

19 January 2021

ASX Announcement

ENTITLEMENT OFFER, PLACEMENT AND STRATEGIC REVIEW UPDATE

Connected IO Limited (**Connected IO** or **Company**) announces it will be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the Company via a pro-rata non-renounceable rights offer (**Offer**) of up to approximately 247,944,029 shares on the basis of 1 new share (**New Share**) for every 1 share held at an issue price of \$0.002 per New Share, to raise approximately \$495,000 (before costs). In addition, the Company has received firm commitments for a placement to raise a further approximate \$75,000 (before costs) utilising its placement capacity under Listing Rule 7.1 (**Placement**).

The Placement will be undertaken subsequent to the Record Date of the Offer and therefore recipients of the Placement Shares will not be able to participate in the Offer.

The Offer is fully underwritten by 708 Capital Pty Ltd (**708 Capital**). The Placement is not underwritten. 708 Capital will be paid a fee equal to 6% of the amounts raised under the Placement and the Offer. An indicative timetable is attached in the Appendix to this announcement.

The Placement and Offer proceeds will enable to Company to conclude its strategic review of its business model in addition to providing additional working capital. Following the completion of the strategic review in the coming weeks, the Company expects to be able to provide further details with respect to its existing business operations, potential new acquisitions, and a potential further restructure of the balance sheet and capital structure.

Further details on the scale and nature of any re-structure will be made available upon completion of the strategic review and discussions with convertible note holders, debt providers and other creditors.

The Offer will be made to the Company's shareholders with a registered address in Australia or New Zealand on the Record Date (**Eligible Shareholders**).

Assuming that no Options are exercised or Performance Rights or Convertible Notes are converted before the Record Date, the effect of the Offer and the Placement on the Company's issued share capital at Full Subscription is shown in the following table:

Shares	Full Subscription
Existing Shares	247,944,029
New Shares issued under the Offer	247,944,029
New Shares issued under the Placement	37,191,604
Total Shares on issue after completion of the Offer	533,079,662

Shareholders may view all the Company's ASX announcements, including those relating to the Offer, on the ASX's website at www.asx.com.au or alternatively on the Company's website at www.connectedio.com.

It is anticipated that the Offer Document offering New Shares for subscription will be mailed to Eligible Shareholders on 25 January 2021 and will be available on the ASX and Company's website on 19 January 2021.

Application will be made to ASX for official quotation of the New Shares. No shareholder approval is required for the Offer.

Overseas Shareholders

The Offer is only made to Eligible Shareholders (shareholders with a registered address in Australia or New Zealand at the Record Date). Therefore, if you are a shareholder with a registered address other than Australia or New Zealand, no offer will be made to you. In making this decision, the directors have considered the small number of overseas shareholders and the costs and administrative complexity of complying with applicable regulations in jurisdictions outside Australia or New Zealand.

This announcement was approved and authorised for release by the Company's Board of Directors.

For further information regarding this announcement please contact Adam Sierakowski, Chairman of Connected IO Limited on 08 6211 5099.

ABOUT CONNECTED IO

Connected IO Limited is a wireless technology innovator and manufacturer operating in the multi-trillion-dollar "IOT" (Internet of Things) sector. Connected IO specializes in machine to machine ("M2M") connectivity, providing hardware and software solutions to some of the world's largest companies. Connected IO's software solutions also include a customised cloud management interface and a variety of support services. Cisco predicts there will be 50 billion connected devices by 2020.

Appendix A: Non-Renounceable Entitlement Issue Timetable

Event	Date ²
Announcement of Offer	19 January 2021
Release of Offer Document, Cleansing Notice and Appendix 3B with ASX (pre-market open)	19 January 2021
Ex date	21 January 2021
Record Date (date for determining Eligible Shareholder to participate in the Offer)	22 January 2021
Issue of Placement Shares, Cleansing Notice and Appendix 2A	25 January 2021
Offer Opening Date Offer Document and personalised Entitlement and Acceptance Forms sent to Shareholders	28 January 2021
Last day to extend the Offer Closing Date ¹	8 February 2021
Closing Date (Offer closes 5.00pm (AEST))	11 February 2021
New Shares quoted on a deferred settlement basis	12 February 2021
Notification to ASX of Shortfall	16 February 2021
Issue date of New Shares and lodgement of Appendix 2A with ASX applying for quotation of the securities	18 February 2021
Quotation of New Shares under the Offer	19 February 2021

Notes:

1. Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.
2. These dates are indicative only and are subject to change.

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