

# Xped Limited



## Xped targets cost savings and greater efficiency with organisational re-structure

Emerging Australian Internet of Things (IoT) technology company, Xped Limited ([ASX: XPE](#)) (“Xped” or “the Company”), today announced an organisational re-structure, targeting significantly reduced expenditure and increased efficiency of the Company’s Board and Management.

As part of the re-organisation, Athan Lekkas will resign as CEO but will remain a Director, Managing Director Martin Despain and Director Dr Wenjun Sheng will resign from the Board but both remain as Xped consultants, while John Schultz has tendered his resignation as a Director. These latest changes follow the appointment earlier this month of Peter Hunt as Non-Executive Chairman of Xped

“The company believes that significant cost savings and business development benefits will be realised immediately by the re-organisation while simultaneously freeing up Athan, Martin, and Wenjun to focus on their critical business development roles within Xped’s operations,” Mr Hunt said.

“The outcome of these changes will positively impact the company balance sheet this financial year with fixed operating costs reducing by a further \$1 million in the current financial year,” he said.

### **CEO**

Mr Lekkas has tendered his resignation as CEO but will remain as a Director. Mr Lekkas has provided a six-month notice period to allow for a smooth transition once a suitable replacement has been found. Over this time he will continue operational and business development activities with the Group, focusing on the forthcoming revenue expected from Lenze and other new business development initiatives.

The Board thanks Mr Lekkas for his commitment to Xped. He has attracted in excess of \$25 million in capital for Xped (and former company Raya Group) and was ultimately responsible for

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attracting new representatives in our Healthcare division, Dr Sheng, Mr Despain and their networks to Xped.

## **Managing Director**

Mr Despain will continue as Managing Director and a Board member until 30 November 2017.

From 1 December 2017, he will be engaged by Xped, as a business development consultant, and will continue to be a key resource for Xped in realising revenue from a number of exciting opportunities currently being pursued by the company, notably in the telecommunications sector.

The Board thanks Mr Despain for his significant contribution as a Director and looks forward to continuing working with him to grow Xped's business.

As part of the new engagement, Mr Despain will be remunerated and incentivised as follows:

Contract Period – 12 months

Retainer – US\$5000 per month

Sales Commission – 5% of all sales he generates

Purchasing Commission – 1.25% management fee payable on hardware products purchased from OEM and ODM introduced by Mr Despain

## **Dr Wenjun Sheng**

Dr Sheng has tendered his resignation as a Director with immediate effect. Dr Sheng will continue with Xped in a business development-focused consultancy position and will be solely focused on generating revenue for the Company from the integration of ADRC with the Telink chipsets, and with custom white-label app development opportunities.

Dr Sheng will also continue to provide strategic advice on product development of Xped's ADRC technology with Telink's product roadmap.

The Board acknowledges Dr Sheng's contribution to the company and looks forward to continuing to work with him.

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As part of the new engagement, Dr Sheng will be remunerated and incentivised as follows:

Contract Period – 12 months

Retainer - \$7500 per month

Incentive Structure – (total of 40 million shares if targets achieved)

Milestone 1 – 10 million shares issued if Dr Sheng generates \$250,000 in sales within 12 months.

Milestone 2 – 10 million shares issued if Dr Sheng generates \$3 million in sales within 12 months.

Milestone 3 – 10 million shares issued if Dr Sheng generates \$6 million in sales within 24 months.

Milestone 4 – 10 million shares issued if Dr Sheng generates \$10 million in sales within 24 months.

The above-mentioned structure is proposed to incentivise Dr Sheng to introduce and develop strong revenue streams from ADRC Bluetooth, NFC, and W-Fi licensing sales.

## **Mr John Schultz**

Mr Schultz has tendered his resignation as Director with immediate effect. The Board thanks Mr Schultz for his considerable contribution during his time as Director. As one of Xped's original founders and key technology specialists, he will continue to provide a critical senior management position as Head of Projects and Device Development in the areas of engineering, product development and project delivery within Xped. The Board and Mr Schultz look forward to working together to grow the company.

## **Mr Chris Wood**

Mr Chris Wood will continue on the Board as an Executive Director together with his role in Senior Management as Chief Technical Officer of Xped.

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## Strong focus

Mr Hunt said the Xped Board continues to have a strong focus on cost reduction and revenue generation and will continue to evaluate and implement changes to strive to maximise the opportunity of success for the Company.

“The Company will be in a position to update the market in due course on opportunities in healthcare, smart home, smart building and smart energy” he said.

“We anticipate a strong news flow from the Company during the upcoming December Quarter.”

By Order of the Board

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## ABOUT XPED

Xped is an Australian Internet of Things (“IoT”) technology business. 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**

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