

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 Appendix 4C filing for the quarter.

QUARTERLY HIGHLIGHTS

- Acquisition of JCT Healthcare and Jackson Care Technologies
- First quarter revenue reporting begins
- Appointment of Martin Despain to Board of Directors
- Proposed acquisition of leading software developer Codium
- Successful porting on Moon Island Gateway
- Licensing agreement with Telink
- Joint Venture with Complex Semiconductor
- ADRC development activities
- Showcasing of IoT solution at Microsoft Partner event
- OCF Platinum membership received
- Further patents granted

Xped Limited



ACQUISITION OF JCT GROUP

As announced on 4th July the Company announced it has completed the Sale and Purchase Agreement (“SPA”) of JCT. Under the agreement Xped Healthcare Pty Ltd (a subsidiary of Xped) has acquired all shares of JCT and the business will continue to operate with Eddie Jackson appointed as CEO of JCT.

On the 7th September 2016, the parties varied the agreement for the \$1m of consideration shares with \$500,000 cash and \$500,000 of fully paid ordinary shares by way of 14 day VWAP prior to issue, to be issued in July 2017 subject to existing terms being met.

During the quarter JCT provided an update on its business including the announcement of a smart hub technology project for delivery to Disability SA. JCT has recently formed a committee with representatives from Disability SA Management, Flinders University, and Renewal SA to oversee the project trial at Lightsview residential housing estate. Following a successful project delivery, an opportunity may arise to roll out the newly developed technology solution to 3,500 clients of Disability SA over the next few years.

New procurement order for Nurse Call PoE 4000 products was approved for manufacture with first delivery expected late December. New channel partners and resellers being engaged by JCT will be offering this product range to their clients.

FIRST QUARTER REVENUE REPORTING

Following the acquisition of JCT in July, first revenue reported for the quarter ending 30th September on a cash basis was \$274,000.

JCT has recently made submissions on new tenders and proposals with its premium IP Nurse Call technology with negotiations presently underway with a number of clients. JCT expects to be notified of the outcome in the coming months if it has been successful in winning approximately \$1.2m of orders.

Xped Limited



BOARD OF DIRECTORS APPOINTMENT

The Board was pleased to announce the appointment of Martin Despain to the role of Managing Director on 19th September 2016.

Martin was recently General Manager, Smart Homes Division, Internet of Things Group at Intel Corporation head office developing and implementing Intel's IoT strategy and product offering for the home. Intel's charter was to transition the industry from the connected home, into the smart home era, by delivering a foundation infrastructure focused on Security, Compute, Connectivity, and Contextual awareness.

Martin's area of expertise includes product management, semiconductors and SoC's, embedded systems, start-ups, international sales and marketing, strategic partnerships and planning and visionary for the organisation. Prior to his most recent position with Intel, Marty has held various Director Roles within Intel Corporation over the last 11 years, including establishing the product management team and leading the Content and Strategy organization within Intel Media; Martin has also led several different teams within Intel's Digital Home Group that developed product offerings for telco/cable and consumer electronics companies such as Sony, Visio, and Samsung as well as partnerships with Yahoo, Google, and Microsoft.

Martin holds a BA from the University of Nevada and an MBA from the Georgia Institute of Technology. Martin Despain brings to the board high-level experience in leading and growing startups in the technology sector and with his experience and connections in the industry will be able to provide an opportunity for Xped to grow and realise potential and value for shareholders.

LICENSING AGREEMENT WITH TELINK

On the 4th July 2016, the Company announced it had entered into a Licensing Agreement with Telink Semi-conductor Co Ltd ("Telink"), whereby Xped will license its proprietary Auto Discovery Remote Control ("ADRC") technology to Telink to develop and supply chipsets incorporating ADRC.

Both Xped and Telink would look at strengthening their association by further exploring business development and strategic new chipset product opportunities together incorporating ADRC technology.

Xped Limited



TELINK COLLABORATION

During the quarter the Company continued to progress work on porting its ADRC technology to the Telink chipset. Both companies have added additional resources to the project which is an important milestone for the Company as it prepares to seek revenue opportunities through China and America. Telink has been very supportive of the Company and has introduced Xped to a number of their clients for future business opportunities.

The Company expects the development and porting of ADRC to the Telink 8269 chipset to be complete by January. This new ADRC IoT Stack will include Telink's patented BLE Mesh technology which will allow ADRC to be used for the first time in a "hub-less" configuration where the Device Browser app on a phone can pair with and control devices directly without the need for an IoT Gateway. This new configuration option will allow manufacturers of low cost devices to sell their products to consumers who will not have to purchase a separate IoT Gateway, thus dramatically reducing the upfront cost and removing this as a barrier to entry.

