Appendix 4D
Half-Year Report

1. Company Details

Name of entity

IOT Group Limited

ABN or equivalent company reference	Financial half year ended ('current period')	Financial half year ended ('previous period')
66 140 475 921	**30 June 2016**	**30 June 2015**

2. Results for announcement to the market.
The information in this report should be read in conjunction with the 30 June 2016 Half-Year Financial Report.

ASX Listing Rules Ref		**2016 A$**	**2015 A$**	**% Change**
2.1	**Revenue from ordinary activities**	**277,356**	-	NA
2.2	**Profit/(Loss) from ordinary activities after tax attributable to members**	**(3,595,566)**	-	NA
2.3	**Net Profit/(Loss) for the period attributable to members**	**(3,595,566)**	-	NA
2.4	**Dividends (distributions)**	Amount per security		Unfranked amount per security
	Unfranked dividend amount per security			
	Final Dividend	**Nil**		Nil
	Previous corresponding period	**Nil**		Nil
	Interim Dividend	**Nil**		Nil
	Previous corresponding period	**Nil**		Nil

2.5	**Record date for Interim dividend** Interim dividend payment dates	Not Applicable Not Applicable
2.6	**A brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood.** - Due to Australian Accounting Standards, the reverse acquisition that occurred resulted in IOT Group Limited (Formally Ardent Resources Limited), the legal parent, being treated as the accounting subsidiary. As a result. IOT Pty Ltd, the legal subsidiary, has been treated as the accounting parent. Therefore, comparative figures of OK IOT Pty Ltd have been used for comparison purposes which had no operating activity prior to 1 July 2015.	

3.	**Net Tangible Assets per security** Net Tangible Assets per security			**$0.002**	($0.004)
4.	**Details of entities over which control has been gained or lost during the period**				
4.1	**Name of Entity**	**Date Control Gained**	**Where material, the contribution of such entities to the reporting entity's profit from ordinary activities during the period and for the whole of the previous corresponding period**	**Where material, the profit or loss of each entities during the whole of the previous corresponding period**	
	OK IOT Group Pty Ltd	18 March 2016	30 June 2016: Loss of $3,360,517 30 June 2015: $NIL	$Nil	
	The Supply Centre Pty Ltd	18 March 2016	NA	$Nil	
	IOT Group Technology Pty Ltd	18 March 2016	NA	$Nil	
	OTT Premium Pty Ltd	18 March 2016	NA	$Nil	
	Intervision Direct Pty Ltd	18 March 2016	30 June 2016: Loss of $235,049 30 June 2015: $NIL	$Nil	
	IOT Group USA LLC	24 June 2016	NA	$Nil	

5.	**Details of Dividends**		
		2015 A$	2014 A$
	Interim Dividend	Nil	Nil
6.	**Dividend or Distribution reinvestment plans** There are no dividend or distribution reinvestment plans in operation.		
7.	**Associates and joint venture entities** There are no associates or relevant joint ventures.		
8.	**Foreign Entity accounting standards** Not applicable		

9. Audit Statement

This report is based on accounts to which one of the following applies.
(Tick one)

☐ The accounts have been audited.

☒ The accounts have been subject to review.

☐ The accounts are in the process of being audited or subject to review.

☐ The accounts have *not* yet been audited or reviewed.

Sign here: .... Date: 31 August 2016
(Director)

IOT Group Limited

(Formally Ardent Resources Limited)
ABN 66 140 475 921
and Controlled Entities

Half Year Financial Report

For the half-year ended 30 June 2016

IOT Group Limited

ABN 66 140 475 921
and Controlled Entities

Contents

Financial Report

Directors report for the half year ended 30 June 2016

Your directors present their report together with the Half Year Financial Statements of IOT Group Limited and controlled entities ('the Group') for the half year ended 30 June 2016.

Directors
The names of the directors in office during and since the end of the financial period, unless otherwise stated, are as follows:

Mr Scott Brown
Mr Ian Duffell
Mr Simon Kantor
Mr Nigel Harvey (Appointed 19 August 2016)

Review and results of operations and financial position
During the half year, the Company completed the acquisition of OK IOT Group Pty. Ltd (IOT) and changed its name to IOT Group Limited. The Company is involved with developing of technology and consumer products in the "internet of things" industry and delivers internet protocol television (IPTV) services.

