

xped

MAKING TECHNOLOGY
HUMAN AGAIN



XPED INVESTOR
PRESENTATION
V7 • APRIL 2016



ASX:XPE

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BOARD



CHRIS WOOD
CHAIRMAN / CEO

Chris has extensive experience in large telecommunications companies developing mission critical software applications. Chris has architected projects worth up to \$200M and supported by a pool of 200 IT staff. He is a domain expert in the areas of GPS, inertial sensors and communications. In 2003 Chris 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. This technology is sold internationally.



ATHAN LEKKAS
DIRECTOR / COO

Athan 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.

Athan has completed successful turn around 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. Athan is also a Director of ASX listed investment company First Growth Funds Limited.



JOHN SCHULTZ
DIRECTOR / HEAD OF ENGINEERING

John 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. John's involvement in Xped will encompass system specification, design, product design and manufacture, resource management and developing initial commercialisation opportunities.



MICHAEL CLARKE
DIRECTOR / HEAD OF IT

Michael has extensive experience in the IT industry and has worked across both public and private enterprise during his career. He has assisted a number of private and public companies with management and advisory services and was influential in ensuring a smooth RTO process for the Xped transaction. Michael has consulted and provided services to a variety of industries including manufacturing, retail, technology, resources, government and education.

Michael is also a Director of First Growth Funds Limited.

MANAGEMENT

CHARLES MAURO
SVP BD / NORTH AMERICA

Charles has extensive Business Development and Management experience across the IT&T, Finance, Advertising/Media and Energy industries.

With a career expanding over 20 years, Charles has held executive roles in Management with leadership in Sales and Marketing at the national, regional and global levels.

Previous executive engagements include Xerox, Kodak, Telstra, Sensis, Sanef Group and Iceus companies.

JOHN STEFANAC
HEAD OF ASIA

John joined Xped in May 2014 from Qualcomm, where he served as President of Southeast Asia & Pacific. John is responsible for market strategies and manages Xped's overall business. He has more than 30 years of experience in the telecommunications and information technologies industries. Prior to Qualcomm John was with Nokia where he served as Vice President and General Manager of Asia/Pacific. He has an MBA from Henley Management College (UK).

CAPITAL STRUCTURE

Current Issued Share Capital **1,694,964,212**

Listed Options expiring Jul 16 **379,752,456**

Total number of Management Performance Shares on issue **150,000,000**



* Source: Comsec website

.....
Market cap approximately \$50m at reinstatement
.....

.....
Company has \$26m of carried forward tax losses potentially available
.....

.....
Prospectus raising for \$8m completed oversubscribed
.....

.....
Company was reinstated on ASX on 5 April 2016
.....

WHAT IS THE INTERNET OF THINGS (IoT)

.....
The internet gave us the opportunity to connect in ways we could never have dreamed possible.
.....

.....
The Internet of Things will take us beyond connection to become part of a living, moving global nervous system.¹
.....

.....
Anything that has an **on/off** switch will be connected to the internet and/or each other.
.....



HOW LARGE IS THE IoT MARKET

By 2020, revenue opportunities derived from the Internet of Things will grow to more than:

\$1Tr
(Trillion)²



HOME (CONSUMER)
\$397.8 BILLION
3,745.71 DEVICES
(MILLIONS)



CITIES (INDUSTRY)
\$270.0 BILLION
1,524.70 DEVICES
(MILLIONS)



BUILDINGS (INFRASTRUCTURE)
\$270.0 BILLION
1,726.59 DEVICES
(MILLIONS)



TRANSPORT (MOBILITY)
\$76.1 BILLION
392.72 DEVICES
(MILLIONS)



BODY (HEALTH)
\$48.7 BILLION
360.03 DEVICES
(MILLIONS)

