

ASX Announcement

4th December 2018

IOT secures an Internet of Things Pool Chemistry Analyzer for Australia and New Zealand

The IOT Group Limited (ASX: IOT) ("IOT" or "the Company") is pleased to announce that it has entered into a Contract, subject to Shareholder approval, to acquire the intellectual property ("IP") rights to the design and development of an Internet of Things Pool Chemistry Analyzer ("Analyzer") in Australia and New Zealand. The Analyzer is a water proof water chemistry device that monitors the health of water in swimming pools and hot tubs.

The Analyzer connects to the Netobjex platform and is controlled by a mobile app. It constantly monitors the water chemistry in the owners' pool and/or hot tub and sends alerts when the chemistry levels are becoming unsafe. The NetObjex platform forecasts the required chemicals to correct the unsafe chemistry levels based on data collected from the Analyzer, geography, water volume and weather conditions. The owner, or pool technician, can then seamlessly order the prescribed chemicals, or subscribe to a regular delivery, all through the mobile app.

IOT expects the acquisition will deliver significant revenues to the Company in its core business area. Research firm IBISWorld had the pool and hot tub industry valued at \$658 million in 2017 and Australia boasts 1.2 million household swimming pools; the world's highest per capita rate of pool ownership.¹

IOT expects to sell the Analyzer online and through specialist retailers and pool wholesalers. Revenues generated from this acquisition will be not only from sales of the Analyzer but IOT also expects to receive a percentage of the pool service and supplies revenues from local pool service providers. It also expects to generate revenues from information sharing and advertising on the mobile app by pool chemical and supply operators.

Subject to Shareholder approval, IOT will issue 50,000,000 shares to purchase the Analyzer IP. It will also issue 50,000,000 Performance Rights that vest on achievement of AUD\$2M in revenue in the period ending 31 December 2020. IOT will be seeking Shareholder approval for the issue of shares and Rights to consummate the purchase of the Analyzer at a General Meeting to be called for Q1 of 2019.

Commentary

General Manager of IOT Group Limited, Mark Roper comments:

"IOT is delighted to have a ground breaking IOT smart water chemistry device and to build on its IP. IOT expects to beta test the platform with NetObjex in Q1 2019 and commercially launch pre-sales in Q2 2019. The group expects revenues with trailing incomes from the subscription service in Q3 2019"

A summary of the agreement is contained in the Annexure to this announcement.



EVERYTHING IS CONNECTED

Website: 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
Elissa Hansen	Company Secretary
Mark Roper	General Manager

Investor Enquiries: investors@theiotgroup.com

All references to IOT Group includes its subsidiaries and Companies it controls.

¹. see <https://www.businessbuyinvest.com/demand-in-the-pool-industry-is-going-from-strength-to-strength/>

Annexure

The following information is provided in relation to the Contract:

- Parties to the Contract are IOT Group Limited (ACN: 140 475 921) and Old Beams Limited of 130 Old Street London EC1V 9BD United Kingdom.
- There are no conditions precedent.
- Old Beams owns Pool Buddy, the Internet of Things Pool Chemistry Analyzer, including all Rights, IP Rights, Branding Rights and App Rights.
- IOT has agreed, subject to shareholder approval, to purchase all the Rights, IP Rights, Branding Rights and App Rights of the Internet of Things Pool Chemistry Analyzer.
- Subject to Shareholder approval, IOT will issue Old Beams Limited 50,000,000 fully paid ordinary IOT Shares in consideration for the purchase of the Internet of Things Pool Chemistry Analyzer. Subject to Shareholder approval, IOT will also issue Old Beams Limited 50,000,000 Performance Rights. The Performance Rights will vest on achievement of revenues of \$2M from the Analyzer business in the period to 31 December 2020 and, once vested will convert into fully paid ordinary shares on a one for one basis.



Figure 1: The Internet of Things Pool Chemistry Analyzer