On 15 January 2016, the Company held a general meeting where all resolutions authorising the transaction with IOT including changing the Company's name to IOT Group Limited, were overwhelming passed. After delays with the Company receiving conditional approval to have its shares re-listed on the ASX, the Company issued the following shares during half:

- Share Placement (to sophisticated and professional investors) 156,250,000 fully paid ordinary shares
- Public Offer (pursuant to the Replacement Prospectus dated 11 January 2016) 15,298,638 fully paid ordinary shares
- IOT Vendor Placement (to certain OK IOT Group Pty Ltd (IOT) vendors) 21,071,429 fully paid ordinary shares
- Lead Manager Shares (to PAC Partners Pty Ltd) 937,500 fully paid ordinary shares
- Consideration Shares (to IOT vendors) 257,900,964 fully paid ordinary shares (restricted securities)
- Options (to IOT option holders) 7,526,293 unlisted options 52,684,049 unlisted options (restricted securities)
- Consideration shares (to distributors and vendors) 10,250,000 fully paid ordinary shares

The IOT Group Sales team have been working on seeking the strongest distribution channels and relationships in the United States, Canada, Mexico, Japan, Australia and the United Kingdom.

The IOT Marketing team have been developing Product packaging and point of sales materials in different languages and are preparing them for mass global distribution. They have also prepared an outstanding PR and marketing program for the release of the upcoming products.

The technical team have been working solidly on designing, programming and developing the OK Watches and the Roam-e both here in Australia at the development lab at the IOT Office in Sydney and at the IOT production facility in China.

The Company also has resourced up with high quality, experienced people in the technical, marketing, product management, logistical and financial departments.

The Company recorded a consolidated loss of $3,595,566 for the period ended 30 June 2016.

Subsequent events
On the 6th of July IOT Group Limited completed a capital raising of $11.975 million via private placement to professional and sophisticated investors. As a result, 171,074,680 ordinary class shares were issued.

On the 9th of August 2016, a payment of $656,474 was made for an initial production run of the ROAM-e and related costs including tooling, mold confirmation, testing and quality control. This production run is not intended for sale to the public.

On the 19th of August 2016, Nigel Harvey was appointed as an Independent, Non-Executive Director and was issued with 7,500,000 options over ordinary class shares prior to being appointed as an Independent, Non-Executive Director.

Auditors' independence declaration
The lead auditors' independence declaration in accordance with section 307C of the Corporations Act 2001, for the period ended 30 June 2016 has been received and can be found on page 5.

Signed in accordance with a resolution of the Board of Directors

Scott Brown
Director

Dated this 31st day of August 2016

A D Danieli Audit Pty Ltd

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Audit & Assurance Services

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF IOT GROUP LIMITED (FORMALLY ARDENT RESOURCES LIMITED)
A.B.N 66 140 475 921
AND CONTROLLED ENTITIES

I declare that, to the best of our knowledge and belief during the half-year ended 30 June 2016, there have been:

i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

A D DANIELI AUDIT PTY LTD

Sam Danieli
Director

Sydney, 31st August 2016

IOT GROUP LIMITED
ABN 66 140 475 921
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Notes	Consolidated Half Year Ended 30 June 2016 $
Revenue	2	277,356
Cost of goods sold		(234,758)
Gross profit		42,598
Other income	2	19,600
Depreciation		(35,018)
Employee benefits		(1,174,197)
Finance costs		(11,817)
Amortisation		(174,774)
Professional fees		(294,076)
Sales and marketing		(1,618,591)
Travel		(105,409)
Other expenses from ordinary activities		(243,882)
Profit/(Loss) before income tax		(3,595,566)
Income tax expense		-
Profit/(Loss) for the period		(3,595,566)
Other comprehensive Income for the period		-
Total comprehensive Income for the period		(3,595,566)
Earnings per share		
From continuing and discontinued operations:		
- Basic loss per share (cents)	11	(0.87)
- Diluted loss per share (cents)	11	(0.87)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

