

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 N/A

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 (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 11,111,111 Shares - part of the 70,000,000 Shares agreed to be issued by IOT as announced 10 May 2018. |
| 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 ranking equally with existing ordinary Shares on issue. |
| 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: | Shares – Yes |

+ See chapter 19 for defined terms.

	<ul style="list-style-type: none"> 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	<p>11,111,111 Shares were issued at \$0.0045 per Share (\$50,000 total consideration) to Talk To Geoffrey Pty Limited (TTG), an existing IOT shareholder and a professional investor.</p> <p>This share issue is part of the 70,000,000 Shares agreed to be subscribed to by TTG and agreed to be issued by IOT, as announced to the market on 10 May 2018.</p>
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The funds raised will be used 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 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	Nil
6d	Number of *securities issued with security holder approval under rule 7.1A	11,111,111 Shares
6e	Number of *securities issued with security holder approval under rule 7.3, or another	Nil

specific security holder approval
(specify date of meeting)

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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.

11,111,111 Shares issued on 28 May 2018 under LR7.1A were issued at a price of \$0.0045 per share, being 121.7532468% of the 15 days VWAP of \$ 0.003696 per share. The source of the VWAP was IRESS.
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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 – 102,110,726 LR7.1A – (- 40,310,751) The Company notes that it will not be able to issue shares under either of these capacities until 25 October 2018. Refer to the announcement released on 25 May 2018 for further details.
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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.

28 May 2018 – 11,111,111

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

Number	+Class
1,241,929,671	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)

+ See chapter 19 for defined terms.

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).

- 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 | <p>Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p> | |
| 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 | |
| 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? | |
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+ See chapter 19 for defined terms.

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) ☒ 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	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> 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	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	<p>Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr style="height: 100px;"> <td></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

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.



Ron Hollands - Company Secretary
31 May 2018

+ 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

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		714,954,295 Shares																																																																			
Add the following:		The following shares were either issued with shareholder approval obtained on 15 December 2017 or their issue was ratified on 15 December 2017 or they were issued under an exception under rule 7.2 or their issue was ratified on 23 May 2018.																																																																			
<ul style="list-style-type: none">Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2Number of fully paid +ordinary securities issued in that 12 month period with shareholder approvalNumber of partly paid +ordinary securities that became fully paid in that 12 month period																																																																					
Note:																																																																					
<ul style="list-style-type: none">Include only ordinary securities here – other classes of equity securities cannot be addedInclude here (if applicable) the securities the subject of the Appendix 3B to which this form is annexedIt may be useful to set out issues of securities on different dates as separate line items																																																																					
		<table><tr><th>Quantity</th><th>Appendix 3B Date</th><th>Issue Date</th></tr><tr><td>70,416,666</td><td>26/06/2017</td><td>23/06/2017</td></tr><tr><td>2,000,000</td><td>26/06/2017</td><td>23/06/2017</td></tr><tr><td>19,569,472</td><td>14/09/2017</td><td>14/09/2017</td></tr><tr><td>5,500,000</td><td>06/10/2017</td><td>4/10/2017</td></tr><tr><td>58,200,000</td><td>23/10/2017</td><td>23/10/2017</td></tr><tr><td>23,333,333</td><td>18/12/2017</td><td>15/12/2017</td></tr><tr><td>8,409,597</td><td>18/12/2017</td><td>18/12/2017</td></tr><tr><td>2,888,944</td><td>20/12/2017</td><td>18/12/2017</td></tr><tr><td>1,648,941</td><td>20/12/2017</td><td>18/12/2017</td></tr><tr><td>5,500,000</td><td>20/12/2017</td><td>18/12/2017</td></tr><tr><td>15,000,000</td><td>20/12/2017</td><td>18/12/2017</td></tr><tr><td>12,000,000</td><td>20/12/2017</td><td>19/12/2017</td></tr><tr><td>5,500,000</td><td>20/12/2017</td><td>18/12/2017</td></tr><tr><td>15,555,556</td><td>22/12/2017</td><td>20/12/2017</td></tr><tr><td>17,647,059</td><td>22/12/2017</td><td>21/12/2017</td></tr><tr><td>5,700,000</td><td>22/12/2017</td><td>21/12/2017</td></tr><tr><td>23,529,412</td><td>2/01/2018</td><td>29/12/2017</td></tr><tr><td>1,031,250</td><td>10/01/2018</td><td>09/01/2018</td></tr><tr><td>3,500,000</td><td>18/01/2018</td><td>17/01/2018</td></tr><tr><td>2,777,778</td><td>02/02/2018</td><td>01/02/2018</td></tr><tr><td>5,978,130</td><td>22/02/2018</td><td>21/02/2018</td></tr></table>		Quantity	Appendix 3B Date	Issue Date	70,416,666	26/06/2017	23/06/2017	2,000,000	26/06/2017	23/06/2017	19,569,472	14/09/2017	14/09/2017	5,500,000	06/10/2017	4/10/2017	58,200,000	23/10/2017	23/10/2017	23,333,333	18/12/2017	15/12/2017	8,409,597	18/12/2017	18/12/2017	2,888,944	20/12/2017	18/12/2017	1,648,941	20/12/2017	18/12/2017	5,500,000	20/12/2017	18/12/2017	15,000,000	20/12/2017	18/12/2017	12,000,000	20/12/2017	19/12/2017	5,500,000	20/12/2017	18/12/2017	15,555,556	22/12/2017	20/12/2017	17,647,059	22/12/2017	21/12/2017	5,700,000	22/12/2017	21/12/2017	23,529,412	2/01/2018	29/12/2017	1,031,250	10/01/2018	09/01/2018	3,500,000	18/01/2018	17/01/2018	2,777,778	02/02/2018	01/02/2018	5,978,130	22/02/2018	21/02/2018
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+ See chapter 19 for defined terms.

