

ASX Announcement

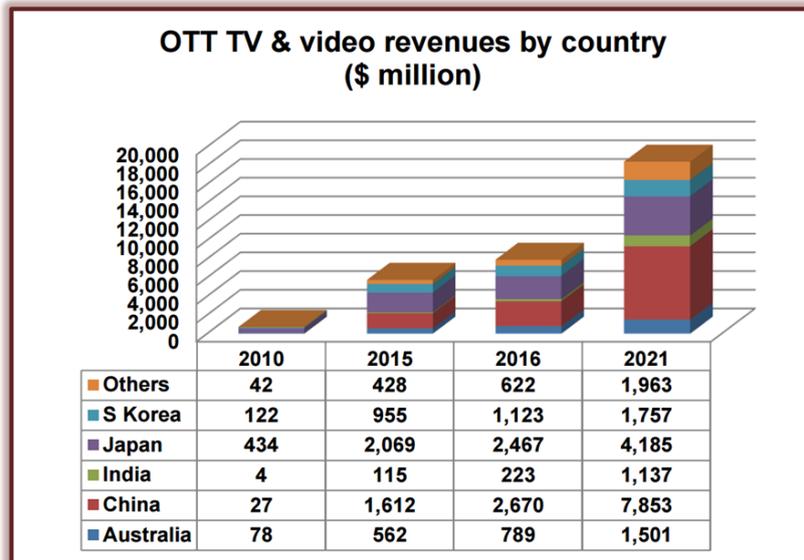
“OTT Premium to immediately provide a “Tier One” OTT platform powered by Xstream.net in over 100 Countries.”

- **Xstream is a Tier One world class provider of Over-the-Top (OTT) solutions**
- **Asia Pacific Licensing Term Sheet Agreement signed by IOT Group LTD subsidiary ‘OTT Premium’ which incorporates Intervision**
- **New OTT Premium Managing Director to be appointed - Bob Morrison**
- **Strong Growth expected for OTT**

Sydney, 15 June 2016: IOT Group Limited (**ASX: IOT**) (**IOT** or **Group**) announces that it's subsidiary OTT Premium Pty Ltd (**OTTP**) has entered into an exclusive Asia Pacific Licensing Term Sheet Agreement (**Agreement**) with Xstream, a leading provider of over-the-top (**OTT**) solutions, to license, sell and market Xstream's award winning OTT Platform, Xstream MediaMaker™ throughout the Asia Pacific region.

- Over-the-Top (**OTT**) applications and services are the platform that delivers streaming and video-on-demand services to use on mobiles, tablet, web, smart TV, set-top-box and consoles and mobile devices. **OTT providers are poised for scale and growth** as they deliver user content over the Internet bypassing traditional distribution channels more generally, at a lower cost. Examples include Netflix and Apple TV (replacing your regular TV provider) or Skype (replacing your long distance provider).
- **OTT Premium now powered by Xstream** will provide leading telcos, broadcasters, TV & film production companies and content owners with an unsurpassed OTT platform delivering content that can be viewed on multiple devices and languages worldwide direct to the audience. OTT Premium powered by Xstream 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 (refer to 'About OTT Premium'). This end-to-end service provision reflects a B2B strategy for OTT Premium.
- **Xstream is a tier 1 provider of OTT solutions and vendor of the award winning OTT Platform, Xstream MediaMaker™. Xstream has a leading position in the market, with huge growth prospects.** Since it was founded in 1999, Xstream has been a pioneer in OTT and TV Everywhere offering the industry's most comprehensive and scalable end-to-end online video management solution and a suite of outstanding individual services (refer to 'About Xstream').
- IOT are pleased to announce that **Bob Morrison will be joining the OTT Premium team** as Managing Director. Bob joined Xstream as Managing Director, Asia Pacific in 2015 to launch, manage and grow Xstream's operations across the region, after earlier spending 12 months on the board of Xstream. Bob is a known business strategist and respected industry leader bringing with him over 25 years of entertainment, media, television, content and OTT experience.
- **One of OTT Premium's first clients in the APAC region will be Intervision.** Intervision is a B2C that brings homeland television to its viewers via the OTT Premium platform. It caters to the Arabic, Greek and Russian speaking communities with the view to expand its product offering. Intervision offers 10,000+ hours of video on demand including the latest television series, movies and cartoons direct via a set top box for TV or the Intervision app for smart devices. Customers enjoy a forever growing on-demand library of television series & movies as well as live streaming.
- OTT Premium plans to be a prominent player in the OTT TV and video space. **Revenue from advertising on OTT sites is expected to triple across the Asia Pacific** reaching

US\$ 8,745 million in 2021 up by US\$ 6 billion in 2015. China will supply US\$4,911 million of the 2021 total and will add US\$1,838 million in SVOD revenues between 2015 and 2021, **nearly sextupling its total**. OTT Premium’s international approach is set to benefit as it will facilitate partnerships with local market leaders. Download-to-own/electronic sell-through movie and TV revenues are forecast to be \$1,904 million in 2021 (with US\$ 692 million from Japan), up from US\$ 691 million in 2015. OTT TV and video rental is expected to climb to US\$1,307 million 2021¹.