IOT GROUP LIMITED
ABN 66 140 475 921
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Notes	Consolidated As at 30 June 2016 $	Consolidated As at 31 Dec 2015 $
Current assets			
Cash & cash equivalents		1,895,011	70,253
Trade & other receivables		17,500	215,986
Inventory		-	12,786
Other current assets		81,134	39,833
Total current assets		1,993,645	338,858
Non current assets			
Property, plant & equipment		162,179	179,300
Intangibles	4	4,688,262	1,691,600
Total non current assets		4,850,441	1,870,900
Total assets		6,844,086	2,209,758
Current liabilities			
Trade & other payables		618,468	942,186
Provisions		89,454	39,848
Other current liabilities		258,623	645,372
Total current liabilities		966,545	1,627,406
Total liabilities		966,545	1,627,406
Net assets		5,877,541	582,352
Equity			
Issued capital	5	9,880,202	1,722,332
Options reserve		789,324	100,096
Accumulated losses		(4,791,985)	(1,240,076)
Total equity		5,877,541	582,352

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

IOT GROUP LIMITED
ABN 66 140 475 921
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2016

Consolidated Group	Notes	Accumulated losses $	Options Reserve $	Issued Capital $	Total $
Balance as at 1 July 2015		**-**	**-**	**53,690**	**53,690**
Loss for the financial period		(1,240,076)	-	-	(1,240,076)
Issue of shares	5	-	-	2,170,498	2,170,498
Issue of options		-	100,096	-	100,096
Costs of issuing shares		-	-	(501,856)	(501,856)
Balance as at 31 December 2015		**(1,240,076)**	**100,096**	**1,722,332**	**582,352**
Balance as at 1 January 2016		**(1,240,076)**	**100,096**	**1,722,332**	**582,352**
Loss for the financial period		(3,595,566)	-	-	(3,595,566)
Reverse acquisition of Ardent Resources Ltd	3	-	-	2,257,702	2,257,702
Issue of shares	5	-	-	6,594,558	6,594,558
Issue of options		-	732,885	-	732,885
Exercise of options	5	43,657	(43,657)	360,738	360,738
Costs of issuing shares		-	-	(1,055,128)	(1,055,128)
Balance as at 30 June 2016		**(4,791,985)**	**789,324**	**9,880,202**	**5,877,541**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

IOT GROUP LIMITED
ABN 66 140 475 921
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2016

	Consolidated Half Year Ended 30 June 2016
Cash flow from operating activities	
Receipts from customers	513,645
Payments to suppliers & employees	(4,514,454)
Net cash used in operating activities	(4,000,809)
Cash flow from investing activities	
Purchases of property, plant & equipment	(15,753)
Payments for intangibles	(170,000)
Proceeds from other assets	3,939,012
Net cash provided by investing activities	3,753,259
Cash flow from financing activities	
Proceeds from the issue of shares and options	685,788
Proceeds from borrowing (refer to note 3)	2,072,000
Payments for the cost of capital raising	(685,480)
Net cash provided by financing activities	2,072,308
Net increase in cash held	1,824,758
Cash & cash equivalents at the beginning of the period	70,253
Cash & cash equivalents at the end of the period	1,895,011

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 30 June 2016 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The interim financial report is intended to provide users with an update on the latest annual financial statements of IOT Group Limited (formally Ardent Resources Limited) and its controlled entities (referred to as the "consolidated group" or "group"). Subsequent to the release of the Annual Financial Reports of IOT Group Limited (formally Ardent Resources Limited) significant changes in operations have occurred. As a result, the new accounting policies of the group have been summarised as follows.

Accounting Policies

Due to the reverse acquisition, new accounting policies and methods have been used and are included below.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

Reverse Acquisition

On 18 March 2016, the company, formerly named Ardent Resources Limited, completed the 100% acquisition of OK IOT Group Pty Ltd. As a result of this acquisition Ardent Resources Limited changed its name to IOT Group Limited. The acquisition of OK IOT Group Pty Ltd resulted in the shareholders of OK IOT Group Pty Ltd obtaining control of the merged entity. In addition, the board of directors of the merged entity was restructured and the OK IOT Group Pty Ltd management team has assumed responsibility for the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 "Business Combinations".

