

IOT GROUP LIMITED and its controlled entities

Appendix 4E Preliminary Final Report Information

Results for announcement to the market

	2016 \$	2015 \$	%
Revenue from Ordinary activities	251,406	-	100%
Total Revenue	260,788	779	33,377%
Loss from ordinary activities after tax attributable to members	(15,042,200)	(1,240,076)	1,113%
Net loss attributable to members	(15,042,200)	(1,240,076)	1,113%
Diluted earnings per share (cents)	(2.66)	(0.48)	454%

The Company is focused on growing its revenue from its drone business and with a number of strategic initiatives is likely lead to a significant increase in revenue for 2017. The company refocused on the core business of marketing the IOT Group's range of world leading selfie drones and cameras, developed and implemented a go-to-market strategy and an aggressive sales program. In addition, the Company made several corporate, strategic and operational decisions to improve future profitability during 2016.

During the period, the company discontinued operations in its non-core businesses of OTT Premium, InterVision and OK Smartwatches to focus entirely on scaling up the drone business and delivering sales. Staff numbers were halved and operating costs significantly reduced.

Goodwill and Intellectual Property associated with these businesses and previously capitalised were written off. The decision was also taken to write off the Goodwill acquired in the reverse acquisition by Ardent Resources Limited of OK IOT Group Pty Ltd as well as all Research and Development expenditure incurred to date including those costs previously capitalised.

Impairment of these Intangibles contributed \$4,324,200 (29%) to the net loss of the company for the year ended 31 December 2016. The write off of all Intangible assets is consistent with the company's decision to refocus the business to fast track revenues in 2017 and start the year with a clean balance sheet.

The Company does not propose to pay a dividend.

The further information required by the Listing Rule 4.3A is included in the accompanying Financial Report.

Scott Brown
 Chairman
 28 February 2017