Source: Digital TV Research

Under the terms of the Agreement, OTTP will be granted an exclusive license to sell, market and license all Xstream products and services, including Xstream MediaMaker™ and its portfolio of affiliated products including all developments and enhancements (Products). The license will be for the Licensed Territories (see Appendix A) and will have an initial term of 3 years with an option to renew for an additional 3 years at OTTP’s option subject to agreed KPIs.

Simon Hoegsbro, CEO of Xstream, commented: *“The entire Asia Pacific region is experiencing tremendous growth in online video viewership. Entering this new era with OTT Premium will allow us to meet the increasing demand for our technology in this region. We are honoured that OTT Premium has chosen Xstream to spearhead its reach into the Asia-Pacific region and we are committed to working with OTT Premium to offer a flexible, best in class OTT platform across the Asia Pacific continuing our commitment to simplify the complexity of Internet TV for our customers “*

Xstream offers the industry’s most comprehensive and scalable end-to-end online video management solutions and has a suite of outstanding individual services. Xstream has clients such as Telenor, Spark New Zealand (formerly Telecom New Zealand) and Bollywood’s largest production studio – Balaji Telefilms.

Ian Duffell, IOT Executive Director Business Strategy, commented: *OTT (Over the Top) & TV everywhere is the biggest evolution we’ve seen in delivering content across all devices to consumers. Xstream is at the forefront of the OTT foodchain and we are proud to be their exclusive partner across Asia Pacific. This is a significant step forward for OTT Premium.*

-ENDS-

Contact

Ian Duffell – Executive Director of IOT Group Limited on 0488 024 000.

