in the ordinary course of business on the ASX on that Trading Day, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options over Shares.

Corporate directory

Directors	Administration and Registered Office
Mr Christopher Wood Mr John Schultz Mr Athan Lekkas Mr Martin Despain Dr Wenjun Sheng	Level 6, 412 Collins Street Melbourne VIC 3000 Phone: +61 (0) 3 9642 0655 Facsimile: +61 (0) 3 9642 5177 Email: info@xped.com Website: http://www.xped.com
Underwriter	Lawyers
Leadenhall Australia Pty Ltd Level 4, 33 Franklin St Adelaide SA 5001 Phone: +61 8 8385 2200 Facsimile: +61 8 8385 2299 Email: tlebbon@leadenhall.com.au Website: www.leadenhall.com.au	HopgoodGanim Lawyers Level 8, Waterfront Place 1 Eagle Street Brisbane Qld 4000 Phone: +61 7 3024 0000 Facsimile: +61 7 3024 0000 Website: www.hopgoodganim.com.au
Share Registry	
Automic Registry Services Level 3, 50 Holt Street Surry Hills NSW 2010 Phone: 1300 288 664 Website: www.automic.com.au	



PO Box 2226, Strawberry Hills, NSW 2012

1300 288 664 (within Australia)
+61 (0)2 9698 5414 (outside Australia)

hello@automic.com.au

www.automic.com.au

INSTRUCTIONS TO COMPLETION OF THIS ENTITLEMENT AND ACCEPTANCE FORM

The Bonus Option Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia or New Zealand. In particular, this Bonus Option Offer is not being made to any person in the U.S. or to a U.S. person. The Prospectus and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire options in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF BONUS OPTION OFFER

By returning the Entitlement and Acceptance Form with payment to the Registry:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations as set out in the Prospectus;
- you provide authorisation to be registered as the holder of Bonus Options acquired by you and agree to be bound by the Constitution of the Company.

HOW TO APPLY FOR OPTIONS

1 Acceptance of Bonus Options

Enter into section 1 the number of Bonus Options you wish to apply for. The number of Bonus Options must be equal to or less than your Entitlement, which is set out overleaf.

2 Payment Amount

Enter into section 2 the total amount payable for the number of Bonus Options for which you are applying. If the dollar amount divided by the issue price is a fraction of a Bonus Option, the Bonus Options allotted will be rounded to the nearest whole number.

3 BPAY®

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. To BPAY® this payment via internet or telephone banking use your reference number quoted on the front of this form. Multiple acceptances must be paid separately. Applicants should be aware of their financial institution's cut-off time (the payment must be made to be processed overnight). It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

You do not need to return this form if you have made payment via BPAY®. Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Bonus Options for which you have paid.

4 Cheque Details

Enter your cheque details in section 4. Cheques must be drawn on an Australian branch of a financial institution in Australian currency, made payable to **Xped Limited** and crossed "Not Negotiable". Please ensure sufficient funds are held in your account. If you provide a cheque for an incorrect amount the Company may treat you as applying for as many Bonus Options as your cheque will pay for, up to your Entitlement limit.

5 Contact Details

Please enter a contact number we may reach you on between the hours of 9:00am and 5:00pm AEST. We may use this email or number to contact you regarding your acceptance of the Bonus Options, if necessary.

***By providing your email address, you elect to receive all communications despatched by the company electronically (where legally permissible)**

LODGING YOUR ENTITLEMENT AND ACCEPTANCE FORM

This form must be received at an address given below by 5.00pm (AEST) on Thursday, 11 July 2017. (If you are making cheque payment)

BY MAIL

Xped Limited
C/- Automic
PO Box 2226
Strawberry Hills NSW 2012

BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST)

Automic
Level 3
50 Holt Street
Surry Hills, NSW 2010

If you require further information about the Bonus Option Offer, please contact Automic on 1300 288 664 between 9:00am and 5:00pm.



