

## Announcement

### **IOT Group signs exclusive Distribution Agreement with a major Consumer Electronics Distributor in the United States.**

- The IOT Group has signed an exclusive Distribution Agreement with TOP TECH DISTRIBUTION LLC ('TOP TECH') in the United States of America for the mass distribution of the ROAM-e and other IOT Group Products throughout the United States, Canada and Mexico.
- TOP TECH clients include all of the larger US retailers such as Walmart, Best Buy, The Sports Authority and Fry's.
- TOP TECH are in the process of presale presentations to the major US retail outlets for the ROAM-e and the OK Watch products.
- IOT has engaged their manufacturer to increase production from 10,000 per week to 50,000 per week by September 2016.
- Orders are expected Q3 for Q3 and Q4 delivery.
- IOT will issue 4M ordinary class shares to TOPTECH in lieu of payment of an establishment fee and issue up to 4M options over ordinary class shares that will vest and be exercisable (at 7 cents) upon the achievement of performance targets in the period to 30 June 2017.

**Sydney, 3 May 2016:** The IOT Group Limited ASX: IOT ('IOT Group') announces that it has entered into an Exclusive Distribution Agreement with a major Consumer Electronics Distributor for the territories of North America and Mexico ('Territory').

The TOP TECH sales and distribution team have been briefed and will immediately begin their sales presentations through-out the Territory for proposed orders and distribution in Q3 and Q4 - 2016.

TOP TECH's National sales network have sold into most major retail outlets for the past 20 years. All of the Companies they represent have leading branded consumer products and they have strong relationships directly with decision makers at each major retailer.

**Owner and Founder of TOP TECH Mr. Bryan Corlett comments** *“The ROAM-e is a breakthrough product due to its cutting edge technology, massive street appeal, and highly competitive price point. This product is ground breaking. We are committed to dedicate the time and energy of our clients to create a network of mass distribution channels in North America for IOT. The retailers look to us to bring them the next big products, we have consistently done this for 20 years.*

TOP TECH client base consists of the following mass market retailers: Walmart, Kmart/Sears, Costco, Sam’s, BJ’s, Bed Bath & Beyond, Kohls, JC Penney, Boscovs, PC Richards, Macy’s, Menards, Zumiez, QVC, Target, Best Buy, Staples, Office Max, Fry’s, Evine, Home Depot, Amazon, Dicks, The Sports Authority, Modells Sporting Goods, Academy, Big 5, Dunhams, Cabelas, Bass Pro, Brookstone and Hammacher Schlemmer.

*“With a solid and experienced Distributor in North America and Mexico and having already established agreements in Japan and Australia, combined with the production capacity of up to 10,000 ROAM-e’s per week, and the planned further upgrade to 50,000 units per week due in late Q3, these distribution agreements further support the IoT Group for mass distribution of the ROAM-e throughout the World.”* **said IOT Executive Director of IOT Group Ltd., Mr. Ian Duffell.**

IOT will issue 4M ordinary class shares to TOP TECH in lieu of payment of an establishment fee. This fee is to offset substantial costs that TOP TECH will incur to develop the Territory market and infrastructure concerning IOT’s products.

IOT will also issue up to 4M options over ordinary class shares to TOP TECH, that will vest and be exercisable at any time in the 3 year period after the award of the options upon the achievement of the following performance targets;

- Upon the achievement of at least 25,000 units of the ROAM-e Drone are sold in the Territory by 31 December 2016, 2,000,000 options; and
- Upon the achievement of at least 50,000 units of the ROAM-e Drone are sold in the Territory by 30 June 2017, 2,000,000 options.

Each option has a 7 cents exercise price.

For further information, please contact:

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### **About Brian Corlett and Top Tech Distribution LLC.**

Bryan Corlett has been in the sales, promotion and distribution industry for 20 years, and operates nationally and internationally from a base in Newport Beach, California. Mr. Corlett leads one of the largest private networks of product sales professionals in the United States, and his team has sold leading products in major categories including health and beauty, weight loss and fitness, clothing, sports, household and cleaning products and consumer electronics. Their contacts into product purchasing decision-makers at every major retail group, both traditional and online, is unsurpassed. These kinds of private networks are based on relationships that take decades to develop. IOT was referred to Mr. Corlett by one of America's (and the world's) largest and most innovative retailers, which has a very strong relationship with him.

The Corlett network has sold tens of millions of dollars of goods annually to retailers including the Sony PlayStation and Apple products. Mr. Corlett selects a discrete number of products to promote, and unlike other "big name" distributors such as Brightstar and Ingram Micro, he can take on a single SKU product like ROAM-e from an unknown overseas company and devote the time, attention and resources (and give buyers the confidence in the product) to sell large quantities of it in short order. A company seeking to get this kind of sell through in North America could take years just to get the right meetings, and spend a fortune on market development with no assurance of success.

### **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 affordable and useful to consumers. 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; as we look to create a complete IoT ecosystem over the next 24 months.



The ROAM Brand will offer a range of innovative consumer tech products, both hardware and software. The ROAM product range utilises industry specific innovation in mobility computing and is soon to release the world's first facial recognition selfie drone called ROAM-e.



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

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