

## June 2016 – Quarterly Report

### Highlights

- ❖ Completed a placement of \$11.975M in after 30 June 2016
- ❖ Launched a video of the Roam-e drone in June 2016
- ❖ Establishing manufacturing capability for the Roam-e with AEE
- ❖ Developed a range of OK Smart Watches
- ❖ Established distribution arrangements for its products



### 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 consumer useful. The IOT Group is designing and developing a range of smart wearables, a range of flying selfie drones, augmented reality, virtual reality, home automation products and much more.

#### ROAMe

##### FLYING SELFIES

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. 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!



##### OUTDOOR KONNECT

Outdoor Konnect (OK) focus on designing and developing a range of affordable innovative wearable devices, accessories and outdoor products using the latest technology with unique features. Our devices include a variety of smart watches with some already available through retailers and from our website.



##### OTT Premium

OTT Premium will provide leading telcos, broadcasters, TV & film production companies and content owners with unsurpassed OTT software delivering content that can be viewed on multiple devices and languages worldwide direct to the audience.

### IOT Group Limited

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Scott Brown	Non-executive Chairman
Ian Duffell	Executive Director
Simon Kantor	Executive Director
Ron Hollands	Company Secretary

## Business Update

IOT Group Limited (ASX:IOT) is pleased to provide an update to shareholders for the quarter ended 30 June 2016. During the quarter, the Company continued to progress its business as follows:

- Developed a range of OK Smart Watches (see below) which will be sold through online and retailers



- The technical team have been working solidly on delivering the Roam-e drone and the full suite of functionality.
- Signed exclusive manufacturing agreement with AEE China. AEE production capabilities of up to 50,000 units per week by September 2016.
- Filmed and released the Hero video for ROAM-e in June 2016.
- Marketing team continued to finalise Product packaging and point of sales materials in different languages and are preparing them for mass global distribution.
- IOT during the quarter continues to develop the distribution channels and relationships in the United States, Canada, Mexico, Japan, Australia and the United Kingdom. Top Tech Distribution became the Company's US distributor.
- The Company presented ROAM-e to a sample market of four major US retailers with very positive feedback. The Company expects significant orders from US retailers and will believe that first sales of the Roam-e will be booked in the Dec Qtr.
- IOT Group has signed an exclusive Distribution Agreement with Shenzhen AEE Aviation Technology Co. Ltd (AEE) one of the World's largest Drone manufacturers, based in China to distribute AEE's range of drones in Australia and Japan.



- OTT Premium will provide leading telcos, broadcasters, TV & film production companies and content owners with unsurpassed OTT software delivering content that can be viewed on multiple devices

and languages worldwide direct to the audience. OTT Premium looks to partner with the biggest players in streaming, content provision, cloud storage, analytics, billing gateways and application development to provide a complete end-to-end content delivery solution .This end-to-end service provision reflects a B2B strategy for OTT Premium.



## Corporate

On 30 June 2016 IOT Group had \$1.9 million in cash. During the June Quarter, the Company continued to develop its business with net expenditure on operations being \$2.7M. After the end of the quarter the Company raised \$11.975M in funds (before costs) by issuing 171,074,680 ordinary class shares.

## Issued and quoted securities at end of current quarter

	Total number	Number quoted
Fully Paid Ordinary Shares on issue	532,090,781	292,679,548
Unlisted options exercisable at \$0.07 (7.0 cents) per option expiring on 30 June 2019	57,199,825	-
Unlisted options exercisable at \$0.07 (7.0 cents) per option expiring on 30 June 2019 upon achieving sales targets	4,000,000	-
Unlisted Employee and Director Options (various exercise prices).	51,700,000	-
Unlisted Options exercisable at \$0.036 (3.6 cents) expiring 31 December 2017	5,833,286	-

For further information, please contact:

Ian Duffell – Executive Director of IOT Group on 0488 024 000 Website [www.theiotgroup.com](http://www.theiotgroup.com)

# Appendix 4C

## *Quarterly report for entities admitted on the basis of commitments*

Introduced 31/03/00, Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

IOT Group Limited

ABN

66 140 475 921

Quarter ended ("current quarter")

30 June 2016

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers	71	353
1.2	Payments for		
	(a) staff costs	(514)	(732)
	(b) advertising and marketing	(334)	(388)
	(c) research and development	(293)	(838)
	(d) Corporate and administration	(1,125)	(1,589)
	(e) other working capital	(136)	(238)
	(f) cost of goods sold	(433)	(586)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	12	32
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other		
	(a) net GST paid	25	(45)
	(b) refund of rental bond	13	13
	(c) unearned revenue	48	48
<b>Net operating cash flows</b>		<b>(2,666)</b>	<b>(3,970)</b>

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	<b>(2,666)</b>	<b>(3,970)</b>
<b>Cash flows related to investing activities</b>		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	(170)
(d) physical non-current assets	(11)	(16)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>(11)</b>	<b>(186)</b>
<b>1.14 Total operating and investing cash flows</b>	<b>(2,677)</b>	<b>(4,156)</b>
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	366	5,229
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	(183)
1.19 Dividends paid	-	-
1.20 Other (provide details if material) Capital raising costs	-	(1,009)
<b>Net financing cash flows</b>	<b>366</b>	<b>4,037</b>
<b>Net increase (decrease) in cash held</b>	<b>(2,311)</b>	<b>(119)</b>
1.21 Cash at beginning of quarter/year to date – Ardent Resources	4,206 -	- 1,944
Ok IOT Group Pty Ltd	-	70
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	<b>1,895</b>	<b>1,895</b>

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	117
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Director's fees, wages and salaries.

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	1,895	4,206
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.23)</b>	<b>1,895</b>	<b>4,206</b>


## Acquisitions and disposals of business entities

	Acquisitions \$A'000	Disposals
5.1 Name of entity	-	-
5.2 Place of incorporation or registration	-	-
5.3 Consideration for acquisition or disposal	-	-
5.4.1 Total net assets	-	-
5.4.2 Total assets	-	-
5.5 Nature of business	-	-



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:   
(Director)

Date: 29/07/16

Print name: Scott Brown

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.