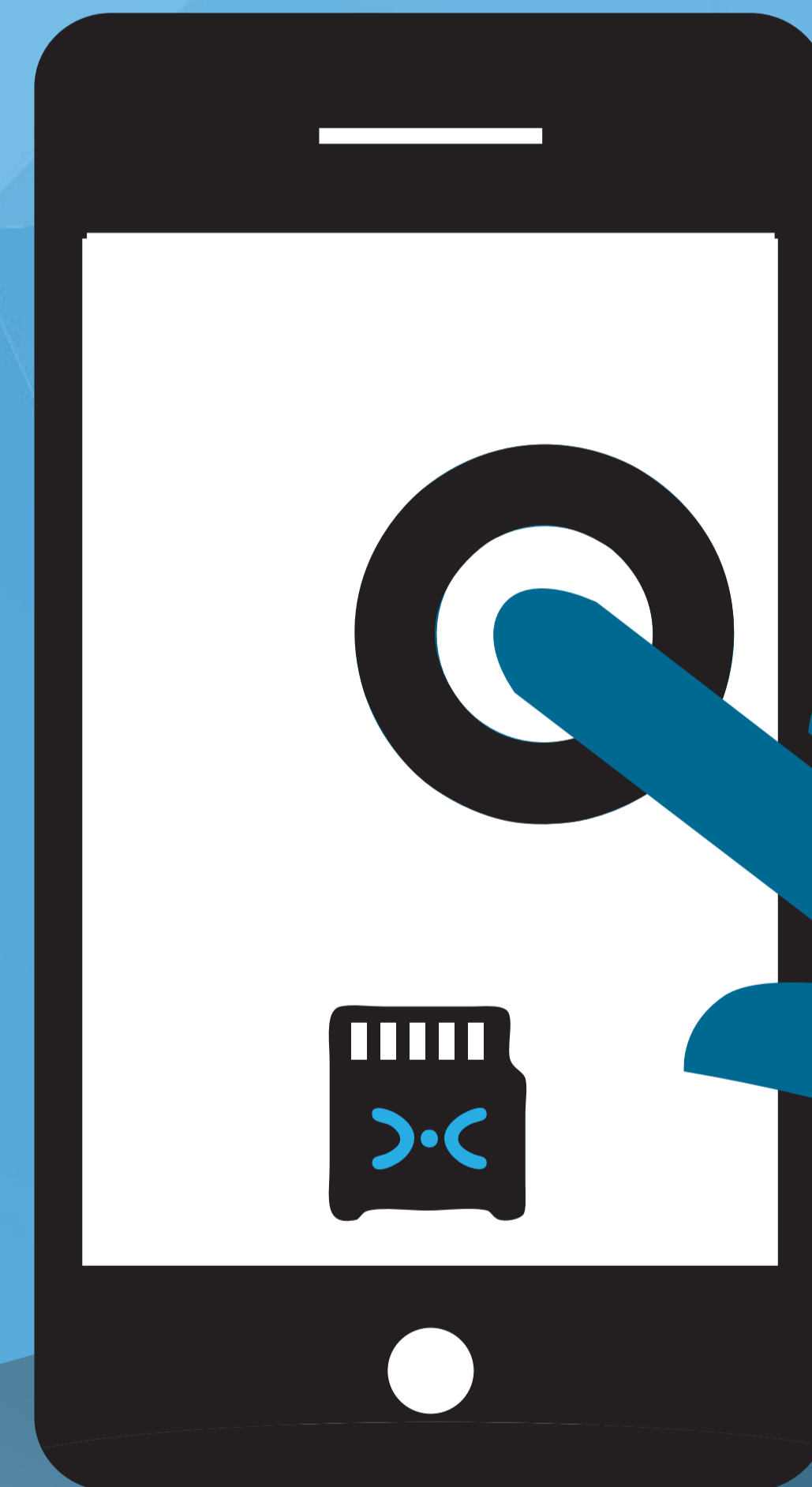
THE XPED SOLUTION:ADRC

Any appliance can be embedded with Xped's IoT platform technology ADRC – Auto Discovery Remote Control.

It is as simple as Tap and Control.

You simply tap any NFC enabled Smartphone running Xped's Device Browser (DeB) to any ADRC enabled electronic device whether it be a TV, Security camera, air-conditioner etc. anything, and it's ready to control.

The phone automatically discovers the device, sets up a secure wireless network, gathers the resources needed and learns how to render the user interface, all in one tap.



Tap N' Control

ADRC READY TO IMPLEMENT

With the ADRC software supporting prototype demonstrations, Xped is expanding its reach and penetration in the IoT ecosystem; we are engaging prospective industrial customers in commercial and market trials. The company has established a number of Memorandum of Understanding (MOU's).

.....
Xped aims to commercialise the technology via a licensing approach in which third parties remunerate Xped for the right to integrate the ADRC technology into their products, we have already signed up our first licencing agreement.

.....
The ADRC software architecture was specifically designed and engineered to maximise the benefits of IoT devices for both Users and OEM's -it can even control other software.

.....
RML a new language from Xped, was developed specifically so control code could be simply written in XML format, now engineering IoT devices is a breeze for manufacturers.

.....
ADRC enables OEM's, any radio or cable communications, easily facilitating range and access protection issues and articulation for the industrial internet, harnessing the benefits of M2M automations, the ADRC software brain or daemon as it is called, can be nested in a device, a controller, a PC or the cloud and the architecture hosts multicontroller networks, it's independence and reliability are maximised, all at the option of the integrator.

.....
Self describing devices means automation itself has been streamlined, there are no standards for OEM's to labour through or Users to navigate around, avoiding all the technology frustration for people and significantly speeding products to market and adoption.

THE XPED SOLUTION - CONSUMERS

Easy to use and setup within the home with **ONE TAP** pairing of ADRC devices

Control any household device fitted with ADRC using a smartphone/tablet

Ability to monitor the device for any issues including faults

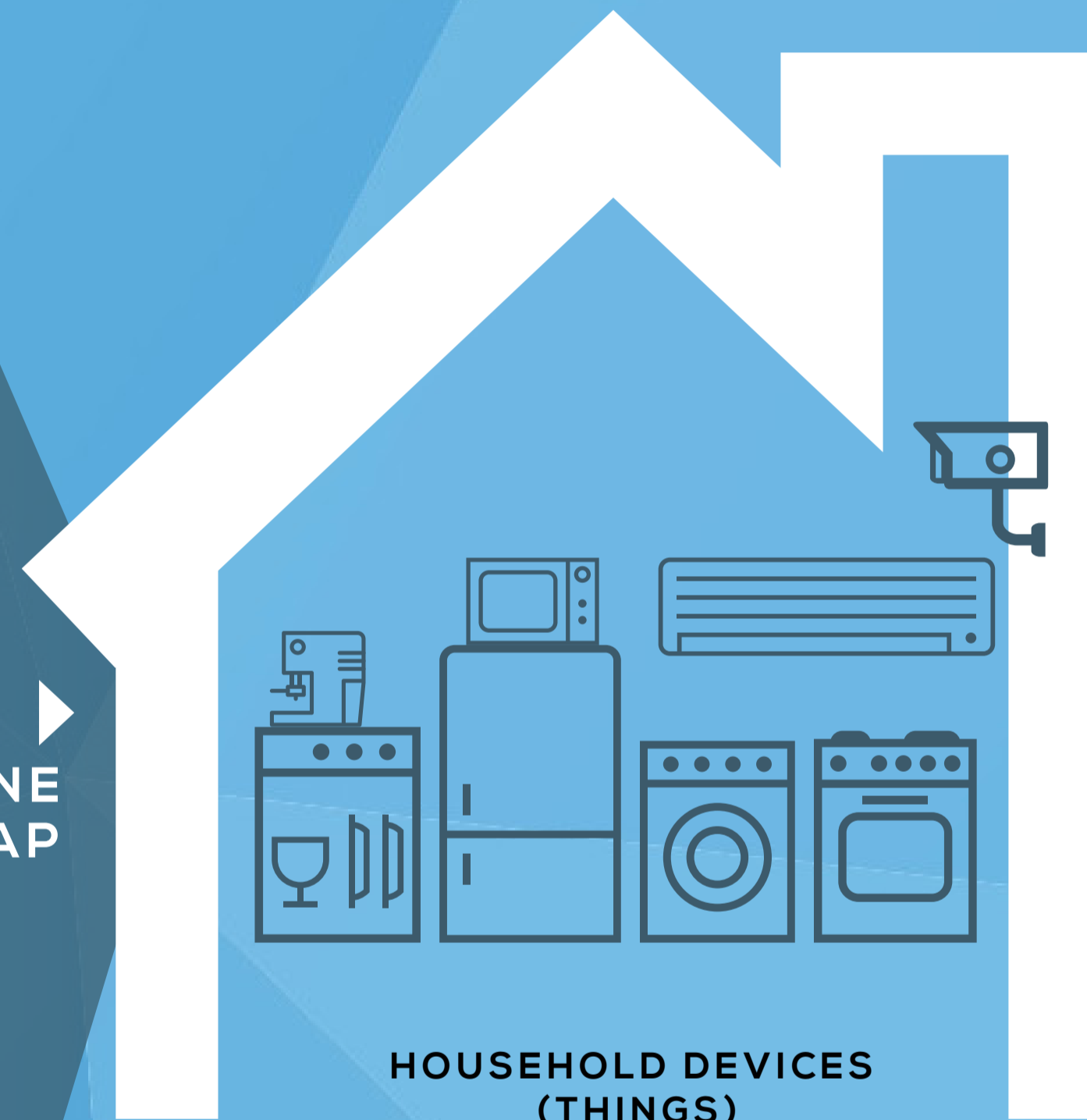
Determine the cost/footprint of services entering your home (energy/water)

