



**G8 COMMUNICATIONS**

**COMPANY PRESENTATION  
NOVEMBER 2015**



*INTERNET OF THINGS (IoT) WIRELESS TECHNOLOGY COMPANY  
REVERSE TAKEOVER OF LEOPARD RESOURCES NL (ASX: LRR)*

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# Corporate Overview

- G8 Communications Ltd (**G8**) is undertaking a reverse takeover of ASX listed Leopard Resources NL (**LRR**)
- Heads of Agreement signed in July 2015 for LRR to acquire 100% of G8, a next generation Internet of Things (**IoT**) wireless technology business based in Silicon Valley, California
- Share Sale Agreement (SSA) executed in October 2015 and currently preparing for the General Meeting of LRR shareholders on 21 December 2015 to approve the transaction
- Prospectus to raise \$3m - \$4.5m at \$0.02 per share lodged 27 November for the purposes of satisfying Ch's 1 & 2 of ASX Listing Rules for re-listing and completing the acquisition of G8 and its flagship asset, Machine Connect, which is held in United States based subsidiary company Connected IO
- Competitively priced compared to recent IoT RTO's:

Company	Vend (\$AUD)	Mkt Cap @ relisting price (undiluted)	Mkt Cap @ 15 Nov	Revenue
POK (Buddy)	\$50m	\$74.6m	\$149.2m	
RYG (Xped)	\$12.8m	\$30.8m	\$75m	
<b>LRR (G8)</b>	<b>\$4m</b>	<b>\$13.8m</b>	<b>\$13.8m</b>	<b>US\$1.5m</b>

Shares (m)	\$3m (Min)	\$4.5m (Max)
Post Consolidation (60:1)	39.85m	39.85m
Con Note - Tranche 1 <sup>1</sup>	50m	50m
Con Note - Tranche 2 <sup>1</sup>	50m	50m
Prospectus Raising	150m	225m
Vendor Consideration	200m	200m
Vendor Loan Repayment <sup>2</sup>	90m	90m
Facilitation Shares	20m	20m
Debt Repayment <sup>3</sup>	15m	15m
Performance Milestone 1 <sup>4</sup>	100m	100m
Performance Milestone 2 <sup>5</sup>	50m	50m
<b>Fully Diluted</b>	<b>764.85</b>	<b>839.85</b>

<sup>1</sup> \$1m of Convertible Notes raised with a conversion price of 1c per share post consolidation and subject to shareholder approval and ASX decision re escrow.

<sup>2</sup> Repayment of a \$900k loan to Vuna Capital @ 1c per share post consolidation.

<sup>3</sup> Repayment to LRR secured creditor of debt via 15m shares and \$300k cash.

<sup>4</sup> Milestone 1 - \$15m revenues during the years 2016, 2017 or 2018

<sup>5</sup> Milestone 2 - \$25m revenues during the years 2016, 2017 or 2018

Indicative Timetable	Date
Lodge Prospectus with ASIC	27 Nov 2015
Suspension of LRR securities on ASX	21 Dec 2015
General Meeting	21 Dec 2015
Prospectus Offer Opens	4 Dec 2015
Prospectus Offer Closes	20 Dec 2015
Issue of All Shares	8 Jan 2016
Completion of Proposed Transaction	12 Jan 2016
Satisfaction of ASX Conditions for Reinstatement	13 Jan 2016
Commencement of Trading on ASX	20 Jan 2016

# The Opportunity

## About G8

- G8 is an Internet of Things (IoT) next generation wireless technology company
  - Headquartered in Silicon Valley, California, wholly owned by its original Australian and American shareholders.
  - With established manufacturing facility in Shenzhen, China
- G8 has developed a number of products with the flagship product being the **Machine Connect** modem. G8 has fully developed and is successfully distributing this unique Machine to Machine (**M2M**) device for intelligent connectivity between machines. It is already re-defining the M2M marketplace in the USA since it was first beta launched in April 2014 with the current first commercialised product version launched in January 2015 and delivered first revenues by April 2015
- Key corporate paying clients for Machine Connect within first 8 months already include:
  - Coca Cola (via its Contract Manufacturer Sanmina)
  - Fortune 500 industrial supply company
  - JFK/LaGuardia/Logan Airports
- Key Strategic clients include - Verizon (largest mobile carrier in USA) – NASA - US Department of Fish and Game

## The Investment

- LRR is seeking to complete the transaction to acquire G8 by raising between \$3m - \$4.5m under the current lodged prospectus dated 27 November 2015. The funds raised will be used to fund rapid market expansion within both its existing customer base and new business opportunities.