The application of the reverse acquisition guidance contained in AASB 3 has resulted in IOT Group Limited (formerly Ardent Resources Ltd) (the legal parent) being accounted for as the subsidiary and OK IOT Group Pty Ltd (the legal subsidiary) being accounted for as the parent entity.

The acquisition has been accounted for using the principles set out in AASB 3 "Business Combinations" whereby OK IOT Group Pty Ltd is deemed to have issued shares in exchange for the net assets and listing status of IOT Group Limited. In accordance with AASB 3, the difference between the fair value of the deemed consideration paid by OK IOT Group Pty Ltd and the fair value of the identifiable net assets of IOT Group Limited, has been recognised as goodwill of $1,587,745 as set out in Note 3.

Given OK IOT Group Pty Ltd is considered to be the parent of the group for accounting purposes, the consolidated financial statements represent a continuation of the financial statements of OK IOT Group Pty

Ltd, with the exception of the capital structure. The results for the half year ended 30 June 2016 comprise the results of OK IOT Group Pty Ltd for the full year and the results of IOT Group Limited subsequent to the completion of the acquisition.

The comparative information is that of OK IOT Group Pty Ltd. OK IOT Group Pty Ltd incorporated on the 4th of May 2015 and had no activity prior to 1 July 2015. Therefore, there is no comparative information for the consolidated statement of profit or loss and other comprehensive income.

The impact of the group restructure on each of the primary statements is as follows:

Consolidated Statement of Profit or Loss and Other Comprehensive Income

- The 2016 consolidated statements comprise 1 January 2016 to 30 June 2016 OK IOT Group Pty Ltd and 18th March 2016 to 30 June 2016 of IOT Group Limited (formally Ardent Resources Limited).
- No comparative information as OK IOT Group Pty Ltd did not have any activity prior to 1 July 2015.

Consolidated Statement of Financial Position

- The consolidated statement of financial position at 30 June 2016 comprises only IOT Group Limited (formerly Ardent Resources Limited).
- The consolidated statement of financial position at 31 December 2015 comprises only OK IOT Group Pty Ltd.

Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows

- The consolidated statement of changes in equity for the period ended 30 June 2016 includes the changes in equity from 1 January 2016 to 30 June 2016 and the trading results as stated in the consolidated statement of profit or loss and other comprehensive income.
- The consolidated changes in equity for the period ended 31 December 2015 includes changes in equity from the date of incorporation to 31 December 2015.
- The consolidated statement of cash flows for the period ended 30 June 2016 includes movements as stated in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position.
- No comparative information as OK IOT Group Pty Ltd did not have any activity prior to 1 July 2015.

Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 8.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses and results in the consolidation of its assets and liabilities.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed are recognised.

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination other than those associated with the issue of a financial instrument are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

i. The consideration transferred;
ii. Any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
iii. The acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value remeasurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group’s cash-generating units or a group of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

Intangibles other than goodwill
Development costs
Capitalised development costs have a finite useful life and are amortised on a systematic basis based on the future economic benefits over the useful life of the project.

Impairment of assets
At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

Income Tax
The income tax expense for the year only comprises of current income tax expense. The group does not account for deferred tax assets or deferred tax liabilities.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Fair value of assets and liabilities
The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period.

For non financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Property, plant and equipment
Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment
Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation
The depreciable amount of all fixed assets, including capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2.5-5%
Plant and equipment	10-33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Financial instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective Interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

i. Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

iv. Available-for-sale investments

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

v. Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment
A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition
Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Employee benefits
Short-Term employee benefits
Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits
At this stage there are no long term leave entitlements.

Equity-settled compensation
The Company provides compensation benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by a Black Scholes model.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Provisions
Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits available on demand with banks and bank overdrafts.

Revenue and other income
Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Subscription income
Revenue from subscriptions is recognised on a cash basis.

Interest revenue
Interest revenue is recognised using the effective interest rate method.

Trade and other receivables
Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other payables
Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Critical accounting estimates and judgments
The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

Impairment
The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers.

Key judgements

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the recoverable amount of the cash generating units to which goodwill have been allocated. The amount of goodwill is discussed in note 4.

