

19 January 2018

The Manager  
Market Announcements Office  
Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

### Non-Renounceable Entitlement Offer

IOT Group Limited (ACN 140 475 921) (**ASX: IOT**) (**the Company**) is seeking to raise up to approximately \$2,311,615 (before costs) through a pro rata non-renounceable entitlements offer of one (1) fully paid ordinary share in the capital of the Company (**Share**) for every four (4) Shares held by eligible shareholders on 25 January 2018 at an issue price of \$0.009 per Share together with one (1) free attaching option for every Share subscribed for and issued (**Entitlement Offer**). There is no minimum subscription in respect of the Entitlement Offer.

### Commentary

Executive Director – Sean Neylon comments: “The Board of IOT believes this Offer to be favourable for all our Shareholders and will allow all involved in IOT to participate and benefit from the future growth of the Company. We are now well positioned for 2018 with our existing product range being further strengthened by the addition of new innovative IOT releases into our current major retail territories of the USA, South America, LATAM, Australasia and Europe.”

### Indicative use of proceeds of Entitlement Offer

The Company proposes to use the proceeds of the Entitlement Offer as follows:

Use	Full Subscription	%
Marketing and advertising	\$750,000	32.44%
Product development	\$1,000,000	43.26%
Expenses of the Offer being paid in cash	\$52,293 <sup>2</sup>	2.26%
Working capital	\$509,322	22.03%
<b>Total</b>	<b>\$2,311,615</b>	<b>100%</b>

#### Notes:

1. Expenses of the Offer are being partially paid in cash and partially by way of an issue of Shares by the Company. Refer to Section 9.7 of the Prospectus for further details relating to the estimated expenses of the Offer.
2. Note that a maximum of \$193,697 representing a \$55,000 management fee and a selling fee of 6% of the total funds raised pursuant to the Offer is payable through the issue of Shares to the Lead Manager at deemed issue prices of \$0.01 per Share in relation to the management fee and \$0.009 per Share in relation to the selling fee.

The above is a statement of current intentions as of the date of the Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

### Summary of the Entitlement Offer

1. The Entitlement Offer comprises one (1) new Share for every four (4) existing Shares held by existing eligible shareholders on the record date (25 January 2018) at \$0.009 cents per Share together with one (1) free attaching Option for every Share subscribed for and issued.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Hong Kong or Singapore or any other shareholders in other jurisdictions to whom the Company decides to make offers.
3. The Entitlement Offer is not underwritten.
4. Any fractional entitlements arising from the Entitlement Offer will be rounded up to the nearest whole number.
5. Shares issued under the Entitlement Offer will rank equally with existing Shares on issue on the record date. The Company will make application for official quotation of the new Shares proposed to be issued under the Entitlement Offer. Share entitlements are non-renounceable and will not be tradeable on the ASX or otherwise transferable.
6. Up to approximately 256,846,132 Shares and 256,846,132 Options will be issued pursuant to the Entitlement Offer. The Options are proposed to be quoted on the ASX, subject to ASX granting official quotation, and each exercisable into one Share at an exercise price of \$0.011 until the expiry date of 31 January 2019. Shareholders who do not take up all or any part of their entitlement will not receive any payment or value in respect of the entitlement not taken up and their equity interest in the Company will be diluted.

### Timetable

Further details of the Entitlement Offer, including details on how to accept and key risks of the Entitlement Offer, will be set out in a prospectus which is expected to be released to the ASX on 19 January 2019 and dispatched to shareholders on 31 January 2019. Outlined below is a timetable of relevant events and dates relating to the Entitlement Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Entitlement Offer closing date.

Event	Date
Lodgement of Prospectus with the ASIC	19 January 2018
Lodgement of Prospectus & Appendix 3B with ASX	19 January 2018
Notice sent to Optionholders	19 January 2018
Notice sent to Shareholders	23 January 2018
Ex date	24 January 2018

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<b>Event</b>	<b>Date</b>
Record Date for determining Entitlements	25 January 2018
Prospectus despatched to Shareholders & Company announces despatch has been completed	31 January 2018
Last day to extend the Closing Date	6 February 2018
Closing Date*	9 February 2018
Shares quoted on a deferred settlement basis	12 February 2018
ASX notified of under subscriptions	14 February 2018
Issue Date	16 February 2018
Despatch of holding statements	16 February 2018
Quotation of Securities issued under the Offer*	19 February 2018

Application for new Shares and Options under the Entitlement Offer may only be made by completing the Application Form which accompanies the prospectus. Shareholders eligible to participate in the Entitlement Offer should read the prospectus carefully and consult professional advisers as necessary.



**Sean Neylon**  
Executive Director

This release does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer or sale would be illegal. This release may not be distributed or released in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the securities referred to in this release in any jurisdiction outside Australia. In particular, the new shares and options to be offered in the Entitlement Offer have not been, and none of them will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares and options may not be offered, directly or indirectly, to, any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

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**About IOT Group Limited**



EVERYTHING IS CONNECTED

Website: [www.theiotgroup.com](http://www.theiotgroup.com)

*IOT Group has tapped into global niche markets by adapting and enhancing existing trend products and making them more affordable, useful and innovative for consumers.*

**Company Information**

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

Sean Neylon	Founder and Executive Director
John Forder	Non-Executive Director
Steven Kayalicos	Non-Executive Director
Ron Hollands	Company Secretary

Investor Enquiries: [investors@theiotgroup.com](mailto:investors@theiotgroup.com)

All references to IOT Group includes its subsidiaries.

**Forward Looking Statements**

All statements other than statements of historical fact including, without limitation, statements regarding projections, plans and objectives of IOT Group, are forward-looking statements. When used in this announcement, forward-looking statements can be identified by words such as ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘future’, ‘intend’, ‘may’, ‘opportunity’, ‘plan’, ‘in principle’, ‘potential’, ‘project’, ‘seek’, ‘will’ and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of IOT Group that could cause IOT Group’s actual results to differ materially from the results expressed or anticipated in these statements.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by these forward-looking statements will actually occur and investors are cautioned not to place any reliance on these forward-looking statements.

IOT Group does not undertake to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained above, except where required by applicable law and securities exchange listing requirements.

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