

23 October 2017
ASX Announcement

ASX Listing Rule 3.10.5A Disclosure and Placement Cleansing Notice

The IOT Group Limited (ASX: IOT) (“IOT” or “the Company”) is pleased to confirm that it has issued 58,200,000 new fully paid ordinary shares (‘placement shares’). The placement shares were issued at 1.0 cents per share to existing shareholders raising \$582,000 before costs.

The new capital will be used to fund inventory purchases of Rova and Air Selfie units that will fill existing orders and future orders leading into the busiest period of the year for consumer electronics.

The placement shares have been issued at a circa 6% premium to the 15-day Volume Weighted Average Price (VWAP) of 0.943 cents per share.

The placement shares participants will receive free attaching unlisted options on a 1 for 1 basis (subject to shareholder approval) exercisable at 1.25 cents each on or before 31 December 2019. A shareholder meeting, concerning the free options and other matters, is to be held in December 2017.

Disclosure under ASX Listing Rules 7.1A.4(b) and 3.10.5A

The Company provides the following disclosures under ASX Listing Rules 7.1A.4(b) and 3.10.5A:

- a. The dilutive effect of the Placement on existing shareholder is as follows:

| | Securities issued (no.) | Dilution (%) |
|---|------------------------------------|---------------------|
| Shares on issue (pre- issue of placement shares) | 812,440,433 | |
| Ordinary class shares issued under LR7.1A | 58,200,000 | 6.68 % |
| Shares on issue (post- issue of placement shares) | 870,640,433 | |

- b. The Company issued the placement shares under Listing Rule 7.1A to sophisticated and professional investors as it was of the view that this was the most efficient and expedient mechanism to currently raise funds.
- c. The Company confirms that no underwriting agreements were entered into concerning the placement shares.
- d. \$34,920 fees were paid by the Company for the raising of capital from the issuance of the placement shares.

Notice pursuant to Section 708A (5) (e) of the Corporations Act 2001

The Company provides the following Cleansing Notice ('Notice') under section 708A of the Corporations Act ('Act') concerning its recently completed placement of 58,200,000 fully paid ordinary shares ('placement shares') at \$0.01 per share, raising \$0.582 million additional capital before costs.

The placement shares are part of a class of securities quoted on the Australian Securities Exchange Limited.

The company gives this Notice pursuant to section 708A (5) (e) of the Act. The placement shares were issued without disclosure to the various parties under Part 6D.2 of the Act, in reliance on section 708A (5) of the Act.

As at the date of this notice, the company has complied with:

- (a) The provisions of Chapter 2M of the Act; and
- (b) 674 of the Act.

As at the date of this Notice, there is no excluded information for the purpose of sections 708A (7) and (8) of the Act.

About IOT Group Limited



Website: www.theiotgroup.com

IoT Group has tapped into global niche markets by adapting and enhancing existing trend products and making them more affordable, useful and innovative for consumers, in particular, the IOT Group is designing and developing a range of drones that looks to create a new category in the retail drones space.

Company Information

IoT Group Limited (ABN 66 140 475 921)
Level 9, 100 William Street
EAST SYDNEY NSW 2011

| | |
|------------------|------------------------|
| Sean Neylon | Executive Director |
| John Forder | Non-Executive Director |
| Steven Kayalicos | Non-Executive Director |
| Ron Hollands | Company Secretary |

Investor Enquiries: investors@theiotgroup.com

All references to IOT Group includes its subsidiaries.

Forward Looking Statements

All statements other than statements of historical fact including, without limitation, statements regarding projections, future plans and objectives of IOT Group, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘in principle’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of IOT Group that could cause IOT Group’s actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by these forward-looking statements will actually occur and investors are cautioned not to place any reliance on these forward-looking statements.

IOT Group does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained above, except where required by applicable law and securities exchange listing requirements.