Open architecture and compatible with common technologies and interfaces

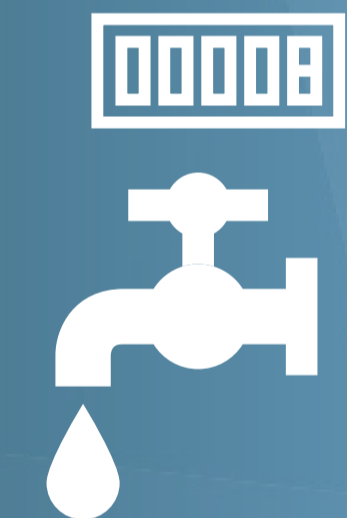


CONTROL AND MONITOR

ONE TAP



HOUSEHOLD DEVICES (THINGS)



SERVICES

SMART HOME

THE XPED SOLUTION - INDUSTRIAL

Control and command any industrial device fitted with ADRC using a smartphone/tablet

Determine the process state of the industrial device and application

Monitor usage and events including alarms and faults

Architecture is built with security in mind and can be integrated into complex things

Capture necessary information for analytics and big data

DASHBOARD



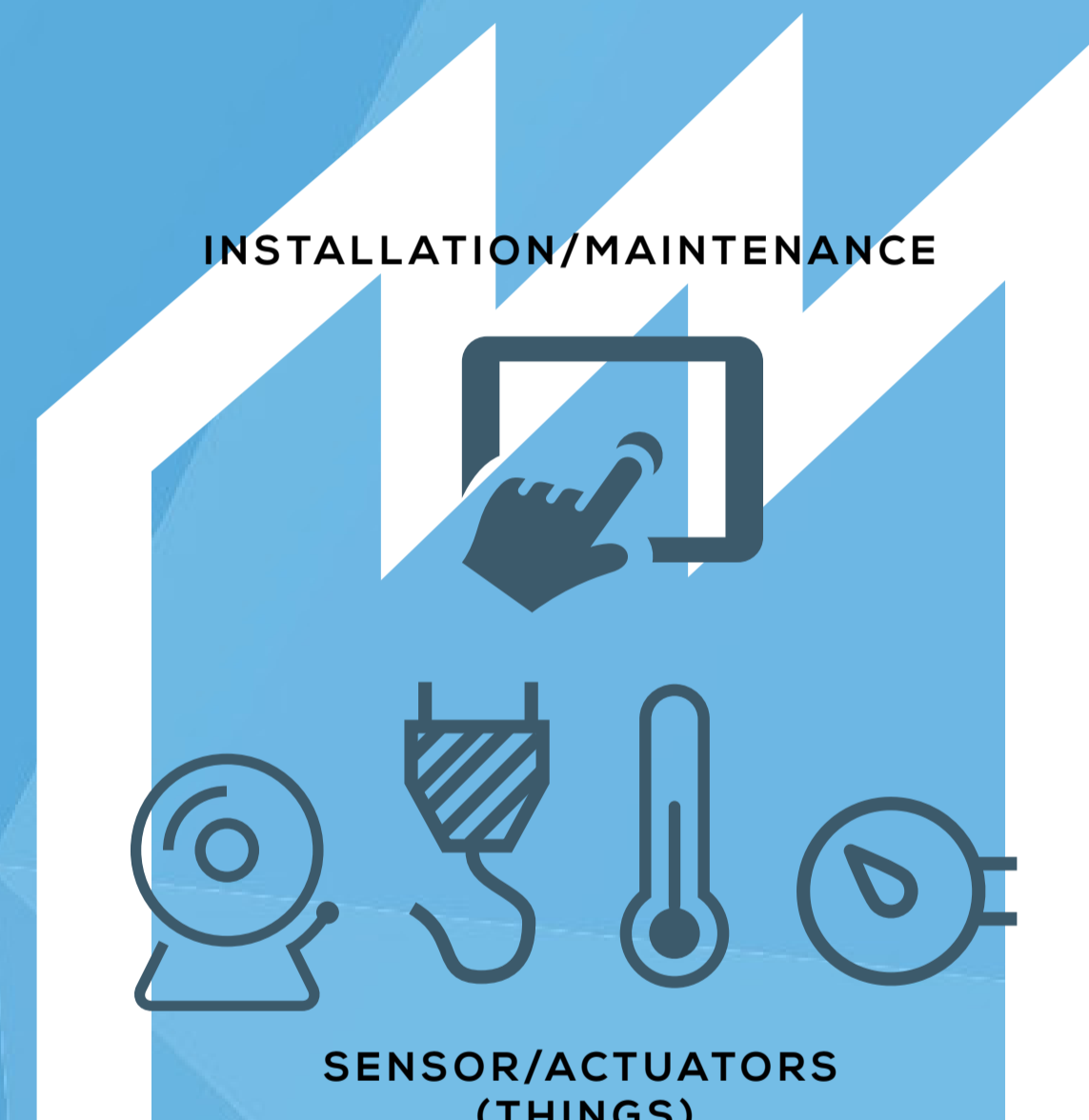
Command & control →



← Alarms/process metrics
regulatory compliance

BIG DATA/ ANALYTICS

INSTALLATION/MAINTENANCE



SENSOR/ACTUATORS (THINGS)

PROCESSES



← Process state

SMART BUSINESS

BENEFITS TO MANUFACTURERS AND CONSUMERS



.....
A single universal app for all manufacturers and product developers.



.....
Out of the box installation even without an Internet connection.



.....
ADRC allows manufacturers unparalleled freedom to innovate.



.....
Manufactures can communicate directly with their customer and passively collect product data.