Share-based payment transactions
The Group measures the cost of equity-settled share-based payment transactions with employees by reference to the fair value of the equity instruments at grant date. The fair value is determined by an external valuer using the Black Scholes Model simulation. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the annual reporting period but may impact expenses and equity.

New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable to annual reporting periods beginning on or after 1 January 2018)

  The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

  The key changes that may affect the Group on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

  The directors anticipate that the adoption of AASB 9 will not have an impact on the Group's financial instruments.

- AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018)

  When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

  The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:
  - Identify the contract(s) with a customer;
  - Identify the performance obligations in the contract(s);
  - Determine the transaction price;
  - Allocate the transaction price to the performance obligations in the contract(s); and
  - Recognise revenue when (or as) the performance obligations are satisfied.

  The transactional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*; or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

Although the directors anticipate that the adoption of AASB 15 will have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 16: *Leases* (applicable to annual reporting periods commencing on or after 1 January 2019)

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a singles lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the New Standard include:

- Recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- Depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- Variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- By applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- Addition disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognize the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

	Consolidated Half Year Ended 30 June 2016 $
NOTE 2. Revenue and other income	
Revenue from ordinary activities	
Revenue:	
Sales Revenue	112,520
Subscription Revenue	164,836
	277,356
Other revenue:	
Interest received	19,600
	19,600

NOTE 3. Business acquisition cost

On 18 March 2016, the company, formerly named Ardent Resources Limited, completed the 100% acquisition of OK IOT Group Pty Ltd and changed its name to IOT Group Limited. The acquisition of OK IOT Group Pty Ltd resulted in the shareholders of OK IOT Group Pty Ltd obtaining control of the merged entity.

Nominees of OK IOT Group Pty Ltd serve as executive directors and the OK IOT Group Pty Ltd management team has assumed responsibility for the management of the merged entity. Consequently, the acquisition has been accounted for with reference to the guidance for reverse acquisitions set out in AASB 3 “Business Combinations”.

The application of the reverse acquisition guidance contained in AASB 3 has resulted in the Company (the legal parent) being accounted for as the subsidiary and OK IOT Group Pty Ltd being accounted for as the parent entity.

The acquisition has been accounted for using the principles set out in AASB 3 “Business Combinations” whereby OK IOT Group Pty Ltd is deemed to have issued shares in exchange for the net assets and listing status of IOT Group Limited. In accordance with AASB 3, the difference between the fair value of the deemed consideration paid by OK IOT Group Pty Ltd and the fair value of the identifiable net assets of IOT Group Limited, has been recognised as goodwill of $1,587,745 as set out below.

Details of the fair value of the identifiable net assets acquired and the excess consideration are set out below:

Deemed purchase consideration:	
Fair Value of shares transferred	2,257,702
Less: fair value of net identifiable assets acquired	(669,957)
Goodwill	**1,587,745**

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows:

Assets	
Cash and cash equivalents	3,939,012
Trade and other receivables	39,561
Property, plant and equipment	334
Other financial assets	2,322,000
Other assets	6,013
Liabilities	
Trade and other payables	147,407
Investor funds refundable	5,489,556
Total identifiable net assets as fair value	669,957

Other financial assets relate to funds that were loaned to OK IOT Group Pty Ltd prior to the 18th of March 2016. Subsequent to the business combination occurring, this loan is now eliminated in the preparation of the consolidated financial reports.

The net cash inflow arising as a result of the reverse acquisition was $3,939,012 being the cash on hand held by IOT Group at the time of acquisition.

NOTE 4. Intangible assets	**Consolidated As at 30 June 2016 $**	**Consolidated As at 31 Dec 2015 $**
Goodwill		
At Cost	2,386,791	794,045
Accumulated Amortisation	(151,540)	(26,554)
Closing Balance	2,235,251	767,491
Intellectual property		
At Cost	630,821	630,821
Accumulated Amortisation	(91,279)	(41,490)
Closing Balance	539,542	589,331
Development costs		
At Cost	1,913,469	334,778
Accumulated amortisation	-	-
Closing balance	1,913,469	334,778
Total intangibles	4,688,262	1,691,600

Movements for goodwill, intellectual property and development costs for the period ended 30 June 2016:

	Consolidated As at 30 June 2016 $	Consolidated As at 31 Dec 2015 $
Goodwill		
Opening Balance	767,491	-
Movements during the year	1,592,745	794,045
Amortisation during the year	(124,985)	(26,554)
Closing Balance	2,235,251	767,491

Goodwill is amortised on a straight line basis over the period from the date of acquisition to the end of the period of time during which the benefits are expected to arise. In addition, the directors test goodwill for impairment annually.

