

## ASX Announcement

Tuesday 24<sup>th</sup> of April 2018

# IOT partners with global Blockchain specialists LAKEBA to create and develop IOT Blockchain projects.

## Highlights

- ✓ IOT signs Agreement with Global Blockchain Specialists - LAKEBA ([www.lakeba.com](http://www.lakeba.com)) to create, develop, structure and build IOT Blockchain Projects.
- ✓ IOT's first intended project is in partnership with LAKEBA, so as to be able to offer energy to consumers through the Blockchain.
- ✓ IOT Blockchain Advisory Service Pty Ltd is targeting projects in the power, gold, lithium, cobalt and property sectors as its first round of proposed clients.

## IOT BLOCKCHAIN ADVISORY SERVICE.

As announced to the market on 9 April 2018, The IOT Group Limited (ASX: IOT) ("IOT" or "the Company") commenced development of a Blockchain strategy to gain an exposure to this rapidly developing Internet of Things sector.

Further to and in line with this announced strategy, the Company is pleased to announce it has signed an agreement with Lakeba Corporation Pty Ltd (**Lakeba**) ([www.lakeba.com](http://www.lakeba.com)) to create, develop, structure and build Blockchain protocols, applications and services.

*Investors should note that the terms of the Agreement are subject to and conditional upon the satisfaction or waiver of certain conditions precedent, being the Parties entering into a more formal definitive legally binding agreement and IOT obtaining all necessary shareholder approvals. Accordingly, there are significant risks associated with the completion of the proposed transaction/s and investors should be aware of these risks. However, investors should also note that the agreement with Lakeba is not conditional upon the recently announced conditional transaction with Hunter Energy Pty Ltd and that the agreement with*

*Lakeba can proceed irrespective of whether the transaction with Hunter Energy Pty Ltd proceeds.*

As previously announced, to develop revenue streams in Blockchain, IOT recently incorporated IOT Blockchain Advisory Service Pty Ltd (a 100% owned subsidiary of IOT Group Limited) and will seek to partner with Blockchain specialists to monetise the Blockchain opportunities. IOT Blockchain Advisory Service Pty Ltd will also advise clients on how to use and benefit from Blockchain. IOT has partnered with Lakeba to guide IOT's entry into the Blockchain market.

The agreement with Lakeba contemplates Lakeba providing its services to IOT and IOT's future blockchain clients. It is proposed that Lakeba would enter into a further service agreement with IOT and IOT's client in respect of each separate project on terms yet to be agreed. There is no obligation on Lakeba to provide any services to IOT or IOT's clients in respect of any specific projects at this time. It is also important to note that IOT does not presently have any blockchain clients and is still in the process of developing its blockchain business strategy. The signing of this agreement with Lakeba will assist IOT to achieve its goal of developing this strategy.

It is proposed that the services to be provided by Lakeba will include:

- (a) analysing and reviewing IOT's clients with its team of professionals to write and create a white paper on how IOT's client can use Blockchain to make their business efficient; and
- (b) Lakeba will then architect the technical design and build the Blockchain to suit IOT's clients business.

IOT, Lakeba and IOT's clients will agree on the terms of the services to be provided, including fees, at the time of entering into the further service agreement.

## **ABOUT LAKEBA**

Lakeba is an established studio with extensive experience delivering solutions that incorporate the latest technologies such as AI, Mixed Reality and blockchain. The company is headquartered in Manly, NSW, with offices in Europe, UK, USA, India and Singapore. Through their unique business platform Lakeba rapidly creates, builds and scales new products and services to drive value for businesses and communities across the globe.

Lakeba brings cutting edge technology to market in conjunction with the largest technology companies in the world. Lakeba's world class partnerships (including Google, Intel, Samsung and Microsoft) allow Lakeba to bring their newest yet-to-launch technologies to our innovation programmes. Lakeba is an Elite Partner of Intel and Gold Partner of Microsoft.

