



Quarterly Report - Q3 2018

Contents

Started & Ongoing	3
Technologies	3
SIP (Social Investment Platform) beta went live (http://iob.community)	3
PoET	3
Smart Trading™ System	4
Business Development	4
Strategic partnerships with industry leaders and notable institutional investors	4
Re-Engagement of Wall Street	4
Engagement of Financial Auditor	4
Yale ReiSoleil appointed as a Director of Business Development at Tokenise (https://tokenise.io)	4
Conferences & Meetups	5
Communications	5
Portfolio Companies & Partnerships	5
Behind the Original Estimate Guidelines	6
Filings of Interactive Crypto Offerings (ICOs)	6
Public Trading on Exchanges	6

Started & Ongoing

Technologies

1. SIP (Social Investment Platform) beta went live (<http://iob.community>)

We are in the Beta testing of the SIP exploring the best ways for blockchain implementation with our tech partners. Given our particular attention to robust business application and swapability, we are looking for the most appropriate consensus protocol, which will enable us to remain flexible and integrate all of IOB business elements on the blockchain.

SIP Design:

1. SIP blockchain implementation
2. Management dashboard design
3. Project related page design
4. Optimize SIP frontpage

SIP Development:

1. First beta version of SIP was released to the community for viewing with a posting function.
2. Adding IOB token explorer to view all IOB token transactions
3. Adding token wallet in the user profile to view IOB token amounts
4. Management dashboard is under development

2. PoET

To prevent, reduce and even to eliminate trading manipulations, front-running, and spoofing, IOB believes its upcoming Proof of Enquiries & Trades (POET) on the blockchain will revolutionize the financial industry. For the first time, all order enquiries, the intention of trades and trade executions are recorded on the blockchain, transparently and permanently.

Through IOB PoET smart contracts, every order that occurred on the network is recorded automatically on the distributed public ledger, which enables traders, exchanges, self-regulated organizations and regulators to study the orders and dishonest patterns of any particular wallet or wallets.

The PoET protocol enables an automated instantaneous trading settlement mechanism, which swaps cash and assets from buyers to sellers, therefore, not profiting from delayed settlement and clearing.

It uses a hash time-locked contracts (HTLCs) to allow both parties to trade their cryptocurrency directly with each other without having to trust one another or a third party, thus making trading cryptocurrency safer as the funds and assets are controlled by the traders themselves.

3. Smart Trading™ System

STS consists of a suite of proprietary algorithmic trading strategies, portfolio management tools, and risk control methods to take advantage of the highly volatile crypto markets and to hedge the existing crypto holdings with both long and short positions.

The STS is available for qualified professional traders who want to take advantage of cryptocurrency trading markets and is offered to our institutional clients and through partnerships with broker-dealers in the US, Europe, Australia, and Asia.

We are in talks with several top-rated exchanges to integrate STS with their trading platforms to give their pro traders a comprehensive suite of trading strategy, portfolio management, and risk control tools.

Business Development

1. Strategic partnerships with industry leaders and notable institutional investors

IOB started building strategic partnerships and is currently in the advanced stage of negotiating investments by the industry leaders in IOB and its portfolio companies.

2. Re-Engagement of Wall Street

The founders of IOB came with extensive Wall Street experience. It was during the time and space away from it, IOB was born to disrupt the traditional finance industry.

Anticipating a sea change in the cryptocurrency market as the institutional investors are in the process of entering it, IOB management began:

- to prepare to open an IOB Wall Street office in Q4;
- to build alliance, cliental base with old Wall Street colleagues and friends;
- to learn the needs and pains of the institutional investors in the crypto market.

3. Engagement of Financial Auditor

Pharos Advisors was engaged as the financial auditor for SEC filing.

4. Yale ReiSoleil appointed as a Director of Business Development at Tokenise (<https://tokenise.io>)

"There's a healthy balance to be struck between innovation and regulation if the finance industry is to evolve. I believe the Tokenise proposition does just that. It combines the innovation of blockchain technology with regulations, backed by an FCA regulated parent company. Tokenise ticks all the boxes."
- Yale ReiSoleil.

Conferences & Meetups

- Yale ReiSoleil at the panel on Regulating Blockchain and Cryptocurrencies to Encourage Innovation and Confidence at Blockchain Summit Singapore on Aug 28th.
- Yale ReiSoleil attended Crypto Investment + ICO Summit in Sydney from Sept 6th to 7th. In addition to participating in the International Investors panel discussion, Mr. ReiSoleil delivered a keynote speech about Fintech in An Increasingly Complex Regulatory Environment, explaining how IOB embraces regulation under current circumstances.
- IOB held a seminar session in Shanghai on Aug 30th and Yale made a presentation regarding Trading Strategies & Fintech.
- Yale ReiSoleil delivered a speech on regulation at an event organized by WG20 on Aug 31st, the leading blockchain community in China.

Communications

- In order to help our investors and community members, Yale ReiSoleil started a blog series titled: "Trading Basics." Four lessons have been published.
- Ask Me Anything (AMA) sessions about IOB in WeChat group for China community.

Portfolio Companies & Partnerships

- IHT (i-House Token) was recently listed on the Bittrex and Korean-based UPbit cryptocurrency exchanges. Currently, IHT is listed on seven other exchanges: KuCoin, Gate.io, Coinw, LBank, HitBTC, CoinBene and CoinTiger.
 - XMC and Bitwork reached strategic partnership to accelerate community penetration and user development. Bitwork is a blockchain community-based in Hong Kong and provides leading enterprise-level blockchain services and solutions for existing industries in HK, such as banking, healthcare, education, and government departments.
 - Moolya launched their Private sale on Sept 1st, 2018. TheCurrencyAnalytics has entered into a \$500k worth mutual investment deal with Moolyacoins.
 - Kession Capital is took the next step within their set out course and started Tokenise. Tokenise is looking to lead a new era in token offerings by creating a platform for tokenized securities. By utilizing distributed ledger technology (DLT) and cryptocurrencies, Tokenise seeks to disrupt existing methodologies in equity crowdfunding, tokenized assets, funds, and securitization. The company will facilitate direct ownership into the tokenized securities, equity, and fractional ownership. Tokenise is a
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trading name of Kession Capital Limited (Kession), registered in England and Wales (Reg No. 07987057).

Behind the Original Estimate Guidelines

Filings of *Interactive Crypto Offerings* (ICOs)

A registered ICO is dependent on external regulatory approval. It is not possible to know exactly when it will be available, as this is highly dependent on local regulatory approval, which may vary widely by jurisdiction.

We expected to get the approval from SEC and BaFin in Q3 but the timeline had to be deferred to Q4. Fortunately, the filing process at BaFin is going according to plan based on the information we received from our lawyer in Germany.

Public Trading on Exchanges

The IOB Token is a security token and since there are no existing platforms to list security tokens yet we have to wait for this development in the market before we can be listed.