

Xped Limited

Chairman's Address – AGM Friday 30th November 2018

Dear Shareholders,

As Chairman I am pleased to address you at this, our third annual meeting as the publicly listed company Xped Limited (prior to which it was Raya Group Ltd).

You will all have had the opportunity to read this year's Annual Report and although the company again recorded a loss there were some positives, which I will come to in a moment.

As you know, Xped is a technology and solutions provider that is focused on IoT infrastructure. By enabling the Internet of Things, Xped's Infrastructure Platform (known as XIP) benefits manufacturers, retailers, service providers and consumers.

Xped has suffered technological delays, but its path to the future is still through the following avenues:

- Development of existing and new technologies (eg with Heuresy)
- Progressing MOU's into formal agreements (eg Telecom Malaysia)
- Collaborative marketing and sales through partners (eg for Xped, Eastool in Malaysia and Heuresy in the USA, and for JCT, its various channel partners)

Coming back to activities during the financial year, I may summarise as follows:

- Xped's healthcare subsidiary JCT, now a stand alone enterprise within the group, was awarded R&D grants from TechnSA and won a tender with Renewal SA for the supply, installation and support of smart home care assistive technologies. Since that time JCT has won a number of similar contracts and is on track to be profitable as a separate entity.
- Xped signed an agreement with Eastool Solution in Malaysia to provide local support for Malaysia and the surrounding region, providing Xped with local business development, technical, and logistical support, including in relation to Telecom Malaysia smart homes.
- Xped signed a Collaboration Agreement with Telecom Malaysia, one of the largest Telcos in the Asian region, for the implementation of a smart home program in Malaysia; a definitive agreement is currently under negotiation. Signing the definitive agreement will lead to significant sales for the company.
- Xped reached agreement with Heuresy LLC in the USA to expand the use of its Auto Discovery Remote Control (ie, ADRC) technologies into the cyber-security

sector for use by United States Government agencies. Sales by Heuresy will translate to revenue for the company.

- Xped reached agreement with Heuresy Labs LLC to develop a new cryptographic Physical Security Token, a hardware security device that provides authentication and encryption; Xped has been partly paid for work on this project.
- Xped achieved with KS Orka completion of the acquisition of the Sokoria Geothermal Project in Indonesia, a legacy project from the company's earlier days in the oil and gas sector; although it has taken some time Xped expects to receive a final payment in the order of \$900,000.
- Xped essentially completed remediation and rehabilitation works on GEL 223 with the remaining work involves the disposal of approx. 50,000 litres of water recovered from the wellbore during the cementing operations, estimated to cost in the order of \$50,000, this work is expected to be completed shortly.

The key requirement now is for the company to generate and maintain sales. At the end of November 2018 the company has on hand some \$3 million, which includes the receipt of \$1.6 million in R&D rebates. Further funds of the order of \$900,000 are expected to be received from K S Orka, as mentioned above.

Xped has a lean management team and the Company is operating with minimal outgoings. However, without sales, either in Australia, Malaysia or the USA, the company will be starved of cash. If sales revenue is not forthcoming within the next 3 months the company will need to look at alternative capital raising strategies, or a change indirection.

Later in the meeting, after the close of formal business, I will invite Xped's two executive directors and founders of Xped, to address the meeting to explain and demonstrate some of Xped's technologies.

On behalf of the Board I would like in closing to extend my sincere thanks to you, our shareholders, for your continued support.

Peter H Hunt
Chairman