¹ www.satellitemarkets.com

Appendix A – Licensed Territories – Exclusive and Non-Exclusive

Region	Country	Status	Region	Country	Status
Asia	Bangladesh	Exclusive	Middle East	Bahrain	Non-exclusive
Asia	Brunei	Exclusive	Middle East	Bhutan	Non-exclusive
Asia	Cambodia	Exclusive	Middle East	Iran	Non-exclusive
Asia	China	Exclusive	Middle East	Iraq	Non-exclusive
Asia	India	Exclusive	Middle East	Israel	Non-exclusive
Asia	Indonesia	Exclusive	Middle East	Jordan	Non-exclusive
Asia	Japan	Exclusive	Middle East	Kazakhstan	Non-exclusive
Asia	Laos	Exclusive	Middle East	Kuwait	Non-exclusive
Asia	Malaysia	Exclusive	Middle East	Kyrgyzstan	Non-exclusive
Asia	Maldives	Exclusive	Middle East	Lebanon	Non-exclusive
Asia	Mongolia	Exclusive	Middle East	Oman	Non-exclusive
Asia	Myanmar (Burma)	Exclusive	Middle East	Palestine	Non-exclusive
Asia	Nepal	Exclusive	Middle East	Qatar	Non-exclusive
Asia	North Korea	Exclusive	Middle East	Saudi Arabia	Non-exclusive
Asia	Pakistan	Exclusive	Middle East	Syria	Non-exclusive
Asia	Philippines	Exclusive	Middle East	Tajikistan	Non-exclusive
Asia	Singapore	Exclusive	Middle East	Turkey	Non-exclusive
Asia	South Korea	Exclusive	Middle East	Turkmenistan	Non-exclusive
Asia	Sri Lanka	Exclusive	Middle East	United Arab Emirates	Non-exclusive
Asia	Taiwan	Exclusive	Middle East	Uzbekistan	Non-exclusive
Asia	Thailand	Exclusive	Middle East	Yemen	Non-exclusive
Asia	Timor-Leste	Exclusive	Africa	Algeria	Non-exclusive
Asia	Vietnam	Exclusive	Africa	Angola	Non-exclusive
Oceania	Micronesia	Exclusive	Africa	Benin	Non-exclusive
Oceania	Fiji	Exclusive	Africa	Botswana	Non-exclusive
Oceania	Polynesia	Exclusive	Africa	Burkina Faso	Non-exclusive
Oceania	New Zealand	Exclusive	Africa	Burundi	Non-exclusive
Oceania	Australia	Exclusive	Africa	Cameroon	Non-exclusive
Oceania	New Guinea and nearby islands	Exclusive	Africa	Canary Islands	Non-exclusive
Oceania	Philippines Islands	Exclusive	Africa	Cape Verde	Non-exclusive
Oceania	Solomon Islands	Exclusive	Africa	Central African Republic	Non-exclusive
Oceania	Vanuatu	Exclusive	Africa	Ceuta	Non-exclusive
Oceania	New Caledonia	Exclusive	Africa	Chad	Non-exclusive
			Africa	Comoros	Non-exclusive
			Africa	Côte d'Ivoire	Non-exclusive
			Africa	Democratic Republic of the Congo	Non-exclusive
			Africa	Djibouti	Non-exclusive
			Africa	Egypt	Non-exclusive
			Africa	Equatorial Guinea	Non-exclusive
			Africa	Eritrea	Non-exclusive
			Africa	Ethiopia	Non-exclusive
			Africa	Gabon	Non-exclusive
			Africa	Gambia	Non-exclusive
			Africa	Ghana	Non-exclusive
			Africa	Guinea	Non-exclusive
			Africa	Guinea-Bissau	Non-exclusive
			Africa	Kenya	Non-exclusive
			Africa	Lesotho	Non-exclusive
			Africa	Liberia	Non-exclusive
			Africa	Libya	Non-exclusive
			Africa	Madagascar	Non-exclusive
			Africa	Madeira	Non-exclusive
			Africa	Malawi	Non-exclusive
			Africa	Mali	Non-exclusive
			Africa	Mauritania	Non-exclusive
			Africa	Mauritius	Non-exclusive
			Africa	Mayotte	Non-exclusive
			Africa	Melilla	Non-exclusive
			Africa	Morocco	Non-exclusive
			Africa	Mozambique	Non-exclusive
			Africa	Namibia	Non-exclusive
			Africa	Niger	Non-exclusive
			Africa	Nigeria	Non-exclusive
			Africa	Republic of the Congo	Non-exclusive
			Africa	Réunion	Non-exclusive
			Africa	Rwanda	Non-exclusive
			Africa	Saint Helena	Non-exclusive
			Africa	São Tomé and Príncipe	Non-exclusive
			Africa	Senegal	Non-exclusive
			Africa	Seychelles	Non-exclusive
			Africa	Sierra Leone	Non-exclusive
			Africa	Somalia	Non-exclusive
			Africa	South Africa	Non-exclusive
			Africa	Sudan	Non-exclusive
			Africa	South Sudan	Non-exclusive
			Africa	Swaziland	Non-exclusive
			Africa	Tanzania	Non-exclusive
			Africa	Togo	Non-exclusive
			Africa	Tunisia	Non-exclusive
			Africa	Uganda	Non-exclusive
			Africa	Western Sahara	Non-exclusive
			Africa	Zambia	Non-exclusive
			Africa	Zimbabwe	Non-exclusive

About Xstream (www.xstream.net)

Xstream has been a pioneer in OTT and TV Everywhere services since 1999. Drawing on their extensive experience, Xstream works with world-leading operators, broadcasters, media companies and content owners. Xstream deliver simpler, smarter Internet TV solutions characterized by superior flexibility, usability, scalability and cost-efficiency. Xstream's cloud-based OTT Platform, Xstream MediaMaker™ simplifies the complexity of Internet TV offering industry leading flexibility, seamless integration and limitless scalability enabling customers to deliver premium content to any connected device anywhere, across any network.

Importantly, Xstream MediaMaker™, is designed to automate complex processes end-to-end, accelerate time to market, simplify supply chain management and optimize merchandising and monetization - offering customers the opportunity to expand, scale and grow their Internet TV offerings with a personalized and relevant viewing experience across any device in multiple countries and regions, all managed from one easy to use platform.

About OTT Premium

OTT Premium knows that demand for Over-the-Top (OTT) solutions is ever increasing as consumers are viewing content anytime and anywhere. OTT Premium understands a fast go-to-market solution is needed and here's what sets us apart:

- Simple – we offer a hub/one-stop-shop service
- Proven – recognised international business success with global reach
- Advanced – powered by fully automated European technology at the forefront of OTT
- Experienced – assist with content acquisition, provide a solutions architecture & integration
- Reliable - we can align and be responsive to any business model
- Well connected – Working with all major and 2nd tier OTT ecosystem partners globally

OTT Premium provides some of the world's leading brands with unsurpassed OTT software delivering content that can be viewed on multiple devices and languages worldwide direct to your audience. We've done the hard yards for you through partnering with some of the biggest players in streaming, content provision, cloud storage, analytics, billing gateways and application development to provide you a complete end-to-end content delivery solution. Whether you're a telco, broadcaster or production company, you are successfully equipped to compete with existing content providers through OTT Premium's packaged solution.

About IOT Group Limited



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 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.



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!



OUTDOOR KONNECT

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.

Company Information

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