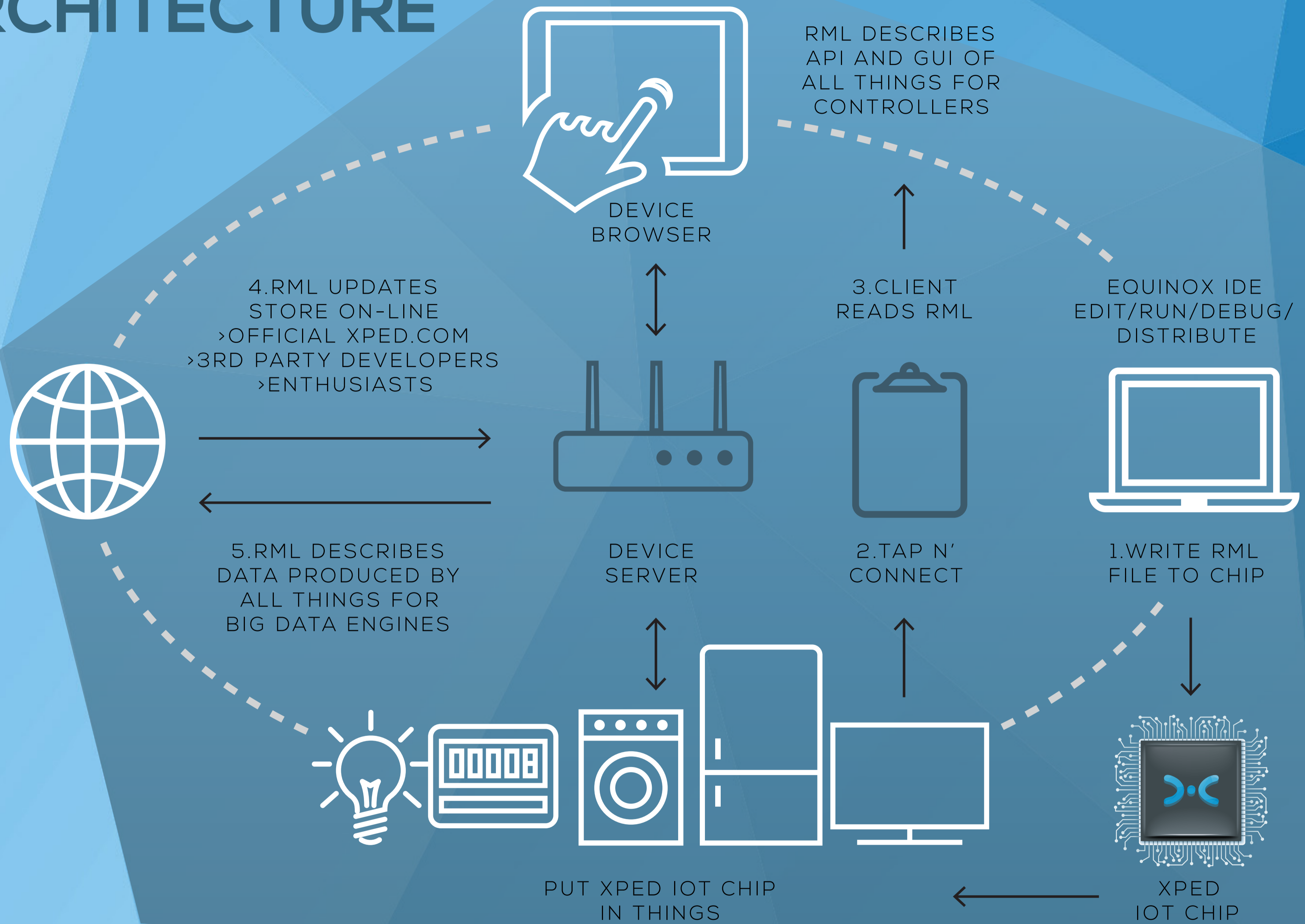


.....
Powerful content delivery and e-commerce platform and seamless device firmware upgrades capabilities.



.....
A single app for consumers to use across all manufacturers brands, available on both IOS and android devices.

SYSTEM ARCHITECTURE



KEY IoT AREAS



SMART HOMES

- Utilities Management (Electricity/Water/Gas)
- Safety & Security (Access Control/Surveillance/Fire)
- Automation (Climate Control/Garden/Lighting/Power)



SMART BUILDINGS

- Lighting
- Climate Control / Access Control
- Meeting Rooms
- Vermin Management



SMART CITIES

- Street Lighting
- Parking
- Waste Management
- Environmental Monitoring
- Public Information



