

ASX Announcement

Wednesday 7th February 2018

IOT STRATEGIC INVESTMENT IN RUNA - THE INSTANT PURCHASE AND DELIVERY APP

The IOT Group Limited (ASX: IOT) (“IOT Group” or “the Company”) is pleased to update shareholders that it has signed a binding term sheet (**Term Sheet**) to subscribe for 9,000,000 fully paid ordinary shares in capital of RUNA Pty Ltd (**RUNA**) (**Runa Shares**) at a deemed issue price of \$0.20 per Runa Share, together with 1,500,000 free-attaching performance options exercisable at \$0.25 on or before 30 December 2020 upon the satisfaction of certain performance milestones (**Investment**). Following the Investment, IOT will have a 25% interest in RUNA.

RUNA is a unique pick-up, purchase and delivery platform immediately connecting consumers to any store or service via independent Runas who collect, pay and deliver on-demand. RUNA is focused on meeting the growing consumer need for convenience and to create a lifestyle based brand and service.

RUNA is a service capable of purchasing any item from anywhere on-demand. RUNA, began in early 2016, has recently completed 6 months of controlled beta trialling and agile improvements. RUNA has successfully made over 2700 deliveries. RUNA is applicable on a worldwide basis, price agnostic and globally scalable. RUNA enables immediate impulse buying of consumer items.

The Consideration for the Investment will be \$600,000, to be satisfied as follows:

- (a) \$250,000 in cash (**Cash Payment**), payable as follows:
 - (i) IOT will pay a cash advance of \$50,000 upon execution of the Term Sheet; and
 - (ii) IOT subscribed for the 9,000,000 Runa Shares upon execution of the Term Sheet and will provide the balance of \$200,000 in cash before 15 March 2018; and
 - (b) \$350,000 to be satisfied through the issue of fully paid ordinary shares in the capital of IOT (**Consideration Shares**) at a deemed issue price equal to the 30-day volume weight average price per IOT Share immediately prior to the issue of the Consideration Shares (subject to a floor price of \$0.006 per Consideration Share) or cash,
- (together, the **Consideration**).

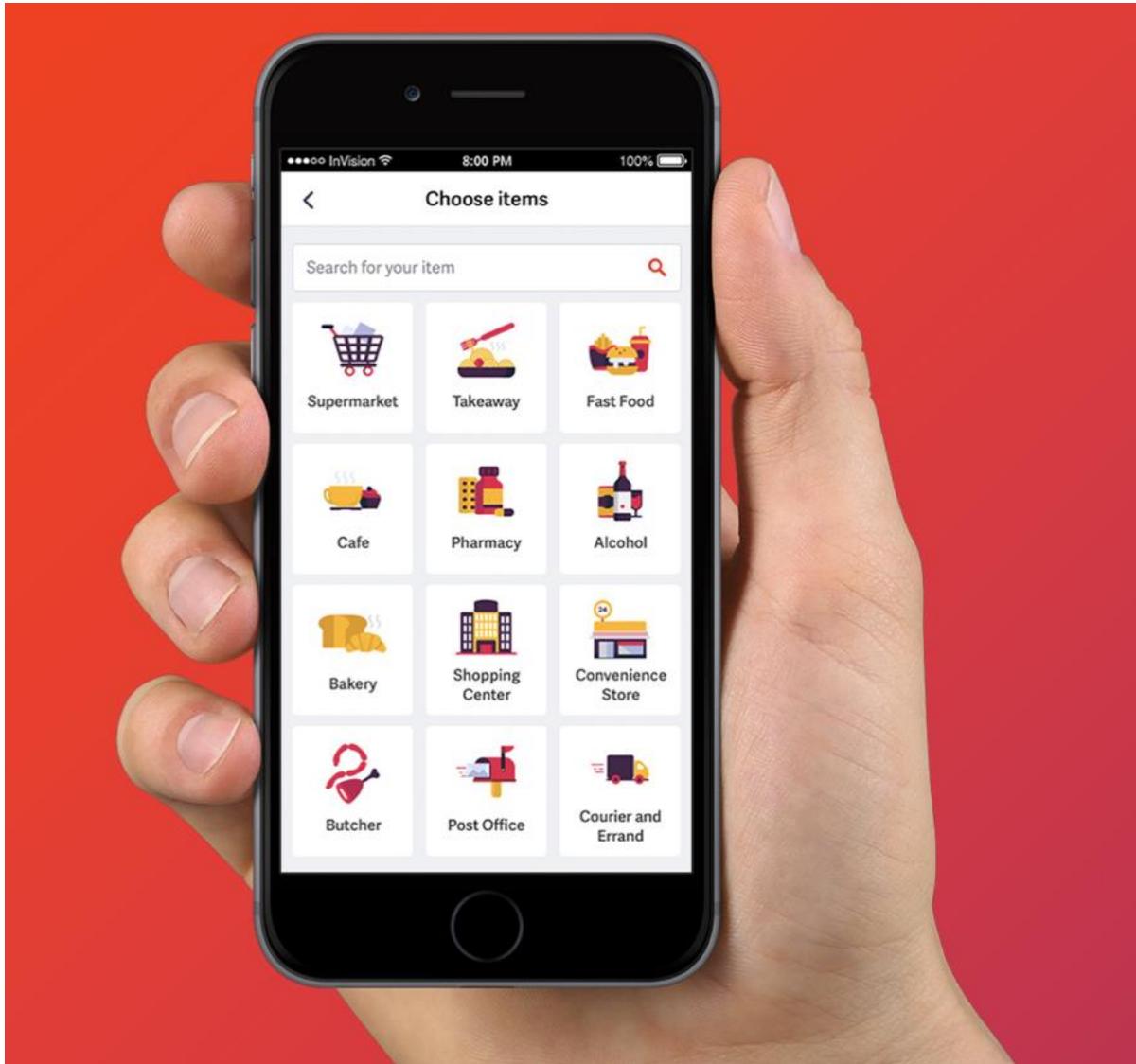
The Investment will enable IOT to gauge the business performance over the next six to twelve months when a board decision will be made to potentially increase its IOT’s shareholding in RUNA. RUNA may operate its business in Australia and New Zealand with a first option for the territories of Hong Kong, Singapore, Japan and Malaysia. Currently testing the service in the Sydney Eastern Suburbs and the Northern Beaches. The rollout to other regions and Cities begins next month.

