

ASX Announcement

12 December 2018

Completion of sale to MNF Group and distributions to shareholders

Inabox Group Limited (ASX: IAB) (to be renamed IAB Holdings Limited and referred to herein as **IAB** or the **Company**) is pleased to announce that the sale of its main undertaking to MNF Group Limited (**MNF Group**) has completed.

At completion, the Company received \$34.5m in cash (**Cash Consideration**) and as previously announced by the Company on 23 November 2018, the Company plans to apply the Cash Consideration as follows:

Cash Consideration from sale	\$34.5m	<i>Assuming nil working capital adjustment</i>
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Uses of Proceeds

Repayment of debt and transaction expenses	(\$12.5m)
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Estimated winding up expenses	(\$0.5m)
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Total uses of Cash Consideration	(\$13.0m)
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Proceeds available for distribution to shareholders	\$21.5m
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Cash distributions to IAB shareholders - per share	\$0.90
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Comprised of:

<i>Special Dividend – fully franked per share</i>	<i>\$0.29</i>	<i>Payment date 7th January (see below)</i>
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<i>Capital Return per share (subject to shareholder approval)</i>	<i>\$0.61</i>	<i>Initial payment date late January (see below)</i>
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Commenting on the sale of the Company's main undertaking to MNF Group, Damian Kay (CEO), said:

"Telcoinabox first disrupted the market in 2003 by allowing anyone with a phone, internet connection and a device to become a telco. That disruption has continually evolved to enable 500+ Retail Service Providers and large brand extenders to reshape the way people buy their telecommunication services.

Importantly, I want to acknowledge and thank my staff, both past and present, who have made Telcoinabox the leader it is today. It is exciting that our vision will be continued by MNF, led by Rene Sugo and his experienced team. The sale is also a great result for shareholders who I want to thank for their loyal support over the past 5 years, since listing on the ASX. It is an exciting industry and I am passionate about championing the small guy to drive innovation and competition. I will also take this final opportunity to wish our customers, staff, and investors the very best for the future."

Distributions to Shareholders

Special Dividend

As described above, IAB will pay to shareholders part of the Cash Consideration by a Special Dividend. Accordingly, a fully franked Special Dividend of \$0.29 per share has been declared. The key dates relating to the Special Dividend are:

Event	Date
Special Dividend of \$0.29 per share declared	12 th December 2018
Record date for entitlement to Special Dividend	18 th December 2018
Payment of Special Dividend	7 th January 2019

Proposed Return of Capital

After payment of the Special Dividend, IAB plans to distribute its remaining surplus cash, expected to equate to at least \$0.61 per share, through one or more capital returns. The Company will seek shareholder approval to return capital at a general meeting (**General Meeting**) to be held on 15th January 2019. A notice of meeting (**Notice of Meeting**) with information about the resolutions to be put to shareholders at the General Meeting will be despatched to shareholders within the next few days.

Assuming shareholders approve the return of capital at the General Meeting, the Company expects to make the first distribution of capital to shareholders on or around 25 January 2019.

Proposed ASX Delisting and Winding Up

With the Company's main undertaking sold and it having no operating business, the Board intends to, as quickly and efficiently as possible, distribute surplus cash to shareholders, delist IAB from the ASX and conduct an orderly winding up of the Company and its remaining entities. The Board believes this approach will allow the maximum return of surplus cash to shareholders.

The Company will seek approval from shareholders at the General Meeting to delist from the ASX. More information about this resolution will be provided in the Notice of Meeting.

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