SMART HEALTH

- Home Care
- Hospitals



SMART MUSIC

- Instruments
- Stage and PA



SMART MARKETING

- Shopping Malls
- Bus Stops
- Train Platforms
- Public Places

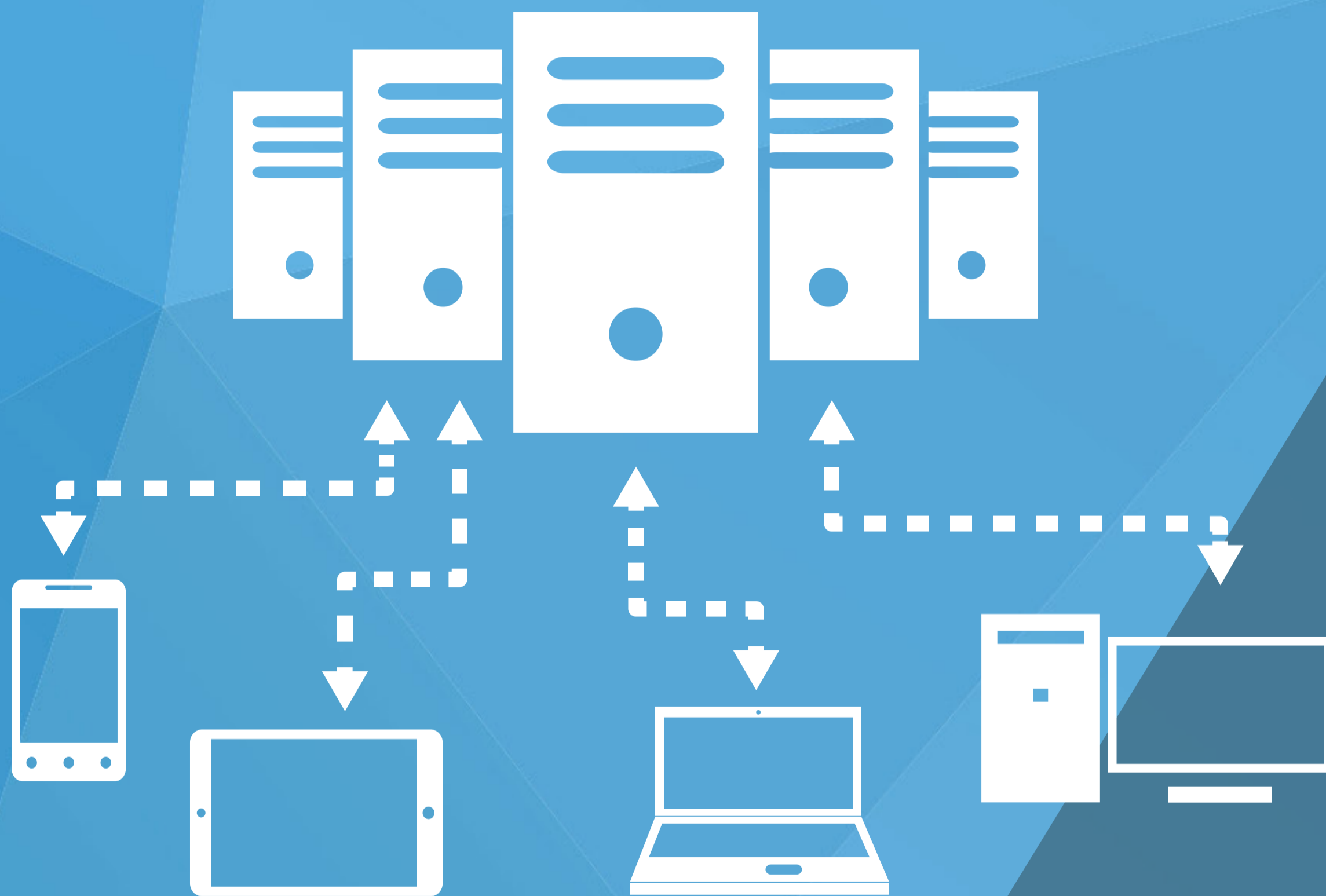
COMMERCIAL TRIALS

Commercial trials underway with international organisations following successful completion of extensive testing process of Xped technology.

MOU with leading US listed Semiconductor Company to port ADRC firmware onto manufacturer's library environment. Each party to explore respective product and software offerings for future collaboration opportunities.

Energy monitoring research study between Xped and University of South Australia to understand power consumption and usage within homes.

DEPLOYMENT IN DATA CENTRES



Deployment of ADRC technology into Data Centres through partner Vital Xense in the Asian region.

New IP technology developed by Xped to enhance the Vital Xense sensor offering in data centres.

Vital Xense to open new markets for Xped into cloud services, sensors sales and data centres.

Vital Xense and Xped have entered into a collaboration agreement to target Asian customer base.

LICENSING AGREEMENT

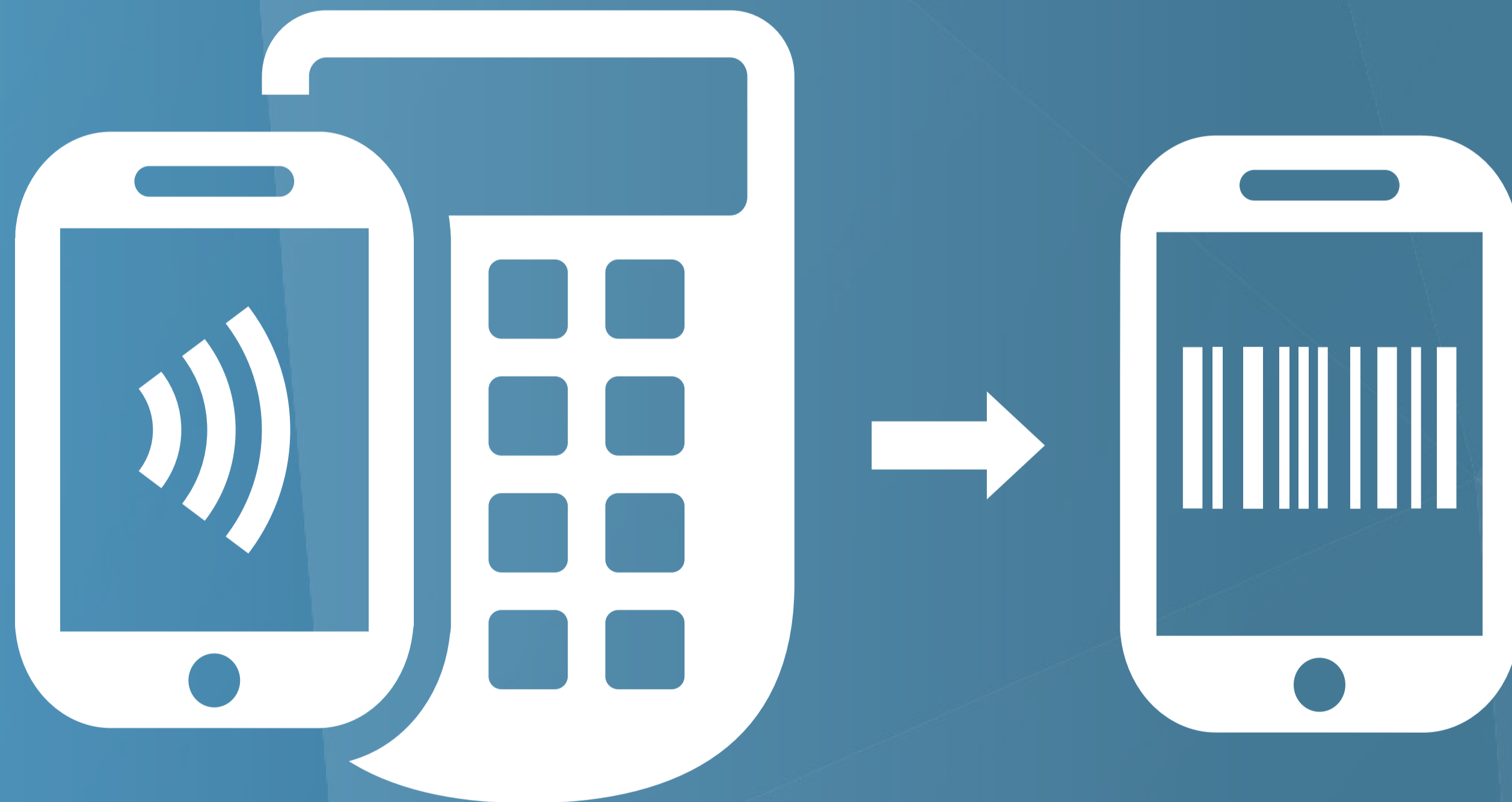
Global licensing agreement executed with LEAPIN Digital keys to utilise ADRC technology within electronic door lock series.

