

ASX Announcement – Media Release

IOT Group signs an exclusive Distribution Agreement with The Product Group P/L for mass distribution throughout Australasia

IOT Group Limited (ASX: IOT) ('IOT Group') has signed an exclusive Distribution Agreement with THE PRODUCT GROUP P/L ('The Product Group') for the mass distribution of the ROAM-e flying selfie and other IOT Group products throughout Australasia.

- The Product Group's clients include most of the main Australasian retailers
- Orders are expected in Q3
- The Product Group will also work with Brightstar Corp to distribute the IOT Group products to clients.
- IOT Group will issue 2 million ordinary class shares to The Product Group in lieu of payment of establishment fees and marketing expenses.

Sydney, 17th May 2016: IOT Group Limited (ASX: IOT) ('IOT Group') announces that it's subsidiary, OK IOT Group Pty Ltd, has entered into an exclusive Distribution Agreement with Steven Kayalicos from The Product Group Pty. Ltd. ('The Product Group') for Australasia.

Under the terms of the agreement, The Product Group will be the exclusive distributor for the IOT Group's line of products including the much-anticipated ROAM-e – The flying selfie.

The Product Group's sales and distribution expertise combined with IOT Group's range of products will allow IOT Group to achieve a dramatic increase in retail presence within the Australian and New Zealand retail sector.

*"Initial discussions with the major Australian retailers indicate a very strong demand for ROAM-e. IOT Group is ahead of the curve and they have a solid roadmap of innovative mass market products." **said Steven Kayalicos, Managing Director of The Product Group.***

The Product Group's Managing Director, Mr. Steven Kayalicos, has over 20 years' experience in the Wholesale and Distribution sector, having successfully launched numerous consumer brands & licensed products across Electronics, Toys, Footwear & Apparel, with a large cross section of national retailers. Channels include Grocery, Discount Department Stores, Department Stores, Specialty Consumer Electronics, Online, Fashion, Lifestyle & Travel retailers. These retail channels will be actively pursued, with a view to have IOT Group products in every channel in Australasia.

IOT Group will issue 2 million ordinary class shares to The Product Group in lieu of payment of establishment fees and marketing expenses. The distribution agreement may be expanded with additional products and territories in the future.

Ian Duffell, IOT Group Executive Director Business Strategy, said: "Steven and The Product Group are a great partner for the IOT Group. They have the infrastructure, reputation and experience to make our breakthrough product, the ROAM-e, a mass market leader in Australia."

For further information, please contact:

Ian Duffell – Executive Director Business Strategy of IOT Group Limited on 0488 024 000
Website: www.theiotgroup.com

About The Product Group

The Product Group is a Melbourne based company serving national retailers with products and brands in the fashion, consumer electronics and the tech accessories sector, with offices in both Melbourne and Hong Kong. The Product Group draws upon an extensive network of product developers, creators and product engineers whose primary objective is to deliver a superior quality and value proposition to the brands and product collections they create. The Product Group have distribution rights and licenses for numerous globally recognised brands. More information may be found at www.theproductgroup.com.au

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.

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