Intellectual property		
Opening balance	589,331	-
Movements during the year	-	630,821
Amortisation during the year	(49,789)	(41,490)
Closing balance	539,542	589,331

Intellectual property is amortised on a straight line basis over the useful life as determined by the directors. In addition, the directors review for impairment indicators annually.

Development Costs		
Opening balance	334,778	-
Movements during the year	1,578,691	334,778
Closing balance	1,913,469	334,778

Development costs capitalised during the period relate to the development of the Roam-e in its Sydney based development lab as well at the production facility in China.

The development costs for the period are expected to provide future economic benefits to the group. Therefore, these costs have been capitalised.

Total intangibles	4,688,262	1,691,600

	Consolidated As at 30 June 2016 $	Consolidated As at 31 Dec 2015 $
NOTE 5. Issued capital		
Opening balance	1,722,332	53,690
Pre reverse acquisition shares	-	2,170,498
Business combination cost	2,257,702	-
Placement – 23 March 2016	5,030,000	-
Public offer – 23 March 2016	489,558	-
Placement – 23 March 2016	590,000	-
Share based payment – 19 April 2016	85,000	-
Share based payment – 3 May 2016	180,000	-
Exercise of options – 12 May 2016	345,618	-
Share based payment – 17 May 2016	220,000	-
Exercise of options – 24 May 2016	15,120	-
Capital raising costs	(1,055,128)	(501,856)
Closing balance	9,880,202	1,722,332

	Consolidated As at 30 June 2016 #	Consolidated As at 31 Dec 2015 #
Ordinary Shares		
Opening balance	257,900,964	3,739,500
Pre Reverse Acquisition Shares	-	254,161,464
Ardent Shares (161,264,438 shares consolidated at 2:1)*	80,632,251	-
Placement – 23 March 2016	157,187,500	-
Public Offer – 23 March 2016	15,298,638	-
Placement – 23 March 2016	21,071,429	-
Share based payment – 19 April 2016	4,250,000	-
Share based payment – 3 May 2016	4,000,000	-
Exercise of options – 12 May 2016	6,757,231	-
Share based payment – 17 May 2016	2,000,000	-
Exercise of options – 24 May 2016	420,000	-
At the end of the reporting period	549,518,013	257,900,964

* Rounding variance of 32 shares.

NOTE 6. Dividends

No dividends were paid during the period.

NOTE 7. Events after the end of the interim period

On the 6th of July IOT Group Limited completed a capital raising of $11.975 million via private placement to professional and sophisticated investors. As a result, 171,074,680 ordinary class shares were issued.

On the 9th of August 2016, a payment of $656,474 was made for an initial production run of the ROAM-e and related costs including tooling, mold confirmation, testing and quality control. This production run is not intended for sale to the public.

On the 19th of August 2016, Nigel Harvey was appointed as an Independent, Non-Executive Director and was issued with 7,500,000 options over ordinary class shares prior to being appointed as an Independent, Non-Executive Director.

On the 22nd of August 2016, IOT Group Limited announced details of legal proceedings of which it had been named as a defendant in relation to OK IOT Group Pty Ltd's acquisition of intellectual property from Simon Kantor and Roam Systems Pty Ltd. Based on evidence presently before the Company, the group does not believe that the claim will have a material effect on the assets or operations.

NOTE 8.Interest in subsidiaries

The consolidated financial statements include the financial statements of IOT Group Limited and its controlled entity.

