

ASX Announcement

19th November 2018

2018 AGM – Chairman’s Address

On behalf of my fellow directors and me, I would like to welcome our shareholders, advisors, and interested parties to the Inabox Group’s FY18 AGM.

No doubt the FY18 year presented many trading challenges but at the forefront of our thinking, in all the decisions directors have made, was to unlock the considerable value within the Inabox Group and, in doing so, maximise the return to our shareholders.

Following a strategic review the decision was taken to sell the Direct business, consisting of the Anittel and Hostworks businesses, to refocus the Inabox Group on its core capabilities – enabling over 500 channel partners and national retail brands to resell telecommunication services. At around the same time, several informal approaches were also received from parties potentially interested in acquiring the Indirect business at a price that represented a significant premium on Inabox’s average market value over the recent preceding period.

After having considered these informal offers, the directors believed that the best interests of our shareholders would be served by negotiating with the interested parties. As a result, on 8 October 2018, Inabox announced it had entered into a binding sale agreement, under which, in the absence of a superior offer and subject to a number of conditions, Inabox would sell its Indirect business to MNF Group.

On 17 October 2018 Inabox sent Shareholders a notice of meeting which included the resolutions requiring shareholder approval to affect the sale of the Company’s main undertaking to MNF. The notice of meeting also included a recommendation from directors.

On 2 November 2018, IAB announced the proposed treatment of surplus cash and its remaining companies following completion of the Indirect business sale. That announcement indicated that, if the full earn-out under the MNF sale agreement was received, the Company expected it would be able to distribute in excess of 80c per share following finalisation of the sale and the orderly winding up of the remaining entities.

On 15 November 2018 IAB received notice of a proposed takeover bid from the SB&G Group.

Given Inabox shareholders, and the board, did not have sufficient information to make an informed decision about the sale of the Company’s main undertaking to MNF, at the EGM held earlier today, I, in my capacity as Chair, postponed the meeting and shareholder vote. The board will update shareholders on the EGM and the SB&G proposed takeover bid as soon as it is in a position to do so, and keep shareholders informed as new information comes to hand.

Our People

It would be remiss of me not to recognise the wonderful executives and staff at the Inabox Group. To all our team members, I’ll take this opportunity to thank you publicly for your hard work and dedication during these disruptive times. You are a fun group to be around but most importantly everyone goes the extra mile to serve our customers and get the job done

professionally and on time. This has been reflected in the significant customer wins you have enjoyed during FY18 and right up to this time.

Resignation of Tom Stianos from IAB Board

Mr Tom Stianos will resign as a Non-Executive Director of Inabox, following this AGM. Tom joined the Board in November 2015 and has been a diligent and hard-working Non-Executive Director, including his role as chair of the Nomination and Remuneration Committee. He has helped guide the Company during a period of tremendous change and growth. Tom's insights and questioning mind have kept the senior executive team well focused on executing the agreed turnaround strategy and subsequent sale process. I thank Tom for his valuable contribution and wish him every success for the future.

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About Inabox Group Limited

Inabox supplies wholesale telecommunications and enablement services, including billing and technical and customer support, to retail service providers around Australia through wholesale brands, Telcoinabox, iVox, Neural Networks and Mobile Service Solutions. Inabox also enables mass-market consumer brands to enter the telecommunications market by leveraging its network and systems capabilities.

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