

# Xped Limited



## Company Update

Australian Internet of Things (IoT) technology company, Xped Limited (ASX:XPE) (“Xped” or “the Company”) is pleased to provide this market update regarding further progress and developments since the previous company update released on the 20<sup>th</sup> February 2019.

### Highlights

- Xped and Eastool begin discussions on manufacturing and distribution deals in Malaysia
- Demonstration of the completed Phase-1 smart home system to Telekom Malaysia
- Xped responds to an RFQ (Request for Quotation) for 1,347 smart homes in Melaka
- Xped responds to an EOI (Expression of Interest) for the Smart Selangor initiative, covering smart building, smart security and smart health domains

### Healthcare business

Healthcare business JCT Healthcare (“JCT”), Xped’s 100% owned subsidiary, is a provider of innovative technology solutions for the Healthcare sector. JCT Healthcare develops and distributes its own range of nurse call hardware and software solutions for use across multiple healthcare sectors including hospitals, aged care, disability care and supported Independent Living.

JCT had a stand at the recent Australian Healthcare Week in Sydney, March 2019. JCT showcased our NuCaMS™ software as well as our Nurse Call hardware series, and our Independent Living Smart Home Solution. With over 5000 attendees to the event it was a very busy event. We received good interest from visitors to our stand and are actively pursuing sales opportunities arisen from this event.

JCT was recently successful in a tender worth \$270,000 for an aged care facility currently being constructed in NSW. This facility will be utilising our flagship fully IP PoE4000 range of Nurse Call hardware integrated with JCT’s NuCaMS™ software. JCT’s Dementia Care solution is also part of these works.

JCT revenues year to date for FY19 have increased over FY18, and JCT continues to forecast FY19 to have increased revenues when compared with FY18 at financial year end.

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## Smart home project

The final tranche of functionality required to complete the Xped smart home system satisfying Telekom Malaysia's Phase-1 requirements was demonstrated in early March. The demonstration was presented to the new smart home team that replaced the original team in late 2018 and was well received. As a result, Xped was invited to respond to an RFQ for a project to provide smart home systems for 1,347 homes being built in Anjung Gapam in Melaka. If selected, Xped will work with its Malaysian partner Eastool to supply and install the systems.

## Smart building project

Two new devices have been developed for building automation: 0-10 Volt and 4-20 milliamp actuators that enable direct control of vent dampers in building HVAC systems. When combined with temperature sensors, these will allow individual vents to be controlled enabling highly targeted zone control in large office spaces. A tachometer sensor has been developed that provides general purpose pulse counting useful for industrial applications and will initially be deployed as part of the Singapore lift monitoring project.

## Heuresy PST project

Development of the Heuresy Physical Security Token (PST) development boards is coming to an end with 5 completed units scheduled to be shipped to Heuresy in the US in early May. Work on transitioning from the development board to the final dongle format has begun.

## Legacy issues

Xped has appointed Indonesian legal firm Christian Teo & Partners to find out what is causing the delay in the Sokoria project achieving NOID. As previously mentioned, once NOID is achieved a US \$900,000 payment is due to Xped.

## Business development

Xped responded to an EOI put out by the Malaysian state of Selangor for their Smart Selangor initiative. Selangor is looking for technology partners to work on projects to make Selangor a smart state and to become the smartest state in ASEAN by 2025. The Smart Selangor Initiative covers 12 domains of activity to which Xped submitted responses for three which were Smart Health (assisted home living), Smart Building (occupant wellbeing and office efficiency) and Smart Safety and Security (home safety and gated communities).

Telekom Malaysia has been undergoing a significant internal restructure since the new government came to power last year and appointed a new CEO. This restructure has affected many contracts and caused extended delays. Discussions involving the master services agreement have been affected and no update on progress is available.

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The Xped smart building system was demonstrated to the Telekom Malaysia smart building team. Telekom Malaysia are planning to offer building management services to Government Linked Companies (GLC) and large corporate customers.

Eastool have committed to fitting their medical products manufacturing facility in Johor with the latest smart building technologies available from Xped. A tour of the factory was undertaken and the design of a suitable system is currently underway. It is expected that the system will be installed and commissioned in June.

The Xped smart home system was demonstrated to a Malaysian property developer and negotiations are underway to install smart home systems into their display village in Johor.

## General

Development of a new product-based website for Xped and a complete set of brochures for the smart building products is coming to a close. It is expected that the new website will be launched in May.

Xped founders John Schultz and Chris wood travelled to Malaysia in early March and met with the management team of Eastool Industries Sdn Bhd to discuss a manufacturing agreement under which the Xped commercial gateway and many of its smart building products will be made. In addition, discussions around establishing a joint venture with Eastool Solution Sdn Bhd covering the distribution and in-country support of Xped's smart home and smart building products have begun and are on-going.

Chris Wood  
Executive Director  
Xped Limited

ASX RELEASE // 30.04.2019

# Xped Limited



ASX:XPE

## 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 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	286	1,421
1.2 Payments for		
(a) research and development	(174)	(586)
(b) products manufacturing and operating costs	(60)	(200)
(c) advertising and marketing	(13)	(72)
(d) leased assets	-	-
(e) staff costs	(572)	(1,999)
(f) administration and corporate costs	(236)	(912)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	12
1.5 Interest and other costs of finance paid	(1)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,635
1.8 Other - patents & trademark costs	(27)	(117)
- rehabilitation costs	(3)	(557)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(798)</b>	<b>(1,380)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) businesses (see item 10)	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(3)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(26)	(105)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (loans)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(26)</b>	<b>(105)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,608	3,272
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(798)	(1,380)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(26)	(105)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>1,784</b>	<b>1,784</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,664	2,388
5.2	Call deposits	120	220
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,784</b>	<b>2,608</b>

**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**

(166)

-

Directors fees, consulting fees and services.

**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**

-

-

8. <b>Financing facilities available</b> <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)	-	-
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.		

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9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	210
9.2 Product manufacturing and operating costs	210
9.3 Advertising and marketing	10
9.4 Leased assets	-
9.5 Staff costs	500
9.6 Administration and corporate costs	300
9.7 Other - Rehabilitation costs	70
Other - Investment	-
<b>9.8 Total estimated cash outflows</b>	<b>1,300</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		



### 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 2019

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.