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ASX Announcement

Wednesday 22nd November 2017

Sales and Business Update

Highlights

- ✓ IOT have received NEW Purchase Orders and shipped a further 3,420 ROVA and AirSelfie Products to the US, Europe, Latin America and Australia.
- ✓ IOT is working with US Group Spring/Cities to build a comprehensive sales plan for 2018 including pipeline products.
- ✓ IOT has secured a \$500K invoice factoring facility.
- ✓ Latin America Payment Terms are cash in advance of delivery allowing IOT to benefit from firm cash receipts from Q4 and beyond.
- ✓ Amazon and Best Buy have, in addition to the ROVA, approved the AirSelfie to be ranged – Purchase Orders are imminent for pre-Christmas delivery.
- ✓ IOT and AirSelfie Holdings continue to work through due-diligence. The planned December Capital Raise has been cancelled.

Background

The IOT Group Limited (ASX: IOT) (“IOT Group” or “the Company”) is pleased to advise of the following major highlights:

- In the last two weeks, IOT have received Purchase Orders and shipped a total of 3,420 ROVA and AirSelfie Products to retailers and distributors in the US, Europe, Latin America and Australia. In addition to this amount, further purchase re-orders are being processed for the major retailers in the US in the lead up for Christmas. Shareholders will be advised when these Purchase Orders have been received.
- IOT is working with US Sales accelerator Spring/Cities to work up a comprehensive sales plan to take advantage of all major calendar sales events in 2018. Other markets including Latin America, Europe, United Kingdom and Australasia are planned to deliver further sales for both the ROVA and AirSelfie range of products.
- IOT have secured a Factoring Facility in an amount of \$500K to factor invoices to assist the business in providing further purchasing power, thereby reducing the need to raise capital for inventory purchases. IOT are looking to build on this facility and others, on similar terms, to minimise shareholder dilution.

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- IOT have negotiated PAYMENT TERMS with Latin America Distributors to advance cash in advance of shipping. This will also bolster IOT's cash flow in Q4 and beyond.
- Amazon and Best Buy have confirmed they will be ranging AirSelfie prior to Christmas along with ROVA. Best Buy and Amazon are the leaders in Drone Sales in the USA. Payment Terms for both groups are 30 days from delivery.
- IOT are in the due-diligence process with AirSelfie Holdings – Contracts are being finalised and the previously announced December Capital Raise has been cancelled. Further information once available will be released to the markets. There is no planned Capital Raise for this transaction.

Commentary

Executive Director of IOT Group, Mr. Sean Neylon comments:

"The IOT Group has now turned the corner and we are really starting to see the results of the growing distribution Channels in North America, Latin America, Australasia, Europe and specifically the United Kingdom. Sales are increasing steadily with further territories to be opened in 2018. The product pipeline for 2018 looks very exciting and we look forward to revealing more in early 2018. The pipeline launch begins at the Consumer Electronics Show in Las Vegas USA in January 2018"

About IOT Group Limited



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Website: www.theiotgroup.com

IOT Group has tapped into global niche markets by adapting and enhancing existing trend products and making them more affordable, useful and innovative for consumers, in particular, the IOT Group is designing and developing a range of drones that looks to create a new category in the retail drones space.

Company Information

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

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

Investor Enquiries: investors@theiotgroup.com

All references to IOT Group includes its subsidiaries.

Forward Looking Statements

All statements other than statements of historical fact including, without limitation, statements regarding projections, plans and objectives of IOT Group, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘in principle’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of IOT Group that could cause IOT Group’s actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by these forward-looking statements will actually occur and investors are cautioned not to place any reliance on these forward-looking statements.

IOT Group does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained above, except where required by applicable law and securities exchange listing requirements.

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