The IOT Board see this strategic investment in RUNA as in line with the Company’s current strategy and focus, being IOT, the “Internet of Things” – devices talking to devices.

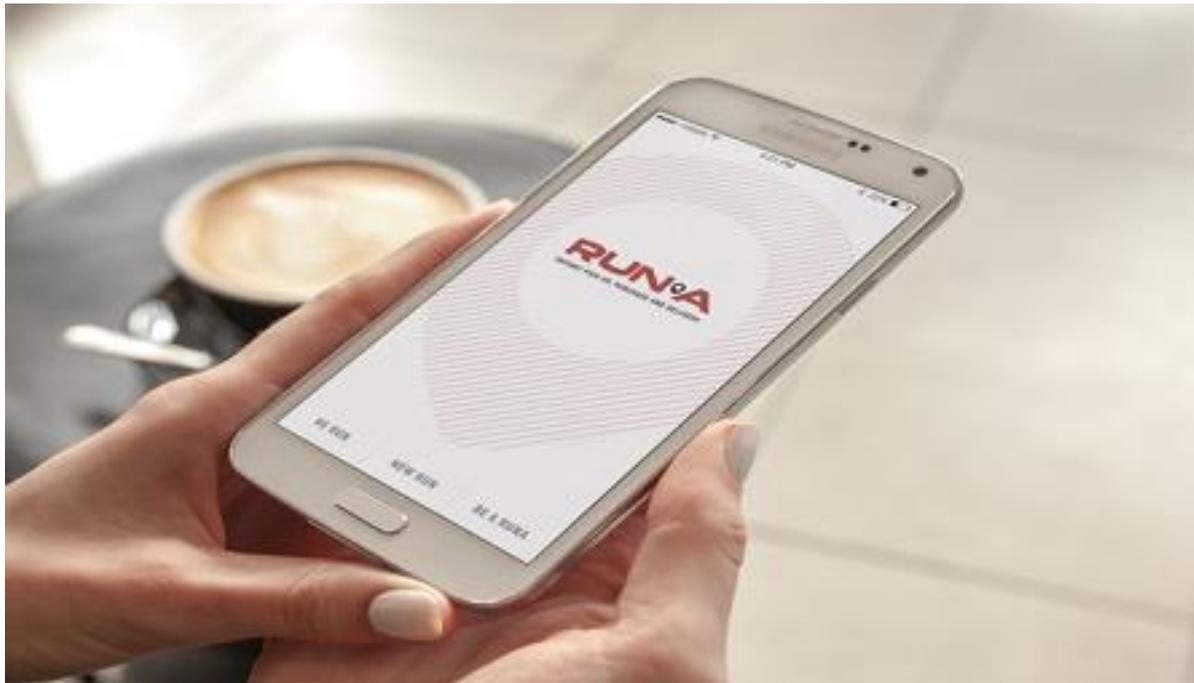
IOT currently has a non-renounceable rights issue offer open which is subject to a Prospectus that was announced on 19 January 2018 (**Rights Issue**) which will close on the 23rd of February. As announced

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on 6 February 2018, the IOT Board has extended the closing date of the Rights Issue to allow all IOT Shareholders to participate in the RUNA business. A supplementary prospectus will be mailed out on the 8th of February 2018 to all eligible IOT shareholders to review the RUNA business and still have the opportunity to participate in the Rights Issue.



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Commentary

Executive Director and Founder of IOT Group, Mr. Sean Neylon comments:

“This deal focuses IOT back to its beginnings of being a true IOT based Company. Download the RUNA App from the Apple Store or Google Play Store and you will find that RUNA is one of the best personal courier services available. You can purchase anything anytime from BBQ items, any food items, medications, flowers, courier services, nappies, alcohol, cigarettes, office supplies, gardening products, pool supplies - everything and anything – its absolutely brilliant and unique.

This is what IOT is all about, making life easier and more efficient, and RUNA is exactly that.!”

About IOT Group Limited



EVERYTHING IS CONNECTED

Website: www.theiotgroup.com

IoT Group has tapped into global niche markets by adapting and enhancing existing trend products and services 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

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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