Licensing fee of US\$5 per unit sold worldwide

LEAPIN allows time-sensitive digital keys sent via email/SMS to the owner, their family, co-workers, or any other person needing access to the property or accommodation.

Adding ADRC functionality to the product offering has the capability to allow control of devices within a hotel room upon entering or utilising Xped's technology to embed digital coupons into the mobile device used to enter the room.

XERTS – DIGITAL COUPONS



.....
"Xerts" patented technology that can create and transfer eCoupons using its unique "tap-to-connect" Internet-of-Things (IoT) solution.
.....

.....
Specific triggers can control the award of eCoupons within the Xped platform.
.....

.....
The trigger options are innumerable, and can include such prompts for example; the date where a sales promotion or rewards program begins, or a location where the consumer's GPS is accessed.
.....

.....
Patent was recently granted in China and seeking partners to utilise the IP technology.
.....

XERTS SCENARIOS

Xerts can be implemented in a number of ways allowing the advertiser to maximise their reach and realise their objectives.

Turn that static video kiosk, found in shopping malls or at bus stops, into an interactive coupon distribution point. Coupons can be assigned and synchronised according to the advertisement being shown. The consumer is invited to tap their smartphone onto the Xerts collection point located on the kiosk, and instantly, a coupon is inserted into their phone.

The consumer can now go straight to a redemption point to redeem that coupon offer or otherwise be reminded at an appropriate trigger point defined by the advertiser. A date, time, or even upon entering a geographic location can all be trigger points.

Another effective method of inserting coupons into a smartphone is at the time a consumer makes their purchase. Simply tapping the Point of Sale touch pad with their smartphone, the consumer could be making a purchase, having their loyalty points updated and, as a bonus, receive an appropriate coupon that can be redeemed at a later time.

While the coupon offer could be as generic as you like, the real power in Xerts allows the advertiser to customise the coupon according to the merchandise purchased. A whole range of accessories or associated products could be offered via Xerts which would not only increase their purchase attractiveness but also consumer loyalty.



COMPETITOR ANALYSIS

Key Technology	XPED	SMARTHINGS (SAMSUNG)	NEST (GOOGLE)	NINJA BLOCKS	CLIPSAL	BELKIN MEMO
Simple Tap to Connect to Device	☑					
Self-Describing Devices	☑					
D.I.Y. Installation	☑	✓	✓			✓
128 bit Security Encryption	☑	✓	✓	✓	✓	✓
Customisable Interface	☑					
Independent of Cloud-based Interaction	☑					
Open Source Technology	☑	✓		✓		
Industry Competitive Pricing	☑	✓				✓

BUSINESS MODEL

Xped's core business is licensing ADRC for integration into 3rd party products.

IP LICENSING

The IP can be packaged and licensed in several forms including supplying a software stack, a pre-programmed chip or a chip on a module.

Providing solutions that target semiconductor vendors, product designers and manufacturers allows greater flexibility and minimises barriers to entry.

SEED MARKET

Xped have designed a range of consumer products that would be made for available through local and international distribution and retail channels.

The preferred model is for these designs to be licensed as reference designs for 3rd party Original Equipment Manufacturers (OEMs) to manufacture and sell through their own channels. Xped would receive a royalty for each unit produced.

SERVICE REVENUE

Xped's platform disrupts industry business models by transforming manufacturers from box movers to service providers fostering direct relationships between all stakeholders. The platform provides the ability to monetise services with revenue streams coming from cloud service charges through to e-commerce.

Xped will continue to develop and explore opportunities to commercialise these services through partners.

REVENUE OPPORTUNITIES WITH IoT

REVENUE OPPORTUNITIES
(FROM THE IOT)



HOME (Consumer)

2014

\$74.9B

2017

\$180.3B

2020

\$397.8B



TRANSPORT (Mobility)

\$10.4B

\$29.4B

\$76.1B



HEALTH (Body)

\$6.2B

\$18.5B

\$48.7B



BUILDINGS (Infrastructure)

\$25.0B

\$77.0B

\$210.2B



CITIES (Industries)

\$59.2B

\$129.8B

\$270.0B

GO TO MARKET STRATEGY

PATIENT MONITORING

The global patient monitoring devices market is estimated to reach **\$22.17 billion** by 2018 at a CAGR of 5.5% during the forecast period (2013–2018).

The factors driving this market include increasing geriatric population, rising incidences of lifestyle diseases, home and remote monitoring, ease-of-use, and portability of devices expanding point-of-care monitoring devices. ADRC makes these devices easy to use for a largely technology challenged demographic.

VIDEO SURVEILLANCE

Video Surveillance Market is expected to reach a value of USD **\$42.81 billion** by 2019, growing at a CAGR of 19.1% from 2013 to 2019.

Increased security and safety concerns and need to monitor activities to detect intrusion, theft and traffic surveillance are some important reasons driving the growth of the video surveillance market globally.

IP based video surveillance market is expected to grow rapidly at a CAGR of 24.2% during the forecast period from 2013 to 2019.



Growing installations of IP cameras and need for surveillance cameras with better video quality is driving the demand for IP based video surveillance systems, globally.

SMART SENSOR

The smart sensor market is expected to reach **\$10.46 billion** in 2020 from \$650 million in 2012 at a CAGR of 36.25% from 2013 to 2020.

The total revenue of global smart sensor market is expected to grow at an estimated CAGR of 36.25% from 2013 to 2020.

ADRC LICENSING

- › Simple subscription for members
- › Open community participation
- › Volume based unit pricing
- › Conducive to growth
- › Special considerations for Academic and Start-ups