JOINT VENTURE WITH COMPLEX SEMICONDUCTOR

On the 20th September, the Company announced a Joint Venture ("JV") with Complex Semiconductor Co Ltd ("Complex") to jointly develop a sales and manufacturing channel to allow ADRC growth through Xped app subscriber acquisition, device data capture, analytics and product distribution in China and abroad.

Xped is presently establishing the new entities in Hong Kong and China. The Company plans to develop with Complex a number of opportunities including a Bluetooth control and device registration solution using Xped's App, plugs and IR blaster production and work towards building subscriber base from mobile apps.

RELEASE OF NATIVE XPED APP

As announced on 27th May, the Company engaged leading software developer Codium to develop and build the native version of Xped's Device Browser App. Under the agreement, Codium will provide full native Android and iOS Apps.

On the 23rd September 2016, the Company released the Xped App to Google Play™ Store with verification pending for release on Apple App Store.

Xped Limited



This App release was a significant milestone for the Company and it was pleased the development timelines were met for release. Xped continues to work with Codium on further enhancements and features in the next iterations of the App.

OPEN CONNECTIVITY FOUNDATION

On 12th October, Xped announced it had been accepted as a Platinum member of the Open Connectivity Foundation (“OCF”).

The Company has access to additional benefits including eligibility to have a representative elected to the Board of Directors, or representative appointed or elected as an Officer of the organization and eligible to participate and Chair in the Work Groups and Task Groups

Chris Wood who is based in the USA will look to participate in relevant Working Groups. Participation in OCF will allow Chris to work closely with other OCF members.

ADRC DEVELOPMENT ACTIVITIES

During this quarter Xped expanded the cloud services offering. Developed on the Microsoft Azure platform, Xped has developed the ADRC Product Registration System. This provides a number of features including automatic registration of the device and customer during the One Tap pairing process. Once registered, devices send operational data and Alerts to the Xped Cloud, which will provide Big Data for Data Analytics and API access by third parties and manufacturers. Xped also developed Stage 1 of the Xert digital coupon system targeted at both the retail sector and manufacturers, allowing them to send digital content such as messages or coupons to customer.

The DiscoverBus platform was also demonstrated which is the next generation of ADRC transport over a wired connection. This opens up opportunities in the Smart Building sector by providing a backbone infrastructure to allow quick and simple setup, expansion and maintenance of sensors, switches, control panels etc by simply plugging in these devices which automatically discover, configure and provide and interface to the Xped app. Xped is continuing to expand and optimise the ADRC platform and capabilities.

Xped released the first of the ADRC Technical Reference Guides. These provide the concepts behind ADRC, the user experience, how to implement ADRC and an explanation of how the individual ADRC components interact with each other. These enable developers, chip manufacturers, and other interested parties to understand ADRC at a detailed technical level. The remainder of the Technical Reference Guides are being developed for release shortly.

Xped Limited



SHOWCASE OF IOT SOLUTIONS AT MICROSOFT PARTNER EVENT

The Company was recently invited to attend and exhibit at a Microsoft Partner conference in Singapore. The Company showcased the latest technology development of the ADRC Product Registration and Big Data back end data gathering system running on the Azure platform.

The Company also demonstrated its Xerts system, which provides digital content to be delivered to end devices and users by issuing a digital coupon to attendees. The coupon was delivered through a single NFC tap for Android phones or reading a QR code for iPhones. The coupons were redeemed to provide free coffee to participants at the event.

The event provided a compelling demonstration of the power and scalability of these systems attracting keen interest from the Microsoft team. Discussions now continue with Microsoft for next steps for commercialisation.

PROPOSED ACQUISITION OF CODIUM

The Company announced on 14th October, it would acquire leading software developer Codium following the execution of a Term Sheet to acquire 70% of the issued capital in Codium, with an option to acquire the remaining 30%.

Codium provides a range of services including cloud application development, process automation, software integration, database development and user experience design.

The Company is now working through the due diligence process and expect to update the market by early November.

INTEL® MOON ISLAND GATEWAY

The Company has built a small number of demonstration kits of ADRC running on Intel® D2000 chip on a mini PCIe card and configured on Advantech hardware running Moon Island gateway. These were previously shipped overseas to Intel® for their testing and review.

With the recent recruitment of Martin Despain to the Company, he will be leading the potential business development opportunity with Intel. Updates will be provided to the market upon any progressions.

