

Xped Limited



MAIDEN LICENSE AGREEMENT SIGNED WITH TELINK'S CUSTOMER: LENZE TECHNOLOGY

Highlights

- LICENSING AGREEMENT SIGNED WITH LENZE TECHNOLOGY CO. LTD - A MAJOR CUSTOMER OF TELINK SEMICONDUCTOR
- LENZE SHIPPED 100 MILLION DEVICES IN 2016 AND ARE FORECAST TO INCREASE THIS TO 200 MILLION+ DEVICES IN 2017
- LICENSING AGREEMENT GRANTS RIGHTS TO USE XPED TECHNOLOGIES INCLUDING XPED APP, ADRC PROXY, CUSTOM BUILT RML FILES AND WIDGETS AND THE XPED INFRASTRUCTURE PLATFORM
- LENZE TO INTEGRATE XPED TECHNOLOGIES INTO MULTIPLE EXISTING AND NEW PRODUCTS
- REVENUE EXPECTED TO COMMENCE IN 2H 2017

Xped Limited



Xped Limited (**ASX: XPE**) (“Xped” or “the Company”) is pleased to announce it has signed its first 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. The Xped technologies licensed include:

- ADRC Device Proxy
- RML files and custom widgets developed by Xped
- Xped App framework (“Device Browser”)

Lenze and Complex 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. A download is considered active when it is first registered and then used to interact with a Lenze or Complex OEM hardware device.

Xped will receive payments monthly based on licensing fees that were negotiated from the Xped standard rate card being:

- Per active download per device: USD \$0.15
- Per system on chip per gateway: USD \$1.00
- Per gateway to utilize Xped Infrastructure Platform: USD \$2.00

Under the terms of this agreement, Lenze and Complex have obtained a non-exclusive license to utilise Xped technologies in any of their products. The license grants them the global rights to manufacture, market, distribute, use and sell under their own brands or other OEM brands, which include “Disney” branded products. Lenze customers include some very large Chinese domestic companies including iQiyi and Moijing.

The Company will develop a number of tailored apps based on the Xped App Framework that will be branded using the Lenze brand or other OEM brands. The apps will be developed for both Google Play and Apple app stores and will support a mix of device specific applications and also multi-device applications. Both English and Mandarin versions will be developed.

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Xped will own and maintain the enhancements and additions to the Xped technologies that are to be developed for Lenze and Complex. Both Xped and Lenze will retain equal ownership of the customer and device data generated by the devices.

The Company anticipates revenue from this agreement to commence in the second half of the 2017 calendar year. Lenze have indicated that they shipped in excess of 100 million devices in 2016 and expect to increase units shipped to over 200 million devices in 2017.

This is Xped's first license agreement with a mass market consumer device manufacturer and is a significant milestone for the company. The signing of this agreement with Lenze demonstrates that ADRC technologies and the Xped Infrastructure Platform provide high volume manufacturers with an innovative and compelling solution for providing their customers with smart devices.

Xped's Chairman and CEO Athan Lekkas commented: "This is an enormous win for the Company as we have been engaging with Telink and Lenze for over 9 months now. Our company is extremely thankful for the support that our collaboration partner Telink Semiconductor has provided to the Xped team to achieve this, the first of hopefully many more licensing agreements to come."

Athan Lekkas
Chairman and CEO

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're **Making Technology Easy Again**

ABOUT LENZE

Shenzhen Lenze Technology Co. LTD and their subsidiary Complex Semiconductor (HK) Co. LTD are a mass market producer of consumer devices. Lenze sells under their own brands and also produce OEM products for worldwide distribution. Total Lenze sales exceeded 100 million devices in 2016. Lenze produces some "Disney" branded merchandise and some of their large customers include iQiYi and Moijing.

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