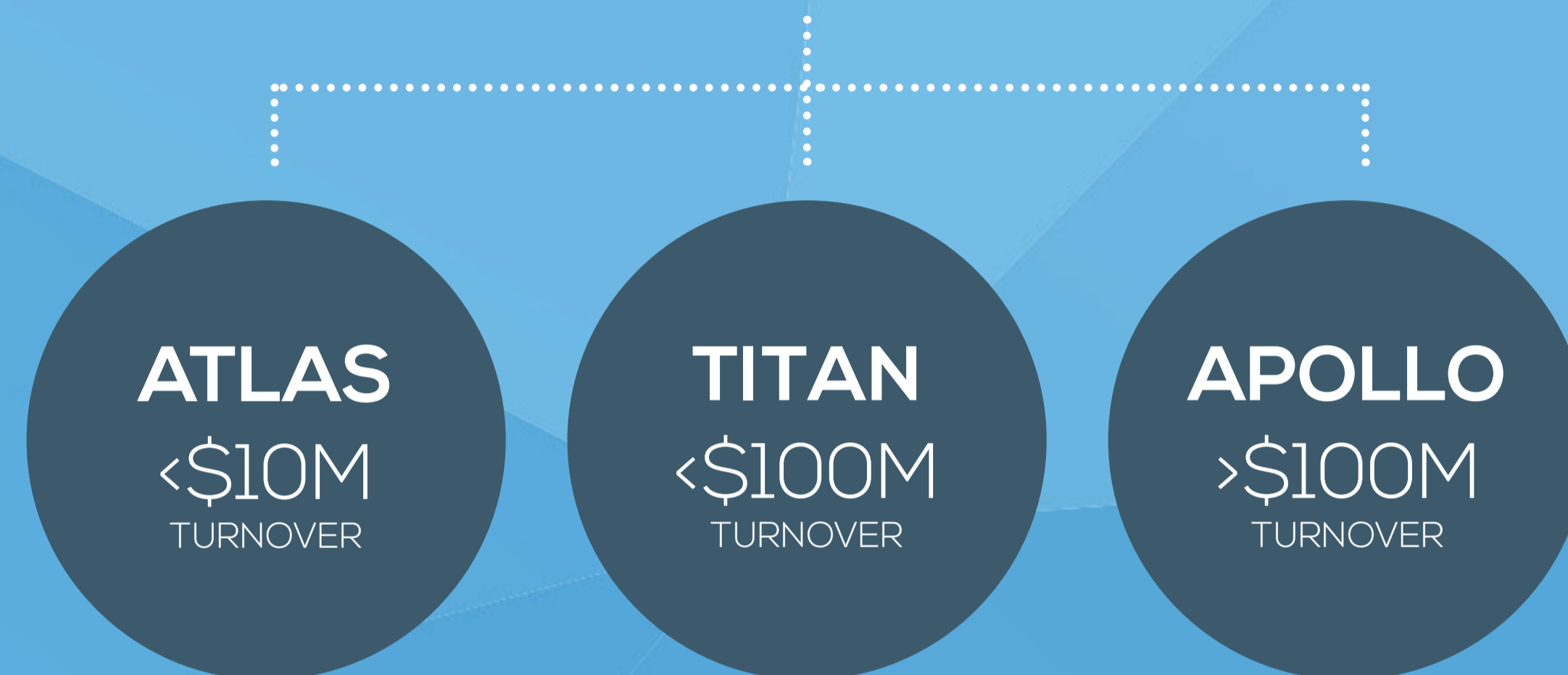
LICENSING WILL BE MULTI-FACETED:

.....

- › Encourage ideas for technology enhancement
- › Facilitate product distribution
- › Technical Alliance Group (TAG)

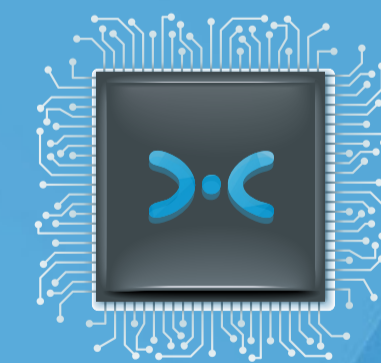
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Annual renewal fee for Connexion membership based upon Company size.



Single licensing charge for software embedded into each Chipset unit.

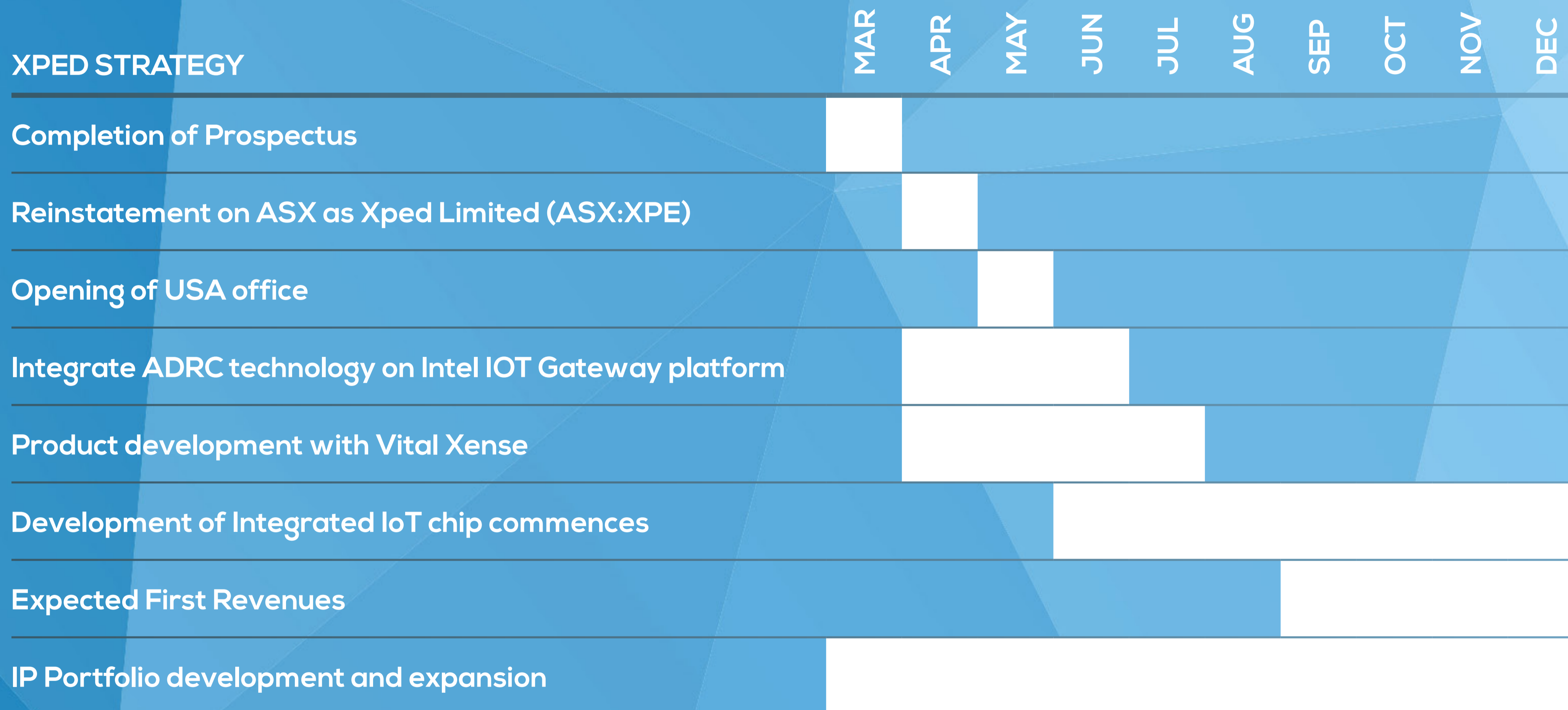
- › Licensing charge to range from USD \$1.50-5.00 per unit
- › Simple industry standard pricing model for patented software technology



