

# Xped Limited



## Company Update

Xped Limited (ASX: XPE) (“Xped” or the “Company”) announces that it has been informed by Heuresy LLC that it believes the Company has certain obligations or may have breached certain terms under the Technology Development Agreement, dated 23 May 2018, between Heuresy and the Company (“Agreement”).

As discussed in the Company’s announcement of the Agreement that was lodged with ASX on 28 May 2018, the Company agreed to develop a new cryptographic Physical Security Token, which is a hardware security device that provides authentication and encryption.

Pursuant to the terms of the Agreement, the Company immediately granted to Heuresy a perpetual, royalty-free, non-exclusive, worldwide license and right to use and exploit the inventions and technologies comprising the Company’s relevant intellectual property rights. In consideration, Heuresy paid US\$250,000 to the Company shortly after execution of the Agreement.

The Agreement also provides that Heuresy would pay an additional US\$250,000 upon completion of the work described in the Scope of Work attached to the Agreement. The Company commenced such work and, as announced to ASX on 22 February 2019, the Company hand built a Physical Security Token development board.

As announced to ASX on 30 October 2019, due to the need to conserve funds, the Company downsized its operations in its Internet of Things Business unit, which was responsible for developing the Physical Security Token. As a result, the Company has been unable to complete the Scope of Work.

The Agreement is governed by the laws of Virginia, USA and provides for arbitration of any material dispute or alleged breach to be administered by the American Arbitration Association.

ASX RELEASE // 07.02.2020

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ASX:XPE

Given the Company granted a license to its intellectual property to Heuresy, partially performed the Scope of Work and does not seek the final payment of US\$250,000 from Heuresy, the Board does not believe the Company has a material exposure under the Agreement. However, if the Company were to become subject to arbitration or other legal action that could be taken by Heuresy, there could be no assurance as to what the outcome would be or the costs to defend any such action.

Julie Edwards  
Company Secretary  
Xped Limited

## FOR MORE INFORMATION:



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