Enter your details below, attach your cheque and forward your application in accordance with the instructions on the reverse.
PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

1. Number of Bonus Options applied for , ,

Application payment (multiply box 1 by \$0.001 per Bonus Option)
A\$, .

2. Applicant name(s) and postal address - refer to naming standards for correct form of registrable title(s) (See overleaf)																													
Name of Applicant 1																													
Name of Applicant 2 or <Account Designation>																													
Name of Applicant 3 or <Account Designation>																													
<Account Designation>																													
Postal address																													
Unit / Street Number / Street name or PO Box																													
Suburb/Town																									State			Postcode	
Country and ZIP Code (if outside Australia)																													

3. Contact details	
Telephone Number <input type="text"/>	Contact Name (PLEASE PRINT) <input type="text"/>
Email Address <input type="text"/>	
By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).	

4.	CHESS Holders Only – Holder Identification Number (HIN)	Note: if the name and address details in sections 2 do not match exactly with your registration details held at CHESS, any Bonus Options issued as a result of your Application will be held on the Issuer Sponsored sub-register.											
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X													

5. TFN/ABN/Exemption Code

Applicant #1

Applicant #2

Applicant #3

If NOT an individual TFN/ABN, please note the type in the box

C = Company; P = Partnership; T = Trust; S = Super Fund

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Bonus Options. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample < Food Help Club A/C>	Food Help Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

INSTRUCTIONS FOR COMPLETING THE FORM

This is an Application Form for the Shortfall Bonus Options in Xped Limited (ABN 89 122 203 196) ('Company'), made under the terms set out in the Prospectus dated 19 June 2017.

The right to participate in the Shortfall Offer is available exclusively to Investors.

The Shortfall Offer cannot be transferred and the Directors of the Company reserve the right to reject any applications. Bonus Options allotted under the Shortfall Offer will be issued as soon as practicable after the Closing Date of the Shortfall Offer.

If the Company rejects or scales-back an application or purported application, the Company will return to the Shareholder the relevant application monies, without interest.

The Prospectus contains important information relevant to your decision to invest and you should read the entire Prospectus before applying for Bonus Options. If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. To meet the requirements of the Corporations Act, this Application Form must not be distributed unless included in, or accompanied by, the Prospectus.

- 1 Shortfall Bonus Options applied for** - Enter the number of Shortfall Bonus Options you wish to apply for.
- 2 Applicant name(s) and postal address** - Note that ONLY legal entities can hold Bonus Options. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. You should refer to the table for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Enter your postal address for all correspondence. Only one address can be recorded against a holding. With exception to annual reports, all communications to you from the Company will be mailed to the person(s) and address shown. Annual reports will be made available online when they are released.
- 3 Contact Details** – Enter a contact telephone number and email address. By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).
- 4 CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Bonus Options allotted to you under this Application on the CHESS sub-register, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
- 5 TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.

PAYMENT INSTRUCTIONS

All cheques should be made payable to "Xped Limited" and drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Do not forward cash as receipts will not be issued.

LODGEMENT INSTRUCTIONS

There is no maximum value of Shortfall Bonus Options that may be applied for under the Shortfall Offer. The Company may elect to extend the Shortfall Offer or any part if it may be closed at an earlier date and time without further notice. The Company may determine a person to be eligible to participate in the Shortfall Offer.

Applicants are encouraged to submit their Applications as early as possible.

Completed Application Forms and cheques must be:

Posted to:

Xped Limited
Level 6, 412 Collins Street
Melbourne VIC 3000

Delivered to:

Xped Limited
Level 6, 412 Collins Street
Melbourne VIC 3000

Hand delivery during business hours only - 9am to 5pm (AEST)

CLOSING DATE FOR THE OFFER IS 21 JULY 2017 AT 5:00PM (AEST)

Enquiries in respect of this Shortfall Bonus Options Offer should be addressed to the Company on +61 3 9642 0655