

Xped Limited



Quarterly Activities Report

Xped Limited (ASX: XPE) (“Xped” or “the Company”), the Internet of Things (“IoT”) Technology Company has today released its Quarterly Activities Report for the quarter.

QUARTERLY HIGHLIGHTS

- **License Agreement with Solekai Systems**
- **Telink Porting date achieved**
- **Xped exhibits at Embedded World**
- **MoU signed with Dexatek**
- **Licensing Agreement signed with Lenze Technology**
- **Convertible Note funding update**
- **KS Orka Completes Sokoria Acquisition**
- **MoU signed with Arcadyan**

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LICENSE AGREEMENT SIGNED WITH SOLEKAI SYSTEMS

On the 22nd February, Xped announced it had signed a licensing agreement with Solekai Systems (“Solekai”). This agreement followed on from the Memorandum of Understanding (“MoU”) announced on 6th February 2017.

Under the terms of the agreement, Solekai can incorporate Xped’s Smart Home, Smart Health, and Smart Gateway solutions into their existing customer’s platforms such as media players, set-top boxes, and energy management systems.

TELINK PORTING COMPLETION DATE SET

On the 15th February, Xped’s engineering team announced they were finalising with Telink the porting of ADRC to the Telink 8269 chip. The Company indicated the target for completion would be 31st March 2017.

The Company subsequently announce on 3rd April that it had successfully completed the engineering work required and was now working with Telink on the next phase towards sales opportunities.

XPED EXHIBITS AT EMBEDDED WORLD

On the 14-16th March, Xped attended Embedded World through an invitation from ST Micro to present on their booth. Marty and Andrew demonstrated the current line-up of ADRC technologies including DiscoverBus hardware products, Xped App and Xped infrastructure platform.

Embedded World is held annually in Germany and is one of the world’s largest embedded events, with over 30,000 attendees.

MOU SIGNED WITH DEXATEK

On the 23rd March, Xped announced it had signed a Memorandum of Understanding (“MoU”) with Dexatek Technology Ltd (“Dexatek”), a Taiwanese company, for licensing of Xped technologies into their products. Dexatek is a subsidiary of Ennoconn, whose major shareholder is Foxconn.

If a binding agreement is reached Xped technologies will be integrated with Dexatek products including Home Automation and Monitoring Devices, Gateway Device, and IR Blaster Device.

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LICENSE AGREEMENT SIGNED WITH LENZE

On the 24th January, Xped announced it had signed its first end customer licensing agreement with Shenzhen Lenze Technology Co LTD (“Lenze”) and their subsidiary Complex Semiconductor (HK) Co. LTD (“Complex”).

The Company has licensed its Auto Discovery Remote Control (“ADRC”) technologies to Lenze in return for a fee payable per active download of the Xped App.

Lenze will pay Xped a fee based on a per active download of Lenze or OEM branded versions of the Xped App from either Google Play or Apple app stores.

On the 8th March, the Company announced its engineering staff were in China with Lenze to finalise modifications requested by Lenze which would appeal to the Chinese market.

A further update was provided to market on April 3rd. This update provided further details on the current sales volume of the Lenze iCharger device and of the iPark app that Xped is developing for Lenze.

ARCADYAN AGREEMENT

On the 12th January, the Company advised it had entered a Memorandum of Understanding (“MoU”) with Arcadyan Technology Corporation (“Arcadyan”). The MoU would result in both companies working together for the purpose of entering a binding agreement for the licensing of several Xped Technologies and to develop a complete end to end IoT solution for Arcadyan and for their customer base.

Following the execution of the MoU, both parties have entered into the detailed exchange to verify Xped technologies integrate successfully with Arcadyan products ahead of official launch.

Xped hopes to reach a binding agreement with Arcadyan in Q2 2017.

CONVERTIBLE NOTE UPDATE

On the 13th February, the Company announced it had held discussions with the current convertible note holder, and there would be a number of changes to the status of the convertible notes and convertible note funding arrangements. Refer to ASX announcement to read the variations and amended terms.

INVESTOR ROADSHOW PRESENTATION

On the 31st January 2017, the Company released an updated Investor Presentation to the market.

The presentation was released ahead of an Australian roadshow and meetings.

Xped Limited



JCT HEALTHCARE UPDATE

JCT continues to work with the parties involved in the Lightsview Project including Disability SA, Renewal SA ahead of project implementation.

JCT was successful in receiving a \$50,000 grant from TechinSA for the development of a mobility analytics prototype module to be integrated into their platform for use in the disability and aged care industries.

JCT's revenue reported for the quarter ending 31 March was \$340,113

EXTRAORDINARY GENERAL MEETING

On the 19th January 2017, the Company held an Extraordinary General meeting ("EGM") to seek shareholders' approval on a number of resolutions regarding the convertible note and SPP.

