

ASX Announcement
24 July 2017

OPERATIONAL UPDATE

1. Highlights

- ✓ IOT has received interest from a number of new large US retailers in carrying Rova including
 - Bloomingdale's;
 - Toys R Us;
 - JC Penny's; and
 - T-Mobile
- ✓ The first Air Selfie units have arrived in United States;
- ✓ Discussions underway for sales of Air Selfie with one of largest US shopping channels; and
- ✓ Both the Rova and Air Selfie are presenting to 100 national and independent retailers at Outdoor Show in late July 2017.

2. Rova

The IOT Group ("IOT") is pleased to advise that it has received expressions of interest from a number of large US retailers to stock Rova.

Rova is currently stocked by Bed Bath and Beyond, Best Buy US and Canada, T-mobile flagship stores, Brookstone, Amazon, B&H and Hammacher Schlemmer. Purchase Orders for over 2,600 Rova units have been received and delivered into. As previously advised, IOT sees these initial orders as trials. The next 2-3 month should see IOT re-fill those Purchase Orders with larger greater quantities.

A summary of the discussions new major retailers regarding Rova sales is as follows

- Bloomingdales has committed to all stores for September
 - Purchase Order expected in August;
 - Rova is expected to be featured in their 2017 Holiday Gift Book;
- Toys R Us
 - Potential for Rova to be in stores in October 2017
 - Purchase Order expected in August.
- JC Penny's
 - Purchase Order expected in August.
 - Expected to be available in stores from October 2017
- T-Mobile
 - An update from a previous announcement, T-Mobile is testing Rova in August in Flagship stores: Time Square (NY), Miami (FL), Santa Monica (CA) and Chicago (IL)
 - Subject to results expect to expand distribution in 4Q 2017

3. Air Selfie

Sales of the Air Selfie product have been limited by not having sufficient stock to allow trials with retailers. The first AEE manufactured Air Selfies arrived last week.

IOT's US management team has developed a comprehensive marketing plan for the Air Selfie. In addition to the sales network established for the Rova, IOT has been in discussions involving the potential to distribute via one of the largest US home shopping channels.

4. Outdoor Retailer

Both the Rova and the Air Selfie are being presented to independent retailers at the Outdoor Retailer Show (www.outdoorretailer.com) in Utah over the 26-29 July period.

The Trade Show is the largest for the Outdoor Community in the United States. Over a four day period it has representatives attending from nearly all of the major US independent retailers. For IOT this will be the first time its products have been chosen to feature at the show.

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

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Scott Brown	Non-executive Chairman
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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.

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