

ASX Announcement

13 July 2017

AIR SELFIE UPDATE

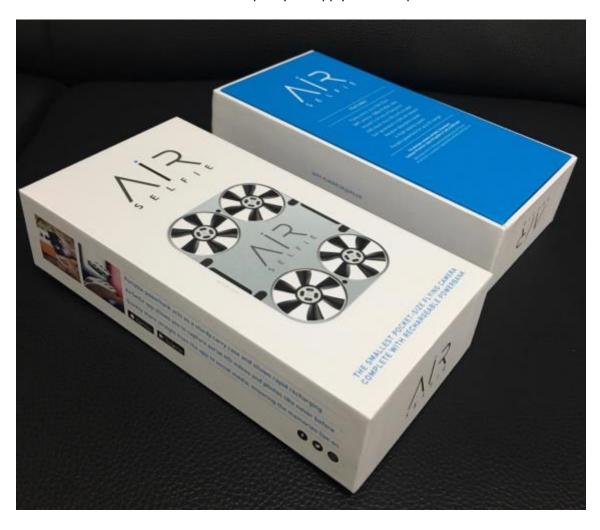
1. Highlights

- 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 infield 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
- Wynit 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



(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

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Forward Looking Statements

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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.

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