# What Is Machine To Machine (M2M)?

**M2M** is a term that can be used to describe any technology that enables networked devices to exchange information and perform actions without the manual assistance of humans and become part of the **IoT**.

Some key Machine to Machine applications G8 is targeting include:

- Vending Machines and Kiosks
- Law enforcement body cameras
- Drones & robotics
- Energy management systems
- Digital signage
- Mobile broadcast transmitters
- Home entertainment & automation
- Precision equipment manufacturers
- Security & surveillance systems
- Point of Sale (POS) Systems
- Connected Health



# M2M Product – Machine Connect

**G8's Machine Connect** is a M2M connectivity solution – its enables devices to connect to the IoT without interference from third parties

The IoT phenomenon is accelerating and is coming to just about every connected device near you. G8 helps its customers harness the power of all things connected to enable the transmission of data in an affordable, efficient and reliable way

## **G8's Machine Connect**

- Is a ruggedized, single-mode Long Term Evolution (LTE) 4G modem
- Uses a cloud management platform to provide the way to connect enterprise machine assets such as vending machines, ATM's, lights, household appliances, digital signage, security systems, energy management systems and drones, to name but a few, to the IoT
- Is a scalable end-to-end solution that enables customers to roll out M2M solutions in a timely, streamlined and cost-effective manner



# Machine Connect – Market Size

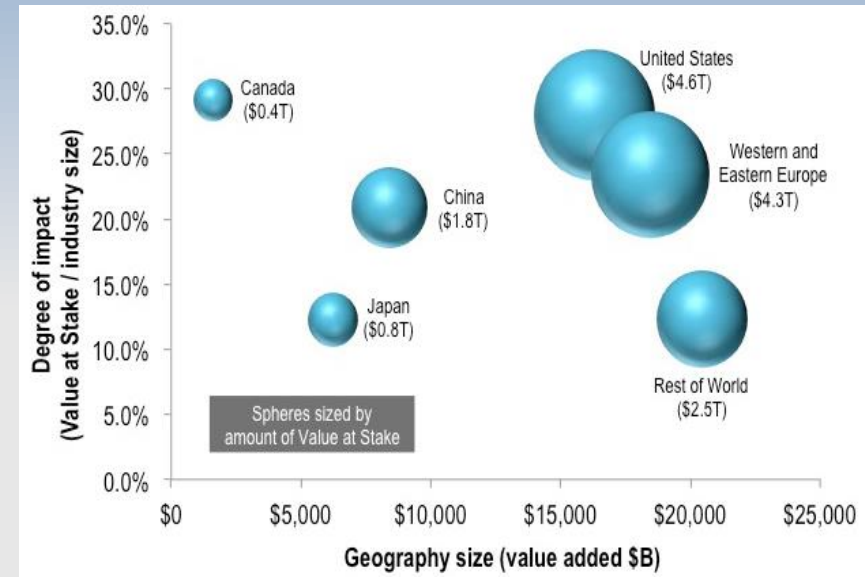
The IoT creates \$14.4 trillion in value at stake — the combination of increased revenues and lower costs that is created or will migrate among companies and industries from 2015 to 2022.<sup>1</sup>

Cisco estimates that 99.4 percent of physical objects are still unconnected. Conversely, this means that only about 10 billion of the 1.5 trillion things globally are connected.<sup>1</sup>

G8 is looking to exploit the opportunity to be a reliable and cost efficient connectivity solution to all physical objects that are unconnected

G8's primary focus is building credibility through the existing relations with some of the worlds largest brands such as Coca Cola and Verizon, before leveraging off these relationships to tackle the most profitable market segments that are seeking the connectivity solution that Machine Connect provides. For example, to name but a few, G8 estimates there are potentially:

- 2.5m Coca Cola vending machines in the US alone;
- 20m drone applications by 2017: and
- 200m security and home automation applications in the US; and



<sup>1</sup> [http://www.cisco.com/web/about/ac79/docs/innov/loE\\_Economy.pdf](http://www.cisco.com/web/about/ac79/docs/innov/loE_Economy.pdf)



# Markets – The Internet of EVERYthing

Machine Connect makes it simple and affordable for a wide range of applications to gain dependable access to the cloud and join the rapidly expanding IoT, its technology is flexible to size scale to a number of smaller applications. It also allows manufacturers of things to control their data without third party interference.





