

Xped Limited



UPDATE ON CONVERTIBLE NOTES

Xped Limited (**ASX: XPE**) (“Xped” or “the Company”) is pleased to announce that after various discussions with the current convertible note holder, there will be a number of changes to the status of the convertible notes and convertible note funding arrangements (refer to original announcement of 16 November 2016).

Tranches 1A and 1B of the convertible note facility were drawn down in January 2017. Tranches 2 and 3 were available to be drawn down at Xped’s election, however, Xped has formerly advised the current convertible note holder that it will not pursue draw downs on tranches 2 and 3 of the convertible note facility and as such the balance of the facility is cancelled.

The convertible note holder has formerly accepted Xped’s requests, and in addition has agreed to the following:

1. The holder has undertaken that it will not issue any further conversion notices in respect of the current convertible notes it holds until after April 1, 2017, which means that no new Xped shares will be issued to the holder for a period of at least 7 weeks commencing immediately;
2. The convertible note holder has undertaken that after 1 April 2017 it will not convert more than \$350,000 of the current convertible notes it holds into Xped shares in any consecutive 30 day period, unless the Company agrees otherwise;
3. That subject to shareholder and all other approvals being obtained, Xped will agree to the convertible note holder having a right to require, on and from 15 August 2017, the early re-purchase by Xped of all or part of the amount outstanding in respect of the Tranche 1A current convertible notes on issue to the maximum amount of \$1 million (being the current face value of the Tranche 1A convertible note). Shareholder approval must be obtained by 31 May 2017 and if it is not, the undertaking given by the holder in paragraph 2 above will cease to apply. Xped will seek such approval at a general meeting to be convened in due course.
4. Xped will no longer be obliged, in any circumstance, to issue the 20 million collateral shares to the convertible note holder.

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The Company closed its SPP at the end of January, raising approximately \$3.1 million from existing shareholders, who the Company thanks for their continued support. The Company also received strong institutional feedback following its recent roadshow.

The main focus of the Company is now to monetize current licensing agreements and rapidly progress current MOU's in place.

Further updates are likely to occur in the coming weeks as the Company progresses various negotiations for licensing and utilization of Xped's technologies.

By Order of the Board

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**

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