

24 February 2021

ASX Announcement

SMALL SHAREHOLDING SALE FACILITY

Connected IO Limited (**Connected IO** or **Company**) is pleased to announce it has initiated a small shareholding sale facility (**Facility**) designed to allow shareholders with \$500 worth of shares or less to sell their shares in the Company cost effectively and simply, while also assisting the Company to reduce the costs associated with servicing smaller holdings.

Consistent with the ASX Listing Rules and the Company's Constitution and recognising that cost to shareholders of selling very small holdings can be disproportionately high, shareholders with less than a marketable parcel of shares (i.e. below a value of \$500) as at the record date of 23 February 2021 will shortly receive a letter in the form attached.

This letter explains that, unless those shareholders advise the Company (or the Company's share registry) otherwise, their shares will be sold on market and the proceeds remitted to them free of brokerage and handling fees. Those shareholders who wish to retain their shares must return the form enclosed with the letter which states that they wish to retain their shareholding, otherwise their shares will be sold.

The Facility is only open to eligible shareholders who are holders of fully paid ordinary shares in the Company on 23 February 2021 (**Record Date**).

As of 23 February 2021, 3,776 of the Company's 4,364 shareholders would be eligible to participate in the Facility. Those shareholders hold a total of 12,931,615 fully paid ordinary shares in the Company, representing approximately 2.9% of Connected IO's total issued capital.

A summary of the key dates in respect of the Facility is as follows:

Event	Date
Record Date to determine which shareholders are Eligible Shareholders	23 February 2021 at 5.00pm (WST)
Letter despatched to Eligible Shareholders	2 March 2021
Closing Date (last day for receipt of Share Retention Forms)	13 April 2021 at 5.00pm (WST)
Expected payment date	On or about 27 April 2021

Documentation regarding the Facility outlined above will shortly be sent to all shareholders holding shares to a value of \$500 or less.

If you have any questions, please call your broker, accountant or professional adviser. If you require information on how to complete the Share Retention Form, please contact a Company Secretary on 08 6211 5099.

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

Dougal Ferguson

Chief Executive Officer

Connected IO Limited

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.

24 February 2021

Dear Shareholder

IMPORTANT NOTICE – Intention to Sell Your Small Shareholding of Connected IO Shares

We are writing to advise you that Connected IO Limited (**Connected IO** or the **Company**) has established a small shareholding sale facility (**Facility**) for holders of parcels of Connected IO shares (**Eligible Small Shareholdings**) with a market value of less than A\$500 as at 5.00pm (WST) on 23 February 2021.

Shareholders with Eligible Small Shareholdings who take advantage of the Facility will have their shares sold without having to act through a broker or pay brokerage fees and the proceeds of the sale will be sent to you by cheque. The Company will also organise payment of the other costs associated with the sale and transfer (although any tax consequences from the sale of your shares will be your responsibility).

Shareholders with Eligible Small Shareholdings who do not wish to participate have the ability to opt-out of participating in the Facility so as to retain their shareholding.

By facilitating the sale of Eligible Small Shareholdings, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings. The Facility will also enable investors with small holdings, who may otherwise find it difficult or expensive to dispose of their shares through normal means, to dispose of their small holdings in a cost effective manner.

The price that you receive for your shares under the Facility will be determined by when and how the shares are sold. Connected IO directors may sell your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale.

Our records show that you held a small shareholding based on the Company's share price of \$0.009 as at 5.00pm (WST) on 23 February 2021 (**Record Date**).

The Company intends to sell your shares through the Facility in accordance with Schedule 4 of the Company's Constitution and the ASX Listing Rules if the market value of your holding remains below A\$500 at 5.00pm (WST) on 13 April 2021, unless you opt-out of participation in the Facility by following the opt-out procedure set out below. Payment will be sent to you following settlement of the sale or otherwise as soon as is practicable.

What should you do?

If you do NOT wish to sell your shares through the Facility, you must complete and return the attached form (**Share Retention Form**) to the address on the form so that it is received by 5.00pm (WST) on 13 April 2021 (**Closing Date**). Please read the instructions on your personalised Share Retention Form carefully before completing it.

If you want to sell your shares through the Facility, you do not need to take any action. Any tax consequences arising from the sale of your shares will be your responsibility.

If you need help deciding what to do, or if you require information regarding the financial, legal or tax consequences of participating in the Facility, you should consult your legal, financial or taxation adviser.

The attached Q&A Information Sheet sets out further details of the Facility, which you should read before making any decision. If you require information on how to complete the Share Retention Form please contact a Company Secretary on 08 6211 5099.

By order of the Board

Simon Whybrow
Company Secretary

Small Shareholding Sale Facility Q&A Information Sheet

1. What is an Eligible Small Shareholding?

An Eligible Small Shareholding of shares is a holding of Connected IO Limited (**Connected IO** or the **Company**) shares which was valued at less than A\$500 as at 5.00pm (WST) on 23 February 2021 (**Record Date**).