# Market Example – Vending Machines

**Almost any type of machine requiring power is a potential candidate for Machine Connect.**

**The example below illustrates how Machine Connect is already being rolled out in vending machines for Coca Cola.**

The Vending industry offers a prime opportunity for Machine Connect. Trends affecting the vending industry that will spur demand for Machine Connect are as follows:

- Vending machines are natural capture point for operational, consumer and retail data that has not been available in real time to operators
- Operators do not want third parties interfering with the data capture or transmission, and ~30% of vending machines are in public areas which limits access to a fixed line connection
- Anticipated phase out of 2G network (e.g. AT&T's shutdown of its 2G network) – Need to upgrade the vending hardware to 4G technologies
- Moving to cashless payments hardware and software in machines, requiring retrofit or replacement with connectivity to IoT.

6.9 million<sup>1</sup>

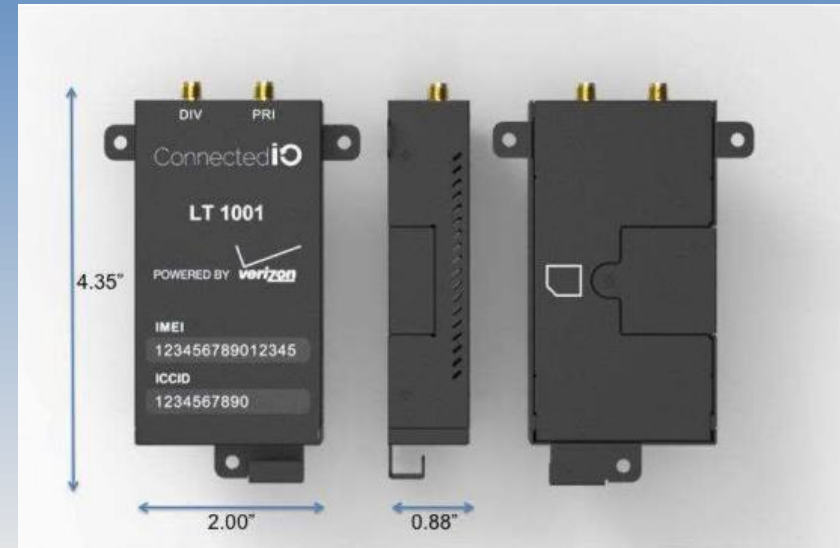
Number of vending machines in the USA  
(Estimated)



<sup>1</sup> <http://www.coca-colacompany.com/stories/16-things-you-didnt-know-about-vending-machines-in-japan-and-around-the-world/>

# The Machine Connect Advantage

- Machine Connect has no competitors on price or efficiency. There are an estimated five companies offering products similar to the Machine Connect device in the sector. Only two of them are 4G product, and Machine Connect has a significant price advantage over all competitors. Machine Connect devices are available in 2G/3G/4G LTE models.
- Machine Connect devices' metal casing provides an efficient means of dissipating the elements in environments where USB dongles are ineffective
- Machine Connect provides simple and flexible solutions for integrating 4G LTE into M2M applications
- Machine Connect's USB interfaces are natively supported by most Linux and Android systems, making integration with host devices fast and easy
- Machine Connect devices' SubMiniature version A (SMA) connectors enable installers to connect external antennas with or without cables to achieve maximum LTE performance and data throughput