TIMELINE

2016

XPED STRATEGY



DEFENDING OUR TECHNOLOGY

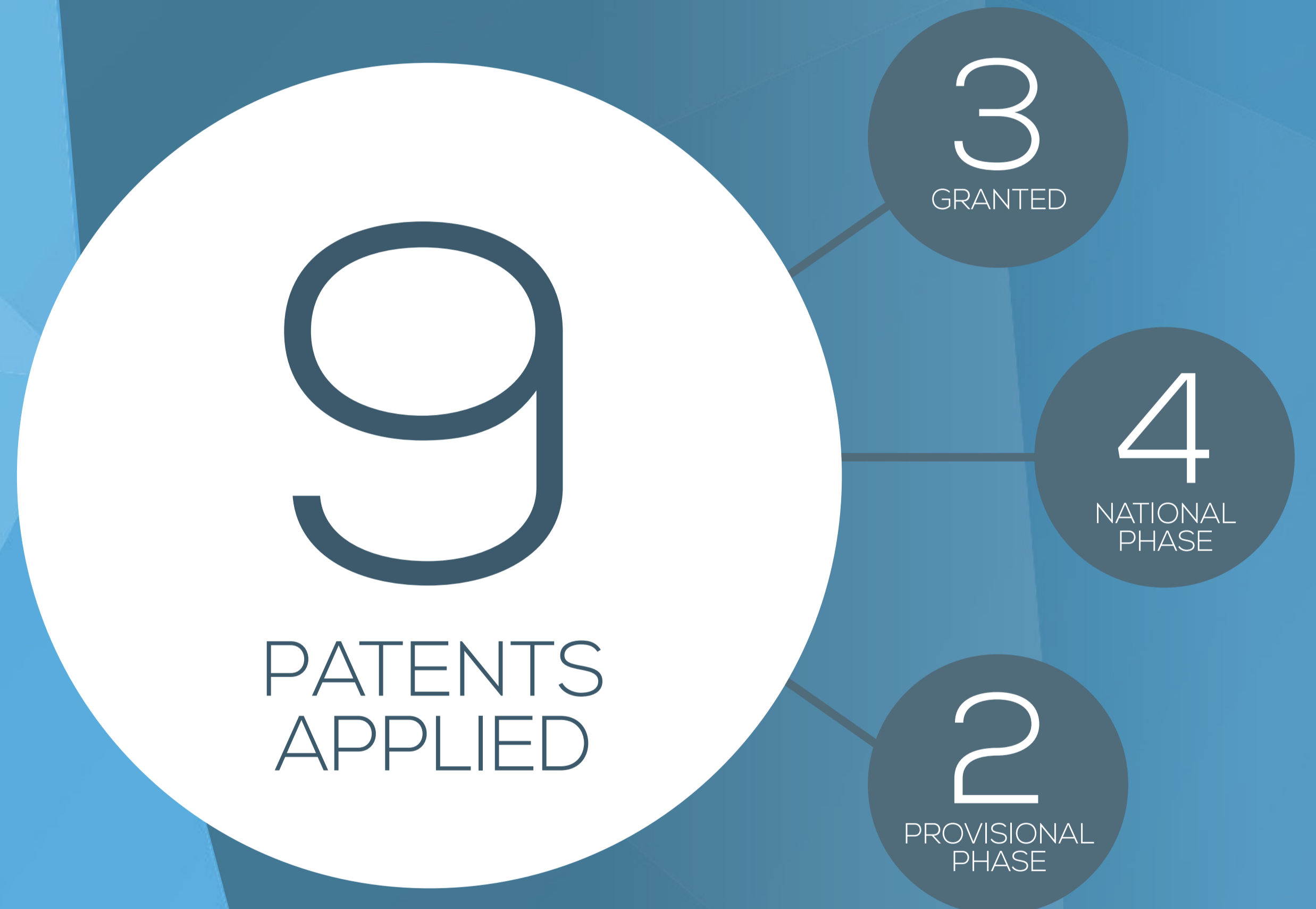
.....
We take great pride in our IP Protection.
.....

.....
Extensive patent portfolio with over
9 patents across 14 countries.
.....

.....
With our patents currently awarded or
in final stages of examination across
multiple jurisdictions around the globe.
.....

.....
Over \$6m spent developing the
technology ready for commercialisation
.....

.....
ADRC granted in China
.....



RECENT IoT INDUSTRY ACQUISITIONS

COMPANY	ACQUIRER	PRODUCT	USD ACQUISITION PRICE
XPED	RAYA GROUP ³	DEVICE CONNECTION SOFTWARE	\$30,000,000
JASPER TECH	CISCO ⁴	DEVICE CONNECTION SOFTWARE	\$1,400,000,000
OCULUS	FACEBOOK ⁵	VIRTUAL REALITY WEARABLE	\$2,000,000,000
CSR	QUALCOMM ⁶	BLUETOOTH LOW ENERGY TECH	\$2,400,000,000
NEST LABS	GOOGLE ⁷	SMART HOME PRODUCTS	\$3,200,000,000
SPANSION	CYPRESS SEMICONDUCTOR CORP ⁸	MICROCONTROLLERS	\$4,500,000,000

SOURCES

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3. Raya Group acquires Xped:
<http://www.afr.com/technology/iot-home-device-control-company-xped-to-backdoor-list-on-asx-20151026-gkj79n>
4. Cisco acquires Jasper Tech:
<http://newsroom.cisco.com/press-release-content?type=webcontent&articleId=1741680>
5. Facebook acquires Oculus:
http://www.eetimes.com/document.asp?doc_id=1324935&page_number=9
6. Qualcomm acquires CSR:
http://www.eetimes.com/document.asp?doc_id=1324935&page_number=4
7. Google acquires Nest Labs:
http://www.eetimes.com/document.asp?doc_id=1324935&page_number=2
8. Cypress Semiconductor Corp acquires Spansion:
http://www.eetimes.com/document.asp?doc_id=1324935&page_number=3