	18,551,603	02/03/2018	02/03/2018
	250,000	05/04/2018	03/04/2018
	5,000,000	10/11/2017	10/11/2017
	1,000,000	10/11/2017	10/11/2017
	46,052,631	08/03/2018	09/03/2018
	15,000,000	14/03/2018	14/03/2018
Total: 391,540,372 Shares			
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0		
“A”	1,106,494,667		

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”																																					
“B”	0.15 <i>[Note: this value cannot be changed]</i>																																				
Multiply “A” by 0.15	165,974,200																																				
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used																																					
<p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p>Note:</p> <ul style="list-style-type: none"> <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> 	<table border="1"> <thead> <tr> <th>Quantity</th> <th>Class</th> <th>Appendix 3B Date</th> <th>Issue date</th> </tr> </thead> <tbody> <tr> <td>20,000,000</td> <td>Options</td> <td>20/10/2017</td> <td>19/10/2017</td> </tr> <tr> <td>896,670</td> <td>Shares</td> <td>22/02/2018</td> <td>21/02/2018</td> </tr> <tr> <td>1,031,250</td> <td>Shares</td> <td>22/02/2018</td> <td>21/02/2018</td> </tr> <tr> <td>1,031,250</td> <td>Shares</td> <td>21/03/2018</td> <td>21/03/2018</td> </tr> <tr> <td>1,650,000</td> <td>Shares</td> <td>05/04/2018</td> <td>03/04/2018</td> </tr> <tr> <td>22,222,222</td> <td>Shares</td> <td>12/04/2018</td> <td>10/04/2018 - 11/04/2018</td> </tr> <tr> <td>8,000,000</td> <td>Shares</td> <td>18/04/2018</td> <td>18/04/2018</td> </tr> <tr> <td>9,032,082</td> <td>Shares</td> <td>Announced 10/05/2018</td> <td>TBA</td> </tr> </tbody> </table> <p>Total: 63,863,474 Equity Securities, comprising of 34,831,392 Shares and 20,000,000 Options that have been issued and 9,032,082 Shares that have been agreed to be issued</p>	Quantity	Class	Appendix 3B Date	Issue date	20,000,000	Options	20/10/2017	19/10/2017	896,670	Shares	22/02/2018	21/02/2018	1,031,250	Shares	22/02/2018	21/02/2018	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	TBA
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“C”	63,863,474																																				
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>	165,974,200																																				
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	63,863,474																																				
Total [“A” x 0.15] – “C”	102,110,726 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>																																				

+ 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” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,106,494,667																								
Step 2: Calculate 10% of “A”																									
“D”	0.10 <i>Note: this value cannot be changed</i>																								
Multiply “A” by 0.10	110,649,467																								
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> <ul style="list-style-type: none"> <i>This applies to equity securities – 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>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</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<table border="1"> <thead> <tr> <th>Quantity</th> <th>Class</th> <th>Appendix 3B Date</th> <th>Issue date</th> </tr> </thead> <tbody> <tr> <td>10,000,000</td> <td>Shares</td> <td>11/12/2017</td> <td>11/12/2017</td> </tr> <tr> <td>29,500,000</td> <td>Shares</td> <td>18/04/2018</td> <td>18/04/2018</td> </tr> <tr> <td>50,492,300</td> <td>Shares</td> <td>18/05/2018</td> <td>18/05/2018</td> </tr> <tr> <td>11,111,111</td> <td>Shares</td> <td>Announced 10/05/2018 Appendix 3B Date 28/05/2018</td> <td>28/05/2018</td> </tr> <tr> <td>49,856,807</td> <td>Shares</td> <td>Announced 10/05/2018</td> <td>TBA</td> </tr> </tbody> </table> <p>Total: 150,960,218 Shares</p>	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	11,111,111	Shares	Announced 10/05/2018 Appendix 3B Date 28/05/2018	28/05/2018	49,856,807	Shares	Announced 10/05/2018	TBA
Quantity	Class	Appendix 3B Date	Issue date																						
10,000,000	Shares	11/12/2017	11/12/2017																						
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50,492,300	Shares	18/05/2018	18/05/2018																						
11,111,111	Shares	Announced 10/05/2018 Appendix 3B Date 28/05/2018	28/05/2018																						
49,856,807	Shares	Announced 10/05/2018	TBA																						
“E”	150,960,218																								

+ 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 <i>Note: number must be same as shown in Step 2</i>	110,649,467
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	150,960,218
Total [“A” x 0.10] – “E”	- 40,310,751 Note: this is the remaining placement capacity under rule 7.1A

+ See chapter 19 for defined terms.