Company	Place of incorporation	Principal activities
OK IOT Group Pty Ltd	Australia	Internet of Things (IOT)
The Supply Centre Pty Ltd	Australia	Internet of Things (IOT)
IOT Group Technology Pty Ltd	Australia	Internet of Things (IOT)
IOT Group USA LLC	USA	Internet of Things (IOT)
OTT Premium Pty Ltd	Australia	Over the Top (OTT)
Intervision Direct Pty Ltd	Australia	Over the Top (OTT)

Company	Ownership Interest held by the Group
OK IOT Group Pty Ltd	100%
The Supply Centre Pty Ltd	100%
IOT Group Technology Pty Ltd	100%
IOT Group USA LLC	100%
OTT Premium Pty Ltd	100%
Intervision Direct Pty Ltd	100%

NOTE 9.Operating segments

During the year the consolidated entity operated in two business segments, Internet of Things and Over the Top.

i) Segment performance

Half-year ended 30 June 2016	Internet of Things (IOT)	Over the Top (OTT)	Total
	$	$	$
Revenue	112,520	164,836	277,356
Other Income	19,600	-	19,600
Total Segment Revenue	132,120	164,836	296,956
Segment net profit/ (loss) before tax	(3,360,517)	(235,049)	(3,595,566)
Half-year ended 30 June 2015			
Revenue	-	-	-
Other Income	-	-	-
Total Segment Revenue	-	-	-
Segment net profit before tax	-	-	-

ii) Segment assets

Half-year ended 30 June 2016			
Opening balance 1 January 2016	2,195,996	14,791	2,210,787
Additions	4,092,211	542,117	4,634,328
Disposals	-	-	-
Closing balance 30 June 2016	6,288,207	556,908	6,845,115

NOTE 10.Contingent liabilities

There are no contingent liabilities as at 30 June 2016.

NOTE 11.Earnings per share

	No. of Shares As at 30 June 2016
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share.	414,582,377

	Consolidated As at 30 June 2016 $
Net profit/(loss) after income tax attributable to shareholders	(3,595,566)

	Cents
Basic loss per share	(0.87)
Diluted loss per share	(0.87)

NOTE 12. Fair value measurement

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).
Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of financial assets and liabilities:

	Level	As at 30 June 2016		As at 31 December 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
		$	$	$	$
Financial assets					
Cash & cash equivalents	1	1,895,011	1,895,011	70,253	70,253
Trade & other receivables	1	17,500	17,500	215,986	215,986
Inventory	1	-	-	12,786	12,786
Other assets	1	81,134	81,134	39,833	39,833
Financial liabilities					
Trade & other payables	1	618,468	618,468	942,186	942,186
Other current liabilities	1	258,623	258,623	645,372	645,372

NOTE 12. Fair value measurement (cont.)

The following table represents a comparison between the carrying amounts and fair values of non-financial assets and liabilities:

	Level	As at 30 June 2016		As at 31 December 2015	
		Carrying amount	Fair value	Carrying amount	Fair value
		$	$	$	$
Non-financial assets					
Plant and equipment	2	162,179	162,179	179,300	179,300
Intangibles	3	4,688,262	4,688,262	1,691,600	1,691,600
Non-financial liabilities					
Provisions	2	89,454	89,454	39,848	39,848

Directors' declaration

In accordance with a resolution of the directors of IOT Group Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 6 to 29, are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and

   (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date.

2. In the director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Scott Brown
Director

Dated this 31st day of August 2016

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF IOT GROUP LIMITED (FORMALLY ARDENT RESOURCES LIMITED) A.B.N. 66 140 475 921 AND CONTROLLED ENTITIES

Report on the Half-Year Financial Report
We have reviewed the accompanying half-year consolidated financial report of IOT Group Limited and controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, the accounting policies and other selected explanatory notes and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report
The Directors of IOT Group Limited (the group) are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the director's determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of IOT Group Limited and controlled entities, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report
This review report relates to the financial report of the company for the half-year ended 30 June 2016 included on the website of IOT Group Limited. The directors of the company are responsible for the integrity of the website and we have not been engaged to report on its integrity. This review report refers only to the half-year financial report identified above and it does not provide an opinion on any other information which may have been hyperlinked to or from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on the company's website.

Independence
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of IOT Group Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Conclusions
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of IOT Group Limited and controlled entities is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and

- complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

A D Danieli Audit Pty Ltd

Sam Danieli
Director

Sydney, 31st August 2016