

ASX Announcement

Monday 19 June 2017

SUCCESSFUL EQUITY RAISING

1. Highlights

- IOT has successfully completed a \$850,000 equity raising to fund inventory/order flow
- ALL subscribers are existing IOT shareholders, with the exception of one North American fund manager
- IOT has received a number of repeat Purchase Orders as test orders are converted into real store rollout

2. Equity Raising

The IOT Group Limited (ASX: IOT) (“IOT” or “the Company”) has agreed to place up to 71 million new fully paid ordinary class shares at 1.2 cents per share to sophisticated and institutional investors to raise approximately \$850,000. The new shares are on the same terms and conditions to existing fully paid ordinary class shares and will be issued under the Company’s ASX Listing Rule 7.1 Placement Capacity.

APP Securities acted as Lead Manager for the equity raising.

To ensure certainty of funding for any large near term Purchase Order(s) the Company considered a “bridging” equity raising was necessary as an interim measure while appropriate trade finance or other finance is secured to fund further orders.

IOT currently has 1,700 ROVA units in inventory and has placed a deposit of \$450,000 for 15,000 units of AirSelfie, this level is likely to be insufficient to meet the anticipated orders from existing clients over the short to medium term.

3. Commentary

Executive Director of IOT Group, Mr. Ian Duffell commented:

“The support of our existing shareholders to fund the next stage of IOT’s growth plans is greatly appreciated.

The Company have been working toward a trade finance solution for a number of weeks. In the absence of a finalised and appropriate facility we felt it necessary to have a capital buffer in order to maximise current and potential order flow. We would have preferred to have done the raising at a higher price in better market conditions, however we took the decision that certainty of funding for purchase orders in the short term was vital. Furthermore, as far as possible, we have sought to ensure that the placement was only to existing shareholders.”

“When combined with the changes announced in the Operational Update, the Directors believe that IOT is well positioned going into the third quarter, the Christmas ordering period, that will go a long way toward shaping our future and delivering on the turnaround strategy put in place in November 2016 ”

About IOT Group Limited

www.theiotgroup.com



(Internet of Things)

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 complete 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

Scott Brown	Non-executive Chairman
Tod McGrouther	Non-executive Director
Ian Duffell	Executive Director
Ron Hollands	Company Secretary

Investor Enquiries: investors@iotgroup.com.au

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.