Xped Limited



FURTHER PATENTS GRANTED

On 8th September, Xped announced its Wireless Device Detection and Communication Apparatus and System (PING) patent has now been granted in Australia and its Arrangement for Managing Wireless Communication Between Devices (ADRC)

CORPORATE WEBSITE

On 4th October, the Company launched its new corporate website at www.xped.com. The new website provides an improved platform and user experience for visitors to navigate and keep up to date on Company developments.

The Company has developed a short series of videos to highlight the benefits of Xped's technologies and these have now been added to the website.

ENGINEERING RESOURCES

The Company continues to expand its resource pool through the recruitment of additional engineering staff and utilising external contractors to assist the development work and key projects presently underway. Key hires of Cloud and back end developers have allowed Xped to rapidly expand its IoT platform.

ANNUAL GENERAL MEETING

The company recently engaged Pitcher Partners as independent auditor for the financial report of Xped Limited for the year ended 30th June 2016.

Xped will be holding its Annual General Meeting on 30th November 2016 to table the Financial Report and resolutions before shareholders.

LISTED OPTIONS XPEOB UNDERWRITTEN

As announced on 29th June, the Company entered into an underwriting agreement with Otsana Pty Ltd ("Otsana") to underwrite the unexercised listed options expiring 21st July 2016. The Company was pleased that the majority of option holders exercised their rights prior to expiry leaving only a small number of options unexercised.

Xped Limited



ASX:XPE

LEGACY PROJECTS

SOKORIA GEOTHERMAL PROJECT

As announced on 22nd June, the company ended discussions with PT Dalle Energy regarding proposed sale of Sokoria Geothermal Project and began discussions with KS Orka Pte Ltd ("Orka").

Following completion of due diligence, Orka has agreed to acquire 95% shareholding of PT Sokoria Geothermal Indonesia ("SGI") from Xped and its JV partner PT Bakrie Power ("Bakrie"). Xped will divest its entire 45% shareholding in SGI and Bakrie will reduce its current shareholding in SGI from 53% down to 3% and remain a minority shareholder with Orka in the project development.

Xped would receive consideration for the transfer in the nominal amount of USD\$1 and assignment of accounts payable by Xped under the terms of the CSPA. Xped will be entitled to an additional payment up to USD\$947,368 via payment commitment agreement between the parties upon its intent to develop.

The project continues to progress well with Orka having provided approx. USD\$1m to date in preparing the project ahead of expected drilling in first quarter 2017. 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.

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.

Xped Limited



FINANCE AND ADMINISTRATION

CASH HOLDINGS

At the end of the quarter, the Company's cash position stood at approximately \$9,114,000

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	1,532,296,495
Unlisted Ordinary Shares (Subject to ASX escrow)		518,684,203
Unlisted Options	Strike Prices from \$0.07 to \$1.50 Expiring between 15/12/16 to 31/3/18	181,100,000

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:



Xped Limited
ABN 89 122 203 196
Level 6, 412 Collins Street
Melbourne VIC 3000

T 03 9642 0655
F 03 9642 5177
E info@xped.com
www.xped.com

CORPORATE ENQUIRIES:

Seneca Financial Solutions
Cameron Low
T +61 3 9245 6206
E cameronl@senecafs.com.au

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")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	274	274
1.2 Payments for		
(a) research and development	(297)	(297)
(b) product manufacturing and operating costs	(53)	(53)
(c) advertising and marketing	(11)	(11)
(d) leased assets	-	-
(e) staff costs	(292)	(292)
(f) administration and corporate costs	(2,005)	(2,005)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	20	20
1.5 Interest and other costs of finance paid	(13)	(13)
1.6 Income taxes paid	(203)	(203)
1.7 Government grants and tax incentives	65	65
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,515)	(2,515)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(31)	(31)
(b) businesses (see item 10)	(525)	(525)
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	69	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	43
2.6 Net cash from / (used in) investing activities	(444)	(444)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	2,725	2,725
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(232)	(232)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	(230)	(230)
3.9 Other (loan repaid)	214	214
3.10 Net cash from / (used in) financing activities	2,477	2,477

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	9,596	9,596
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,515)	(2,515)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(444)	(444)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,477	2,477

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	9,114	9,114

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	8,464	8,464
5.2	Call deposits	650	650
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)	9,114	9,114

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
456
-

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
-
-

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)	-	-
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.		


--

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	300
9.2 Product manufacturing and operating costs	400
9.3 Advertising and marketing	20
9.4 Leased assets	-
9.5 Staff costs	300
9.6 Administration and corporate costs	1,480
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	2,500

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	Australia	
10.3 Consideration for acquisition or disposal	- \$1m cash. - \$1.25m cash and \$500k shares subject to conditions.	
10.4 Total net assets	\$4m	
10.5 Nature of business	Healthcare Technologies	

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: 28th October 2016
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.