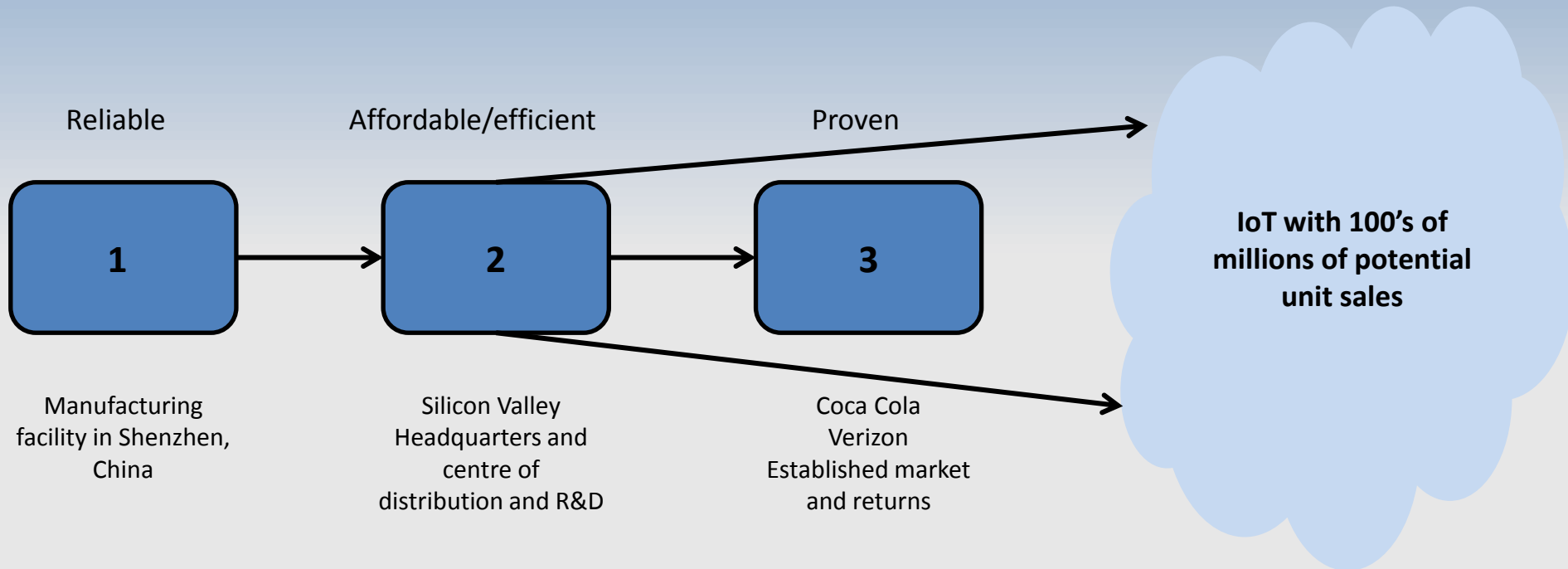


- Competitors prices range from US\$200 for a basic 4G only device to upwards of \$2,000 for a high end redundant router, versus Machine Connect's ~US\$120 per unit for a 4G device single mode LTE device

Key Competitors	Product	Approximate Retail Price (\$US)	4G?	Single-mode LTE?
NetComm Wireless (ASX: NTC)	NTC-140W	\$200	✓	✓
Feeney Wireless	Skyus Embedded Modem	+\$300	✓	X
<b>G8 Communications</b>	<b>Machine Connect</b>	<b>\$120</b>	✓	✓

# Business Model

The business model is to provide a reliable, affordable, efficient and proven way to connect all networked devices to enable information exchange without interference from third parties.



# Cornerstone Distribution Agreement

G8 Communications has signed a distributor agreement in the United States with Sanmina (US listed \$2B mkt cap co)

Sanmina integrates electronic components from multiple vendors into Coca Cola's Freestyle vending machines, included Machine Connect which achieves the following:

- Captures all machine information from consumer interface, retail distribution, power consumption and product management to operation.
- Engaged with Coca Cola's Freestyle division, which has several hundred thousand US vending machine installations already and their target for CY2016 is 250,000 additional machines
- First sales orders have been received and continue to be received and delivered
  - Approximately 14k units ordered in CY2015 and 30k units conservatively anticipated to be ordered in CY2016 within USA (does not include US expansion or potential worldwide installations)
- Verizon provides SIM cards to convey data to the cloud and also uses Verizon's Machine to Machine sales force to promote Machine Connect devices to their customer base



## CY2015

- The current Machine Connect product was launched in early 2015 and it is currently anticipated to achieve ~US\$1.5m in revenue for CY2015. Key paying customers include:
  - Coca Cola - ~30%
  - Fortune 500 industrial supply company - ~20%
  - Several large US airports - ~15%
  - Miscellaneous clients - ~35%
  - Includes clients in early stage testing across both the private sector and government departments

## CY2016

- G8 plans to grow revenue in CY2016 through increasing sales to existing customers and conversion of early stage testing clients into key relationships
  - Anticipating increased demand from Coca Cola within the US and negotiating to supply Coca Cola internationally with initial focus on EU and UK
  - While G8 anticipates growing revenue from Coca Cola, the Company has no exclusive relationship and can engage immediately with any vending machine operator
  - Continued growth in significant established customers such as US airports and fortune 500 industrial company