2. Why is Connected IO doing this?

As outlined in the letter, by facilitating the sale of Eligible Small Shareholdings, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings. The Facility will also enable investors with small holdings, who may find it difficult or expensive to dispose of those shares through normal means, to dispose of their small holdings in a cost effective manner. By facilitating the sale of Eligible Small Shareholdings, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings. The Facility will also enable investors with small holdings, who may otherwise find it difficult or expensive to dispose of their shares through normal means, to dispose of their small holdings in a cost effective manner.

Based on the register of ASX shareholders of CIO Limited as at 5.00pm (WST) on the Record Date, 3,776 of the Company's 4,364 shareholders hold an Eligible Small Shareholding.

If all Shareholders with Eligible Small Shareholdings wish to sell their shares under the Facility, there will be a 86.5% reduction (approximately) in the number of Connected IO shareholders (assuming no other change to the number of shareholders) that will result in significant administrative savings for the Company.

3. What price will I receive for shares sold through the Facility?

The price that you receive for your shares under the Facility will depend on when and how the shares are sold. Connected IO's directors may arrange for the sale of your shares on market or in any other way they consider fair and reasonable in the circumstances. If the shares are sold on market the price will depend on a number of factors, including market conditions at the time of sale.

You will not have control over the time at which your shares are sold, and the price you receive may be different from the price appearing in the newspaper or quoted by ASX on any day (and may not be the best price on the day that your shares are sold). If the Company's directors sell your shares other than on market, the price will be the price that the Company's directors have been able to negotiate with the acquirer(s).

4. What are the key dates?

A summary of the key dates in relation to the Facility is as follows:

Event	Date
Record Date to determine which shareholders are Eligible Shareholders	23 February 2021 at 5.00pm (WST)
Letter despatched to Eligible Shareholders	2 March 2021
Closing Date (last day for receipt of Share Retention Forms)	13 April 2021 at 5.00pm (WST)
Expected payment date	On or about 27 April 2021

5. What is the price of Connected IO's shares?

The last sale price of Connected IO's shares on 23 February 2021 was \$0.009. The share price changes frequently and more recent prices are available on the ASX website (www.asx.com.au) under the ASX code CIO.

6. When will the proceeds from the sale of shares be sent to me?

Payment will be sent to you following settlement of the sale or otherwise as soon as is practical. Payment will be made in Australian dollars by cheque. You will be notified by way of a transaction confirmation statement of the number of your shares sold, and the price and total sale proceeds.

The cheque will be sent by post to your address as shown in the share register at the time the share sale payment is run.

7. If I buy more shares, can I retain my holding?

Yes, if you buy more shares before the Closing Date so that you hold more than A\$500 of shares on the Closing Date, your shares will not be sold through the Facility. Any additional shares must be registered by 5.00pm (WST) on 13 April 2021 under the same name and address and with the same holder number (SRN or HIN) as set out in the Share Retention Form.

8. What if my shares are held in a CHESS holding?

If your shares remain in a CHESS holding at 5.00pm (WST) on 13 April 2021, the Company may move those shares to an issuer sponsored holding and the shares will then be sold through the Facility.

9. Where can I get further information?

Should you have any questions concerning your shareholding or how the Facility will work, please contact Connected IO's Company Secretaries Simon Whybrow on 08 6211 5099.

10. I have more than one holding and want to consolidate

If you currently have more than one holding on the Company's share register, you may wish to consider amalgamating them. This may result in your amalgamated holding no longer being an Eligible Small Shareholding. Under these circumstances your shares will not be sold as part of the Facility.

If you wish to amalgamate multiple holdings, please contact the Share Registry, Computershare Investor Services, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).

Important notes

The Company reserves the right to change any of the dates referred to in this letter by notice to the ASX or to vary, delay or cancel the sale of your shares and not proceed with any sale of shares at any time before your shares are sold. This letter does not constitute advice nor a recommendation to buy, sell or hold shares nor that is the Facility the best way to sell Connected IO shares. If you are in any doubt about what to do, you should consult your legal, financial or taxation adviser.



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia

For all enquiries:

Phone:



Connected IO Limited + 61 8 6211 5099

CIO

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Share Retention Form

If you wish to retain your shares, your form must be received by 5:00pm (WST) on Tuesday, 13 April 2021

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Connected IO Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Connected IO Limited, do not complete or return this form. If you have more than one shareholding on Connected IO Limited's register and you do not wish to sell your shares under the Small Shareholding Sale Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

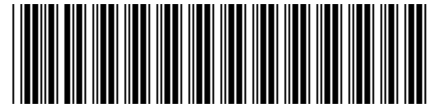
Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔




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Share Retention Form

STEP 1**Shareholding Details**

 For your security keep your SRN/
HIN confidential.

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

Shares held as at 5.00pm (WST)
Tuesday, 23 February 20201:

STEP 2**Signature of Shareholder(s)**

This section must be completed.

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE SOLD** under the Small Shareholding Sale Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3**Contact Details**

Contact
Name

Contact
Daytime
Telephone

Date / /

Email
Address

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.