

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

IOT Group Limited (IOT)

ABN

66 140 475 921

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary class shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 10,000,000 |
| 3 | Principal terms of the +securities (e.g. if Options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Issued as 1 cent per share for working capital purposes. |

+ See chapter 19 for defined terms.

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4	Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state: - the date from which they do - the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment - the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES
5	Issue price or consideration	\$100,000 total consideration paid.
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Issued for working capital purposes.
6a	Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	31 May 2017
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	Nil
6d	Number of ⁺ securities issued with security holder approval under rule 7.1A	10,000,000
6e	Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil

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6f	Number of ⁺ securities issued under an exception in rule 7.2	Nil	
6g	If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation.	Issue price (1 cent per share) is at least 75% of 15 days VWAP (1.1535 cents per share). VWAP source: APP Securities Pty Limited	
6h	If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	LR 7.1: 3,756,553 LR7.1A: 3,295,127	
7	⁺ Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	11 December 2017	
8	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		736,657,121	Ordinary class

⁺ See chapter 19 for defined terms.

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9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	• 5,756,095 • 49,356,644 • 100,626,668 • 4,515,776 • 12,042,068 • 30,105,171 • 17,500,000 • 15,500,000 • 7,750,000 • 27,500,000 • 21,000,000 • 3,000,000 • 6,600,000	Unlisted Options at 3.6 cents expiring 31 December 2017. Restricted securities – fully paid shares escrowed for 24 months from date of ASX reinstatement (24 March 2016). Restricted securities – fully paid shares voluntarily escrowed until 18 March 2018. Unlisted Options exercisable at 7 cents/option expiring 30 June 2019. Unlisted Options exercisable at 7 cents/option expiring 30 June 2019, escrowed for 24 months from date of ASX reinstatement (24 March 2016). Unlisted Options exercisable at 7 cents/option expiring 30 June 2019. Unlisted Director Options (30 June 2016). Unlisted Senior Management Options (20 June 2016) Unlisted Options exercisable at 9 cents/option expiring 31 December 2022 Unlisted Director Options (3 April 2017 – approved at shareholder meeting to held 31 March 2017). Unlisted Senior Management Options (20 February 2017) Unlisted Options for Sales Agents (20 February 2017) Unlisted Staff Options
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⁺ See chapter 19 for defined terms.

	• 40,000,000 • 5,000,000	Unlisted senior Management Options (19 October 2017) Unlisted Invoice Finance Options (1.5 cents/option exercise price. Expiry 30 June 2019)
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Pro rata issue – N/A

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or sub registers) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	

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23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued Options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	
28	Date rights trading will begin (if applicable)	
29	Date rights trading will end (if applicable)	
30	How do security holders sell their entitlements <i>in full</i> through a broker?	
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	
32	How do security holders dispose of their entitlements (except by sale through a broker)?	
33	⁺ Issue date	

⁺ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ X

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities – N/A

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders - N/A

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

N/A

37 ☐ A copy of any trust deed for the additional ⁺securities – N/A

Entities that have ticked box 34(b) – N/A

38 Number of ⁺securities for which ⁺quotation is sought

39 ⁺Class of ⁺securities for which ⁺quotation is sought

40 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities? If the additional ⁺securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another ⁺ security, clearly identify that other ⁺ security)		
42	Number and ⁺ class of all ⁺ securities quoted on ASX (including the ⁺ securities in clause 38)	Number	⁺ Class

Quotation agreement

- 1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those ⁺securities should not be granted ⁺quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C (6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the ⁺securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the ⁺securities to be quoted under section 1019B of the Corporations Act at the time that we request that the ⁺securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before ⁺quotation of the ⁺securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: _____
Ron Hollands – Secretary

Date: 11 December 2017

⁺ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities – N/A

Introduced 01/08/12 Amended 04/03/13

Part 1 – N/A

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ⁺ ordinary securities on issue 12 months before the ⁺ issue date or date of agreement to issue	483,828,419 – ordinary shares (non-escrow) 181,766,210 – Escrowed shares (12 months from IPO) 77,072,254 – Escrowed shares (24 months from IPO) <u>742,666,883</u> – Total
Add the following: • Number of fully paid ⁺ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ⁺ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ⁺ordinary securities that became fully paid in that 12 month period Note: • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i>	
Subtract the number of fully paid ⁺ ordinary securities cancelled during that 12 month period	27,715,610 (cancellation pursuant to Resolution 1 of a Meeting of Shareholders held 31 March 2017)
“A”	714,951,273

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Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	107,242,691
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: - Under an exception in rule 7.2 - Under rule 7.1A - With security holder approval under rule 7.1 or rule 7.4 Note: <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i>	72,416,666 (23 June 2017) 19,569,472 (8 September 2017) 5,500,000 (4 October 2017) 6,000,000 (10 November 2017)
“C”	103,486,138
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	107,242,691
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	103,486,138
Total [“A” x 0.15] – “C”	3,756,553

+ See chapter 19 for defined terms.

Part 2 – N/A

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	714,951,273
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	71,495,127
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items	58,200,000 (23 October 2017) 10,000,000 (11 December 2017)
“E”	68,200,000
Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	71,495,127
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	68,200,000
Total [“A” x 0.10] – “E”	3,295,127

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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 issue of shares on existing shareholders is as follows:

	Securities issued (no.)	Post Placement issued share capital (%)
Ordinary class shares issued under LR7.1	nil	nil%
Ordinary class shares issued under LR7.1	10,000,000	1.13%
Total ordinary class shares issued	10,000,000	1.13%

- b. The Company issued the shares under Listings Rule 7.1A to a sophisticated and professional investor 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 concerning the issue of shares.
- d. No placement fees are payable concerning this share issue.

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