## New Clients

- The relationship with Coca Cola provides G8 with the reputation to be able to approach other key vending machine players in large global markets:
  - Estimated 6.9m vending machines in US, 5.5m in Japan and 3.8m in Europe and trending towards increased connectivity<sup>1</sup>
- G8 is continuing to negotiate and assist with the testing of Machine Connect for applications for new clients outside of the vending machine space, including:
  - Advanced negotiations with a US based leader in the broadband home management, security and energy management market;
  - Law enforcement agencies using body cameras; and
  - such a dynamic market means G8 discover massive new potential opportunities every week

## Production Capacity

- The company's fully operational manufacturing facility in Shenzhen, China can produce the machine connect device for on average US\$64
  - Currently 15k units /month
  - Increasing to 50k units /month post prospectus raising, with potential to increase to 100k / month when required with modest investment
  - Economies of scale reduce costs ~20% when units are being ordered in 10k lots, and ~30% when in 100k lots

<sup>1</sup> <http://www.coca-colacompany.com/stories/16-things-you-didnt-know-about-vending-machines-in-japan-and-around-the-world/>

# Indicative Base Case Study 2016 (US\$)

	Vending Machines	Home Security	Other Existing
Current Clients (USA) # of Machines	+2,500,000	+200,000,000	+20,000,000
Units Installed 2016	30,000	90,000	30,000
Revenue - \$120/unit	\$3,600,000	\$10,800,000	\$3,600,000
Cost per unit installed - \$67/unit	\$2,010,000	\$6,030,000	\$2,010,000
Overheads	\$700,000	\$2,100,000	\$700,000
Earnings	\$890,000	\$2,670,000	\$890,000
Total Earnings	\$4,450,000		
Maximum annual current production is 600,000 units = Revenues \$72,000,000 / Earnings \$17,800,000			



## **Yakov Temov, Proposed Chief Executive Officer**

Yakov Temov has strong product development and executive leadership background with a solid start-up track record.

Yakov has a long and consistent track record of successfully delivering innovative products on time and under budget, fast yet high quality roadmap evolutions, and building and growing world-class engineering teams. His expertise includes outsourcing and managing technically complex, multi-national, distributed projects that have included design centers on three different continents.

Most recently, Mr. Temov was CEO and Founder of White Label Corporation, where he built and lead the company through the acquisition in the span of 2 years. Prior to that Yakov was VP of Engineering at U4EA Technologies, Inc. (acquired by Gos Networks, LTD.) where he managed a 100+ person team, and was responsible for all product design, engineering, and testing of products sold under Nortel Networks and Ericson brands. Prior to U4EA, Yakov served as VP of Engineering and CTO at Voice4biz, Inc., startup company developing voice/data and video integrated access devices. Earlier in his career, Mr. Temov held various engineering management posts with RapidWAN, Phaethon Communications (acquired by Teraxion) and Zarak Systems Corporation (acquired by Spirent Communications for \$500M). He holds a Masters degree in Computer Engineering from Saint Petersburg Technical University.

## **Jason Ferris, Chairman of the Board of Directors**

Jason Ferris has vast experience spanning a 20 year career in corporate finance, property finance and investment finance sectors. Jason holds an AFSL and an Australian Credit License and is a Fellow of the Australian Institute of Management (FAIM) and is a Member of the Australian Institute of Company Directors (MAICD).

Jason is currently the sole director of both Woodchester Capital and Woodchester Finance and was previously an executive director of the company responsible for establishing and building the Western Australian arm of ASX listed residential mortgage broker Mortgage Choice prior to its listing. This company is now capitalised at circa AUD\$360m.

Jason has been involved in excess of \$3b in property finance transactions since late 2005 in the commercial property finance sector including senior development debt, investment term debt and mezzanine finance. He has also facilitated many joint venture opportunities in both property and mining sectors and is a current Executive Director of ASX listed company Windimurra Vanadium Limited ("WVL") having been appointed in July 2014.

## **Eric de Mori, Proposed Non-Executive Director**

Mr de Mori specialises in natural resources, technology and biotechnology transactions with a focus on the ASX. He advises clients on M&A activity, capital raisings, Initial Public Offerings (IPO's) Reverse Take Over's (RTO) recapitalisation and restructure and DOCA process management.

Eric was Corporate Advisor to Intermet Resources Ltd and was instrumental in leading the acquisition of US HR tech company 1-Page (ASX:1PG), and subsequent \$8.5m backdoor listing. He has previously held director positions with ASX listed Hawkley Oil and Gas Limited (ASX:HOG), Coventry Resources Ltd (ASX:CVY) and Consolidated Zinc Ltd (ASX:CZL).