ASX Announcement

7 December 2018

Placement

IOT Group Limited (ASX:IOT) ("IOT" or "the Company") is pleased to announce it has placed 47,846,890 fully paid ordinary shares at $0.000836 per share, being 80% of the 5 day VWAP, to a sophisticated investor to raise $40,000. The shares were placed using the Company's placement capacity under Listing Rule 7.1.

Funds raised from the placement will be used for working capital.

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

IOT Group Limited (ASX:IOT) provides the following Cleansing Notice ('Notice') under section 708A of the Corporations Act ('Act') concerning the placement.

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

The Corporations Act 2001 (Cth) (Act) restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or section 708A of the Act. By the Company giving this Notice, sale of the Shares will fall within the exemption in subsection 708A(5) of the Act.

As required by subsection 708A(6) of the Act, the Company gives notice that:

(a) the Company issued the Shares without disclosure to investors under Part 6D.2 of the Act;

(b) this Notice is being given pursuant to subsection 708A(5)(e) of the Act; and

(c) as at the date of this Notice, the Company has complied with:
   i. Chapter 2M of the Act as it applies to the Company; and
   ii. section 674 of the Act; and

(d) as at the date of this Notice, the Company is not in possession of any excluded information" as defined in subsections 708A(7) and 708A(8) of the Act.

Website: www.theiotgroup.com

Company Information

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

Investor Enquiries: investors@theiotgroup.com

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 shares
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	47,846,890
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)	Fully Paid Ordinary Shares
4	Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?	Yes

+ See chapter 19 for defined terms.

	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	
5	Issue price or consideration	$0.000836
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	To raise funds for working capital
6a	Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h *in relation to the +securities the subject of this Appendix 3B*, and comply with section 6i	Yes
6b	The date the security holder resolution under rule 7.1A was passed	23 May 2018
6c	Number of +securities issued without security holder approval under rule 7.1	47,846,890
6d	Number of +securities issued with security holder approval under rule 7.1A	Nil
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil

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.	N/A
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	LR7.1 – 21,576,513 LR7.1A – 37,962,307
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.	7 December 2018

8 Number and +class of all +securities quoted on ASX (*including* the +securities in section 2 if applicable)

Number	+Class
1,762,821,956	Fully paid ordinary shares
18,801,603	Options (exercisable at $0.011 on or before 31 January 2019).

Number	+Class
34,620,947	Options ($0.07, 30 June 2019)
12,042,068	Options ($0.07, 30 June 2019)
17,500,000	Director Options ($0.18238, 31 December 2022).
15,500,000	Senior Management Options ($0.18238, 31 December 2022)
7,750,000	Options ($0.09, 31 December 2022)
20,000,000	Director Options ($0.09, 31 December 2022).

7,500,000	Director Options ($0.03505, 31 December 2022).
21,000,000	Senior Management Options ($0.10, 31 December 2022).
3,000,000	Sales Agent Options ($0.03505, 31 December 2018).
6,000,000	Staff Options ($0.03505, 31 December 2018).
20,000,000	Senior Management Options ($0.05, 31 December 2027).
10,000,000	Senior Management Options ($0.075, 31 December 2027).
10,000,000	Senior Management Options ($0.10, 31 December 2027).
5,000,000	Invoice Finance Options ($0.015, 30 June 2019)
58,200,000	Loyalty Options ($0.0125, 31 December 2019)
20,000,000	Director Options ($0.05, 31 December 2027).
10,000,000	Director Options ($0.075, 31 December 2027).
10,000,000	Director Options ($0.10, 31 December 2027)
4,000,000	Options ($0.011, 31 January 2019)
42,000,000	Options ($0.0125, 31 December 2025)
74,000,000	Options ($0.02, 31 December 2025).
10,000,000	Options ($0.125, 27 July 2025)

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy. The Company has not previously paid a dividend.

Part 2 - Pro rata issue

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 subregisters) 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	

+ See chapter 19 for defined terms.

20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
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 *in full* through a broker?	
31	How do security holders sell *part* 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

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 Securities described in Part 1

(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

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

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

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

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

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	
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: .... Date: 07/12/2018
(~~Director~~/Company secretary)

Print name: Elissa Hansen

Appendix 3B – Annexure 1

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

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

Part 1

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	**870,640,433 Shares**
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:* • *Include only ordinary securities here – other classes of equity securities cannot be added* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	20/12/2017 42,037,885 22/12/2017 38,902,615 2/01/2018 23,529,412 10/01/2018 1,031,250 18/01/2018 3,500,000 2/02/2018 2,777,778 22/02/2018 5,979,330 2/03/2018 18,551,603 9/03/2018 46,052,631 14/03/2018 15,000,000 5/04/2018 250,000 31/05/2018 11,111,111 6/06/2018 11,111,111 7/06/2018 22,222,222 30/07/2018 22,500,000 7/08/2018 66,298,342 12/10/2018 70,000,000 19/10/2018 70,000,000 9/11/2018 59,980,806 30/11/2018 35,377,358 **Total:** **568,140,374 Shares**
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0

+ See chapter 19 for defined terms.

“A”	**1,444,780,807**

Step 2: Calculate 15% of “A”	
“B”	0.15 *[Note: this value cannot be changed]*
Multiply “A” by 0.15	216,717,121
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 *not counting* 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:* • *This applies to equity securities, unless specifically excluded – not just ordinary securities* • *Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed* • *It may be useful to set out issues of securities on different dates as separate line items*	See table below. **Total:** **195,140,608 Shares**
“C”	**195,140,608**

Quantity	Class	Appendix 3B Date	Issue date
1,031,250	Shares	21/03/2018	21/03/2018
1,650,000	Shares	05/04/2018	03/04/2018
22,222,222	Shares	12/04/2018	10/04/2018 - 11/04/2018
8,000,000	Shares	18/04/2018	18/04/2018
9,032,082	Shares	Announced 10/05/2018 Appendix 3B Date 19/06/2018	19/06/2018
90,000,000	Shares	12/11/2018	9/11/2018
15,358,164	Shares	30/11/2018	30/11/2018
47,846,890	Shares	07/12/2018	07/12/2018

+ See chapter 19 for defined terms.

Step 4: Subtract "C" from ["A" x "B"] to calculate remaining placement capacity under rule 7.1	
"A" x 0.15 *Note: number must be same as shown in Step 2*	216,717,121
Subtract "C" *Note: number must be same as shown in Step 3*	195,140,608
Total ["A" x 0.15] – "C"	**21,576,513** [Note: this is the remaining placement capacity under rule 7.1]

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate "A", the base figure from which the placement capacity is calculated	
"A" *Note: number must be same as shown in Step 1 of Part 1*	**1,444,780,375**
Step 2: Calculate 10% of "A"	
"D"	0.10 *Note: this value cannot be changed*
Multiply "A" by 0.10	**144,478,081**
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

Notes:

- *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*

Quantity	Class	Appendix 3B Date	Issue date
10,000,000	Shares	11/12/2017	11/12/2017
29,500,000	Shares	18/04/2018	18/04/2018
50,492,300	Shares	18/05/2018	18/05/2018
16,523,474	Shares	Announced 10/05/2018 Appendix 3B Date 19/06/2018	19/06/2018

Total: 106,515,774 Shares

"E"	106,515,774

+ See chapter 19 for defined terms.

Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A	
"A" x 0.10 *Note: number must be same as shown in Step 2*	**144,478,081**
Subtract "E" *Note: number must be same as shown in Step 3*	106,515,774
Total ["A" x 0.10] – "E"	**37,962,307** Note: this is the remaining placement capacity under rule 7.1A

+ See chapter 19 for defined terms.