

ASX Announcement

13 July 2017

AIR SELFIE UPDATE

1. Highlights

- First AEE produced AirSelfies tested and shipped
- Units to be sent to major retailers for final review

2. Background

The Air Selfie was originally funded via Kick-Starter and the manufacture of these orders was through a non-specialist factory in Shanghai.

Since the beginning of this year AirSelfie have conducted an extensive search for a specialist drone and camera manufacturer to produce this intricate and unique product. It was also important that this new manufacturer had sufficient capacity to supply the anticipated demand for AirSelfie.



AEE was chosen, as the best specialty manufacturer for AirSelfie. In April 2017 The IOT Group secured distribution rights for the AirSelfie to the USA and Australia. IOT's extensive distribution agreements with US "Big Box" retailers offers AirSelfie a potential pipeline of up to 20,000 retail outlets across the USA.

3. Product Quality

In the period since winning the right to manufacture AirSelfies, AEE has been working towards improved build quality, camera quality and software to a level it is satisfied will exceed consumer expectations. This has involved upgrading a number of the AirSelfie's components plus rigorous in-field testing. The product comes complete with new IOT designed packaging (pictured on the previous page).

AEE and The IOT Group are pleased to announce that the testing process has achieved its goals and have now satisfied themselves as to Product Quality. This week AEE have completed their very first production run of AirSelfies.

IOT believes that this upgraded AirSelfie product will be of superior quality to similar products currently in the market place. These first production line units are currently being shipped and will go out to the IOT retail accounts and groups that have expressed interest which include:

- Apple
- B&H Photo
- Bed, Bath & Beyond
- Best Buy
- Brightstar
- Brookstone
- Sam's Club
- Telstra
- T-Mobile
- Toys'R Us
- Walmart
- Winit Distributers

4. Commentary

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

"This is a key milestone in the sales process and has been achieved in good time to allow retailers to review the quality of the production line units in time for the Christmas ordering period. We are pleased with the quality improvements AEE have made and feel confident it will be well received by the retail buyers."

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

Any reference to IOT Group or IOT or the Company covers and includes IoT Group Limited and all subsidiaries.

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.