

3rd October 2017
ASX Announcement

South America / Latin America Distribution for IOT Group

1. Highlights

- ✓ IOT has signed an agreement with Maximum Export Import (MEI) (www.maximumexportimport.com) to manage IOT's Sales representation and distributors in Latin America – the territories include Mexico, Argentina, Brazil and Chile.
- ✓ Latin America has an estimated population of over 600 million people with more than 200 million smartphone users, close to 385 million Internet users and over 250 million Facebook users. *
- ✓ IOT expects immediate Sales of the ROVA and AirSelfie, with deliveries in time for the Holiday Season 2017.
- ✓ Besides the typical “Bricks and Mortar” retailers, Latin America has a growing number of online retailers that sell consumer electronics products allowing for immediate penetration into the Latin American market.

2. Background

The IOT Group Limited (ASX: IOT) (“IOT Group” or “the Company”) has signed an agreement with one of Latin America's better consumer electronic sales representative companies - Maximum Export Import LLC (“MEI”) to manage the market development of the Company's ROVA Selfie Drone and AirSelfie products in Latin America.

MEI is a group of industry veterans with consumer electronics, manufacturer and retail background, who, in partnership with select distributors, import and distribute Consumer Electronics products to major Latin American countries including Argentina, Brazil, Chile and Mexico.

MEI is led by Mr. Jan-luc Blakborn, who's background is in business development and International P&L management for Philips, Compaq, HP and Sonos.

Latin America is a fast growing consumer electronics market. With a growing middle class in all major markets, Latin America is becoming an increasingly popular growth market for producers of consumer electronics devices, household appliances, new (online) media services, etc.

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Latam CE Market Opportunity



LATAM CE market:
\$80-100 bn USD (8%)

NA CE market:
\$225 bn USD (22%)

WW CE market:
\$1,000 bn USD

BRZ	203	\$15,200	284.2	109.8	64.8
MEX	120	\$17,900	101.3	52.3	40.2
COL	46	\$13,500	49.1	28.5	17.5
CHI	17	\$23,200	21.0	11.5	9.6
PER	30	\$12,000	33.0	11.8	9.9
ARG	43	\$22,100	56.7	32.2	20.6
VEN	29	\$17,900	12.9	12.9	9.8
ROLA	105	\$13,000	65.8	37.1	22.8
LATAM	594	\$15,465	643.1	296.1	195.2
USA	319	\$54,800	327.6	277.2	163.8

Quantities in millions, amounts in USD – population, GDP/capita, mobile phones, internet users, facebook users



Key Latin American Market elements: *

- Growth of **middle class** – tens of millions of “new” consumers added
- Strong **urbanization** – top of markets concentrated in ±10 mega cities
- **Young** population (±45% <25 yrs.) – Millennials are key (influential) consumers
- High penetration of **mobile phones** (>100%) – the (smart) phone is becoming “everything”
- Smartphone penetration is around 50% - huge upside potential for “attach” products
- High growth of **mobile broadband** – service providers key suppliers in B2C space
- Over-indexing in use of **social media** (Facebook: >250M) – talk direct to end user!
- **Health** (obesity + growing elderly) becoming issue/concern = opportunity
- **Online consumption** of services (music, video) increasing fast (Netflix, Spotify)
- **Online retail** growing fast (but from small base) – Brazil leads, rest follows
- Latin America will see **>200M of new smartphone users** in coming years

About Maximum Export Import (MEI):

MEI provides Product Sales Representation. Through recent years MEI has built a network of connections with major retail partners and distributors in the various consumer electronics, consumer IT and consumer appliances markets. MEI has an experienced sales force with deep connections, account management experience, and coverage in all the major Latin America markets. www.maximumexportimport.com

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3. Commentary

Managing Partner of MEI, Mr. Jan-luc Blakborn comments:

"The AirSelfie and Rova Selfie Camera are unique consumer electronic products that will suit the social aspects and interests of the Latin American lifestyle. Latin America has over 600 million people that are very social, love sport, entertainment and love to take Selfies. At this stage, the AirSelfie and Rova Selfie Camera are a category of their own, being a device that can take Selfies. The IOT range of Selfie Camera Products will have the "First to Market Advantage" in this NEW Selfie Category. MEI believes that these Products will be well received by Latin American retailers and consumers."

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

"IOT has engaged one of the best Consumer Electronics representative companies in Latin America to represent its Products. The Consumer Electronics experience within MEI will deliver immediate Sales to IOT. The Selfie Camera market should fit well with the social lifestyle of the Latin American people. IOT now has sales representation in North America and Latin America selling IOT Products in Q4 - 2017 and into 2018 and beyond. The IOT Board believes it will see improved sales results from this engagement. Having very experienced teams in Latin America and North America is an enormous achievement for IOT heading into Q4 festive season and Christmas. These engagements will result in healthy Sales for IOT."

* (MEI estimates based eMarketer and Internetworldstats.com)

About IOT Group Limited



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

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

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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, future 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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