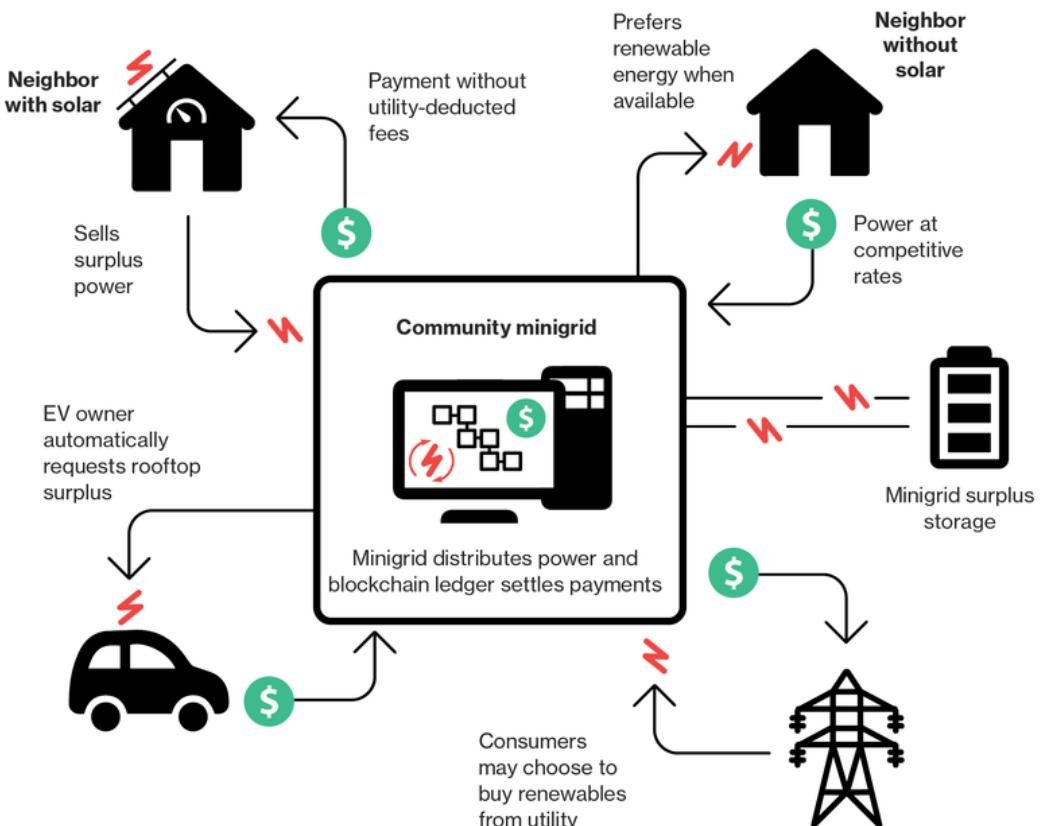
Lakeba has taken a first mover advantage, rapidly expanding its blockchain capabilities and engaging with industry to both realise and drive the opportunities inherent in this new technology.

Lakeba works with large corporate clients on specific business challenges to develop solutions that would then scale out to a wider market opportunity.

The example below is of a possible Blockchain Power to consumer Blockchain application.

### Community Minigrid as Central Payment and Power Control

A blockchain ledger system can be used to trade power between consumers without a utility even knowing it.



Source: Bloomberg New Energy Finance

Bloomberg

Source: <https://www.bloomberg.com/news/articles/2018-04-09/blockchain-latest-death-knell-of-an-old-school-utility-model>

### Commentary

**Executive Director and Founder of IOT Group Limited, Sean Neylon, comments:**

*"Our commitment to the IOT Blockchain Advisory Service requires specialised groups to support the client base. IOT has engaged Lakeba to give it that firepower that interested parties require to deliver on their requirements. IOT has targeted several established business sectors for the implementation of Blockchain. IOT expects to announce these over the coming months as Blockchain technology is adopted throughout the broader business community."*

**CEO and Founder of Lakeba Group, Giuseppe Porcelli, comments:**

*"The energy sector, more than any other industry is demonstrating its progressive charter in embracing this new technology innovation. The Lakeba Group is partnering with a number of industry sectors to drive the implementation of Blockchain technology."*

## Annexure

The following information is provided in relation to the Agreement:

- The parties to the Agreement are IOT and Lakeba Corporation Pty Ltd.
- Subject to the satisfaction of certain conditions precedent, being the entry into a more formal definitive legally binding agreement and IOT obtaining all necessary shareholder approvals, pursuant to the Agreement, IOT agrees to engage Lakeba to create, develop, structure and build Blockchain protocols, applications and services to assist with the development, marketing and sales of Blockchain projects targeted by and engaged in by IOT. It is proposed that Lakeba would enter into a further service agreement with IOT and IOT's client in respect of each separate project on terms yet to be agreed. There is no obligation on Lakeba to provide any services to IOT or IOT's clients in respect of any specific projects at this time.
- In terms of the timetable for implementing the transaction, IOT and Lakeba agree to negotiate and enter into one or more a formal legally binding agreement as soon as practicable, and in any event within 60 days, after the execution of this Agreement to more fully document the terms of this Agreement. In the event such binding agreement is not entered into by this date, the Agreement will automatically terminate.
- The current Agreement is unlikely to have any effect on IOT's financial position. However, as set out above, the Agreement contemplates IOT and Lakeba entering into further service agreements in respect of specific projects. Each of these further service agreement is expected to have an effect on IOT's financial position, but the extent of such effect is unknown at this stage and will be valued at the relevant time on the basis of the projects engaged.
- The Agreement does not contemplate the issue or securities or any changes to the board or senior management of IOT.
- The material condition that needs to be satisfied before IOT becomes legally bound to proceed with Lakeba is the satisfaction or waiver of the condition precedent, being the entry into a more formal definitive agreement and IOT obtaining all necessary shareholder approvals (note that it is not currently expected that any shareholder approvals will be required).



EVERYTHING IS CONNECTED

Website: [www.theiotgroup.com](http://www.theiotgroup.com)

### **Company Information**

IOT Group Limited (ABN 66 140 475 921)  
Level 9, 100 William Street  
EAST SYDNEY NSW 2011

Sean Neylon	Founder and Executive Director
John Forder	Non-Executive Director
Steven Kayalicos	Non-Executive Director
Ron Hollands	Company Secretary

Investor Enquiries: [investors@theiotgroup.com](mailto:investors@theiotgroup.com)

All references to IOT Group includes its subsidiaries.

For personal use only