

## ASX Announcement

### IOT Group Ramps Up Drone Sales & Marketing and Streamlines Operations to Drive Growth

- Pursuing consumer and commercial sales inquiries for Roam-e and facial recognition and tracking software
- US Distribution Partner presents Roam-e to 30 US agents and buyers
- IOT Group to close OTT Premium business and OK Smartwatches to focus entirely on scaling up drone business and delivering sales
- Closure of non-core operations to reduce monthly cash burn
- Significant drone sales expected first quarter of calendar 2017

**Sydney, Monday November 14th 2016**, IOT Group (ASX: IOT) (**IOT Group**) is pleased to provide this update to shareholders on its immediate sales and marketing activities for its Roam-e 'flying selfie' drone product, its other drone products including its proprietary facial recognition software, and its intention to close non-core divisions to focus entirely on the near-term revenue generating opportunities of its range of drone products and software.

IOT Group is now fully focused on marketing its range of world leading drone products manufactured in conjunction with AEE which incorporate the IOT Group Patent Pending facial recognition and tracking software (branded "Agnosco").

Based on the growing level of inquiry globally, IOT Group believes there is considerable potential for the sale of the Roam-e product and IOT Group's facial recognition and tracking software to both consumer and commercial customers throughout the world.

IOT Group's marketing team are finalising websites, packaging and branding for the Roam-e and other drones for sales presentations early next month.

On 5 December, our US distribution partner is presenting to over 30 agents and buyers to start the sales/order process in the US. These presentations will take the team across the US and will last for over 60 days to build the order book for delivery Q2 onwards of 2017. A similar process will occur in Australia, Japan and Europe to establish orders for all the IOT Group drone products.

IOT Group's focus is now firmly on sales of all of its range of drone products including the ROAM-e. Our global partners will be selling these products from December onwards to develop sales and therefore revenue for IOT Group.

#### **Discontinuation of non-core activities**

As a result of this focused approach on its drone business, IOT Group will close, reduce or disengage non-core businesses. This will reduce costs and focus senior management to achieve their goals without distraction. IOT Group will close OTT Premium including Intervision. Negotiations with

Xstream have ceased and the demerger has been cancelled. The OK Smartwatches business will also be wound down.

### **Financial Impact**

It is anticipated that this refocus of the IOT Group core business will result in a significant reduction in the operating costs. Whilst it is difficult to predict sales of drone products in the short term, IOT Group is confident that significant sales of drone products will occur from the start of the first quarter CY 2017.

The range of IOT Group drones to be immediately marketed through our distribution channels comprises:

### **ROAM-e**

ROAM-e is a flying camera with in-built smart facial recognition technology that truly follows you. With its light, compact and easy to carry design including collapsible blades, ROAM-e is the perfect companion no matter the occasion. The action is always captured in real time with its high definition camera and can be streamed straight to your social media accounts. Powered by Agnosco. ROAM-e's smart low battery detection technology means that it will automatically land itself before the battery is depleted.



### **ROVA**

Light, compact and full of features, when launched from your hand the Rova is the next level of drone innovation. Its durable carbon fibre shell allows Rova take on any adventure you throw at it, while capturing it all on its high definition camera. Innovative safety technology ensures worry-free indoor and outdoor flight. The Rova will fly back to your hand once the battery is depleted.



### **The VECTA ADVANCED**

Boasting an impressive camera, 500m communication range and 3 interchangeable flight modes, the Vecta Advanced puts the action under your control. The 3-Axis Gimbal with 4K Camera allows for unprecedented video footage and photos, with three camera modes, 10x digital zoom and stabilized videos with Vertical Tilt Movement.



### **THE VECTA ELITE**

For those who value precision flying as well as high quality video capabilities, the Vecta Elite delivers a unique experience tailor made for the seasoned drone enthusiast. It's one push launch combined with fast ascent speed means you can quickly line up and get the perfect high definition shot every time, while it's 500m communication range lets you explore your surroundings from a unique vantage point, all recorded by the 3-Axis Gimbal with 4K Camera.



### **Facial Recognition Technology - Agnosco**

IOT Group is continuing to develop and refine Agnosco – our facial recognition and tracking software. Agnosco takes vision systems to a new level. Using 68 facial landmarks, Agnosco can not only detect, recognise and track a person's face, but can also estimate their 3D facial pose. Agnosco is a bespoke software solution for any situation where a person needs to be identified and tracked for an action to be performed.

Agnosco has a wide variety of applications, including:

- Drone technology;
- Biometric security systems;
- Human computer interaction;
- Gesture recognition; and
- Advanced Driver Assistance Systems (ADAS).

IOT Group has already filed six Australian provisional patent applications relating to various aspects of its ROAM-e technology, including its Agnosco facial recognition and tracking system. These provisional applications secure an internationally recognized priority date and reserve a patent position across all key global markets, including the US and Japan, for the next year.

IOT Group believe we can specialize and become a driving force in the facial recognition and tracking software not only for drones, but for other IOT Group solutions. The uses for Agnosco facial recognition and tracking software is vast including opportunities in home automation, security, banking, safety, education, industrial and commercial use and much more.

### **Relationship with AEE**

AEE is one of the largest manufacturers and developers of drone products in the world. IOT Group has an arrangement with AEE to jointly market the AEE range of drone products incorporating the Agnosco facial recognition software. AEE and IOT Group will co-operate on current AEE drones and will develop and invent new Drones and technology. IOT Group intend to rebrand, develop and ramp up the sales and marketing distribution of the AEE/IOT Group's drones. Our distribution agreement with AEE allows us to be in a competitive position in the global drone's space.

IOT Group currently have technical staff at AEE in China working closely with the AEE software engineers to integrate the Agnosco software into the ROAM-e and our other drones and to finalise testing of the product. In parallel, IOT Group have a technical team in Sydney finalising the testing of the ROAM-e so both teams can finalise the Roam-e for the upcoming sales presentations.

All references to IOT group covers and extends to include wholly owned subsidiaries.

### **About IOT Group Limited**

[www.theiotgroup.com](http://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. The IOT Group is designing and developing a range of drones including ROAM-e, our flying selfie drone, facial recognition and tracking software and much more; as we look to create a complete IoT ecosystem.*



*Utilising industry specific innovation and our own technology, we've created the first facial recognition flying selfie device operated through smartphones and vision control systems, called ROAM-e. With unique follow me truly functionality, a flight time of up to 20 minutes and the capacity to charge in just two hours! You will always capture perfectly uninterrupted panoramic shots with ROAM-e's 360 degree 1080p HD camera. And you will never miss a moment with ROAM-e's live streaming capabilities, so the action is always in real time whenever, where ever. ROAM-e is your personal companion who will always be within 5m of you, so you never have to worry about invading anyone's personal space. Built with the world's first dual-axis collapsible blades means that ROAM-e's light, compact and easy to carry and ready for any occasion but most importantly not weigh you down. Selfies have reached new heights!*

### **Company Information**

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