All resolutions were passed in favor allowing the Company to accept the funding arrangements proposed.

SPP UPDATE AND PROSPECTUS CLOSURE

On the 25th January, the Company announced it had received total funds of \$3,118,800 under the Share Purchase Plan offer.

On the 8th March, the Company announced the Prospectus dated 16th December 2016 had been officially closed and wouldn't seek any shortfall placement.

LEGACY PROJECTS

SOKORIA GEOTHERMAL PROJECT

The Company continued to work with KS Orka under the terms of the Conditional Sale and Purchase Agreement ("CPSA") for divesting Xped's interest in PT Sokoria Geothermal Indonesia.

The project continues to progress well with KS Orka having provided over USD\$1.5m to date and KS Orka confirming in January 2017 they will acquire the project following conditions of the CSPA having been satisfied.

Updates will be provided further to market once the drilling work is complete and Orka indicates its notice of intent to develop the full project at which time Xped will receive due payment up to USD\$947,368 via payment commitment agreement between the parties.

Xped Limited



AUSTRALIAN GEOTHERMAL PROJECTS

The Company is planning to restore and rehabilitate GEL223 and GEL611 tenements in South Australia in 2017. Meetings are underway with contractors to engage in the work and the Company is liaising with the Department of State Development for scheduling activities now expected to start in May.

FINANCE AND ADMINISTRATION

CASH HOLDINGS

At the end of the quarter, the Company's cash position stood at approximately \$7,953,000

EQUITY HOLDINGS

Nil

HSEC

During the quarter under review, there were no reportable incidents relating to health, safety or community-related matters.

SHAREHOLDINGS

As at the date of this report, the following table represents the total equity instruments on issue in Xped Limited:

Equity Category	Details	Number on Issue
Listed Ordinary Shares	ASX : XPE	1,706,148,767
Unlisted Ordinary Shares (Subject to ASX escrow)		507,081,706
Listed Options	ASX: XPEOC \$0.05 Expiring 31/12/2018	204,508,980
Unlisted Options	Strike Prices from \$0.05 to \$0.13 Expiring between 07/09/17 to 31/3/18	60,000,000

ASX RELEASE // 02.05.17

Xped Limited



ABOUT XPED

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 are **Making Technology Easy Again**

FOR MORE INFORMATION:



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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Xped Limited

ABN

89 122 203 196

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	204	765
1.2 Payments for		
(a) research and development	(326)	(981)
(b) products manufacturing and operating costs	(308)	(1,462)
(c) advertising and marketing	--	(113)
(d) leased assets	-	-
(e) staff costs	(1,278)	(2,856)
(f) administration and corporate costs	(1,120)	(3,464)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	42
1.5 Interest and other costs of finance paid	(5)	(27)
1.6 Income taxes paid	-	(203)
1.7 Government grants and tax incentives	40	105
1.8 Other (Patents)	(50)	(122)
1.9 Net cash from / (used in) operating activities	(2,834)	(8,316)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(63)
(b) businesses (see item 10)	(700)	(1,360)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	69
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (cash in acquired business)	-	43
2.6 Net cash from / (used in) investing activities	(706)	(1,311)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	3,119	3,119
3.2 Proceeds from issue of convertible notes	3,000	3,000
3.3 Proceeds from exercise of share options	-	2,725
3.4 Transaction costs related to issues of shares, convertible notes or options	(340)	(447)
3.5 Proceeds from borrowings	28	28
3.6 Repayment of borrowings	(76)	(423)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	(230)
3.9 Other (loan repaid)	-	212
3.10 Net cash from / (used in) financing activities	5,731	7,984

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	5,762	9,596
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,834)	(8,316)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(706)	(1,311)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	5,731	7,984

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	7,953	7,953

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,713	5,522
5.2	Call deposits	240	240
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,953	5,762

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000

610

-

Consulting and directors fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	1,983	1,983
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


Convertible Security - Tranche A \$1,000,000. Interest rate 8.35%, expiry 3 January 2020
Convertible Security - Tranche B \$983,333. Interest rate 8.35%, expiry 24 January 2020

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	300
9.2 Product manufacturing and operating costs	300
9.3 Advertising and marketing	-
9.4 Leased assets	-
9.5 Staff costs	1,000
9.6 Administration and corporate costs	1,000
9.7 Other (capital raising costs)	-
9.7 Other (business purchase costs)	-
9.8 Total estimated cash outflows	2,600

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	JCT Healthcare Pty Ltd Jackson Care Technologies Pty Ltd	
10.2 Place of incorporation or registration	See previous quarter	
10.3 Consideration for acquisition or disposal	\$700,000 (Balance of purchase consideration)	
10.4 Total net assets	See previous quarter	
10.5 Nature of business	See previous quarter	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2017
Company secretary

Print name: Julie Edwards

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.