

ASX Announcement

Thursday 9th November 2017

POTENTIAL ACQUISITION OF AIRSELFIE

IOT Group Limited (ASX: IOT) (“IOT” or “the Company”) is pleased to announce that it has signed a binding Term Sheet with the major shareholder of AirSelfie Holdings Limited (**ASH**) with the intention of enabling IOT to acquire up to 100% of ASH. As previously announced, IOT currently has the “AirSelfie” flying camera distribution rights. This is a strategic move for IOT to own the intellectual property of a key product that it distributes. In addition to owning the intellectual property in the AirSelfie, ASH is also developing other related products.

Completion of a transaction is subject to a number of conditions, including:

- IOT completing due diligence on ASH to the satisfaction of IOT;
- ASH completing due diligence on IOT;
- the parties obtaining any necessary regulatory approvals; and
- execution of definitive transaction documents by all ASH shareholders.

In addition, IOT intends to seek shareholder approval for the proposed transaction.

The proposed transaction is structured in three stages, as follows:

- stage one will give IOT a call option, exercisable in late 2017 or early 2018, to acquire 33.33% of ASH shares in exchange for US\$1 million and 100,000,000 IOT shares;
- stage two will give IOT a call option, exercisable no earlier than 31 March 2018, to acquire an additional 33.33% of ASH shares in exchange for US\$4 million and 50,000,000 IOT shares; and
- stage three will give IOT a call option, exercisable in February 2019, to acquire the remaining 33.34% of ASH shares in exchange for US\$10 million and 50,000,000 IOT shares.

IOT will also commit to providing working capital to ASH, which is expected to be approximately US\$7 million during 2018.

IOT Senior Executives have been working on signing what they believe is the most strategic deal IOT could do within the Selfie Camera market. IOT Executives wish to dominate this exciting new product category globally by owning the intellectual property in one of the most compelling flying Selfie Cameras in the World.

Commentary

Executive Director of IOT Group, Mr. Sean Neylon comments:

“This potential acquisition would extend IOT Group’s distribution rights in respect of the AirSelfie to all territories worldwide. We are now in the process of receiving sales commitments from South America/Latin America, USA, Australasia and Europe. AirSelfie has sold over 15,000 units to date and is gaining global demand.’

About IOT Group Limited



EVERYTHING IS CONNECTED

Website: www.theiotgroup.com

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 flying Selfie Cameras that look to create a new category in retail.

Company Information

IoT Group Limited (ABN 66 140 475 921)
Level 9, 100 William Street
EAST SYDNEY NSW 2011

Sean Neylon	Executive Director
John Forder	Non-Executive Director
Steven Kayalicos	Non-Executive Director
Ron Hollands	Company Secretary

Investor Enquiries: investors@theiotgroup.com
All references to IOT Group includes its subsidiaries.

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.