

Xped Limited



MOU SIGNED WITH ARCADYAN FOR LICENSING OF XPED TECHNOLOGIES

Highlights

- MOU SIGNED with ARCADYAN for licensing of Xped Technologies with XPED's Infrastructure Platform, ADRC Daemon, ADRC Proxy and One Tap - provisioning proposed to be integrated with ARCADYAN GATEWAYS and SMART DEVICES;
- Xped standard licensing costs sheet of USD\$1.00 PER GATEWAY, USD\$0.15 PER DEVICE and USD\$2.00 PER PLATFORM LICENSED applies or REVENUE SHARE for clients introduced under proposed terms;
- ARCADYAN are one of the WORLD'S LARGEST suppliers of GATEWAYS through their own BRAND and SALES CHANNELS;
- ARCADYAN is a subsidiary of GLOBAL company COMPAL ELECTRONICS Inc with sites in USA, CHINA, VIETNAM, BRAZIL and POLAND;
- ARCADYAN TOTAL SALES in 2016 exceeded AU\$1 BILLION;
- Further agreement to be signed to incorporate XPED TECHNOLOGIES into ARCADYAN DEVICES and GATEWAYS; and
- XPED propose to develop ARCADYAN BRANDED apps for SMART HOME and SMART HEALTH and white labelled apps for ARCADYAN CUSTOMERS.

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Xped Limited (**ASX: XPE**) (“Xped” or “the Company”) is pleased to announce they have signed a Memorandum of Understanding (“**MoU**”) with Arcadyan Technology Corporation (“**Arcadyan**”) that will result in both companies working together and develop a binding agreement to license several Xped technologies and develop complete end to end IoT solutions for Arcadyan and for the Arcadyan OEM Customer base.

When a binding agreement is reached, Xped will license their technologies to Arcadyan for use in their Smart Gateways and devices.

Xped’s technologies to be licensed will include:

- Xped App Framework
- Xped Infrastructure Platform (“XIP”)
- Auto Discovery Remote Control (“ADRC”) Proxy
- ADRC Daemon
- RML Translation Library
- One Tap Provisioning of Gateway and Smart Devices

Xped will provide an Arcadyan branded versions of the Xped App customised for a Smart Home solution and a Smart Health solution. In addition, Xped will develop white labelled apps for Arcadyan OEM customer base.

Arcadyan will provide Smart Gateways, Smart Microphone/Speaker for Natural Language Processing, Smart Home Devices, and Smart Health Devices.

Under the proposed terms, when a binding agreement is reached, the standard Xped licensing cost sheet will apply:

- Smart Things: USD\$0.15 per Thing
- Smart Gateways: USD\$1.00 per Gateway
- Smart Platform: USD\$2.00 per Platform

In addition, ongoing Maintenance Fees are to be negotiated as part of the final binding agreement.

Relevant to Business Development, Xped and Arcadyan will work together to on progress business development opportunities with immediate effect, this will include dual marketing at Event, Trade shows, and client visits. Arcadyan provides Xped with access to their existing customer base which includes very large Telecommunication Companies and Retail Channels. Collaborative business development and customer introductions are expected to commence this quarter, Q1 2017.

Under the proposed terms, Arcadyan will have the option to License directly from Xped at above pricing or participate in a Revenue Sharing agreement if they introduce customers to Xped.

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As part of the formalisation process, Arcadyan will have a non-exclusive Global license to use the listed Xped technologies in their IRX200/GRX350 platform with Bluetooth/Zigbee IoT Gateway devices and products.

Now that a Memorandum of Understanding has been signed Xped and Arcadyan will enter into a detailed technical exchange to verify Xped technologies integrate successfully with Arcadyan products before official launch.

Xped hopes to reach a binding agreement with Arcadyan in Q2 2017. An update will be made to the market as soon as progress has been made but formalities are advanced and both companies are providing both legal and technical resources to ensure agreements are finalised as quickly as commercially possible. Subject to binding licensing deals being signed revenue is anticipated to commence in Q4 2017.

Xped's Managing Director commented: "Arcadyan are a great company and have a Global customer base in both the Retail and Telco markets. Xped's technologies are a great fit for their products and we look forward to working closely to formalise a binding licensing agreement and develop a long term working relationship with Arcadyan with our revolutionary suite of technologies".

Martin Despain
Managing Director

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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 ARCADYAN

Arcadyan is a Taiwanese company formed in 2003 and listed on the Taiwanese Stock Exchange (Ticker: 3596). Arcadyan provides solutions for Telecom operators, ISPs, retailers, consumer electronics companies and OEMs/ODMs. Through these channels, Arcadyan is one of the world's largest suppliers of Gateway devices. Arcadyan delivers a full line of broadband access and digital home solutions, such as DSL CPEs, 802.11a/b/g/n client solutions, Wi-Fi modules, FTTx solutions, Mobile Broadband products, IP Set-Top Box and Power line communications. Arcadyan's total sales exceeded 22 Billion Taiwanese Dollars (excess of 1 Billion Australian dollars) in 2016. www.arcadyan.com

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