

28 August 2018

Dear Shareholder

NON-RENOUNCEABLE ENTITLEMENT OFFER TO RAISE \$2.13M

The Board of Connected IO Limited (**Connected IO** or **Company**) is pleased invite you to participate in the pro-rata non-renounceable entitlement offer (**Entitlement Offer**) to raise approximately \$2.13 million (before costs) as announced on 22 August 2018.

The shares to be issued under the Entitlement Offer will be offered at an issue price of \$0.003 per Share. The maximum number of shares to be issued under the Entitlement Offer is 710,332,841 Shares.

The Entitlement Offer is to be underwritten by 708 Capital Pty Ltd (holder of an AFSL) and will raise approximately \$2,130,998 (before costs). 708 Capital will receive an underwriting fee of 6% of the total underwritten amount under the Entitlement Offer.

The Company intends to apply the funds raised from the Entitlement Offer towards sales and marketing, research and development, manufacturing expenses and working capital.

The 'Ex' date from which shares commence trading without the entitlement to participate in the Entitlement Offer is 29 August 2018. The Record Date for entitlements under the Entitlement Offer is 30 August 2018 and the final date for receipt of applications for shares pursuant to the Entitlement Offer is 21 September 2018 (subject to variation).

A prospectus in relation to the Entitlement Offer was lodged with ASIC and ASX on 24 August 2018 (**Prospectus**) and will be mailed to Eligible Shareholders on 4 September 2018. A copy of the Prospectus may be viewed on the ASX website or alternatively on the Company's website at www.connectedio.com.au.

Key features of the Entitlement Offer include:

- The Entitlement Offer is on the basis of four (4) Shares for every five (5) Shares held as at the Record Date.
- Eligible Shareholders are shareholders of Connected IO with a registered address in Australia, New Zealand and Mauritius at 5pm (WST) on the Record Date.
- Offer price at \$0.003 cents per share.
- Non-renounceable and is available to all Eligible Shareholders registered on the Record Date.
- Applications and payment of funds must be received by the Company on or before 21 September 2018 (subject to variation).
- New shares issued under the Entitlement Offer will be fully paid and rank equally with all existing Connected IO shares on issue.
- The Entitlement Offer will be fully underwritten by 708 Capital Pty Ltd.
- A Rights Issue Prospectus and entitlement form will be sent to Eligible Shareholders on 4 September 2018.

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Key Dates for the Entitlement Offer

Event	Date
Announcement of Offer	22 August 2018
Lodgement of Appendix 3B with ASX	22 August 2018
Lodgement of Prospectus with ASIC and ASX	24 August 2018
Notice sent to Shareholders	28 August 2018
'Ex' date ¹	29 August 2018
Record Date (5.00pm (WST)) ²	30 August 2018
Shares issued under Placement	31 August 2018
Offer Document sent to Eligible Shareholders	4 September 2018
Opening Date	4 September 2018
Lodgement of Notice of Meeting	7 September 2018
Last day to extend the Offer Closing Date	18 September 2018
Closing Date (5.00pm (WST))	21 September 2018
Deferred settlement trading commences	24 September 2018
ASX notified of any undersubscriptions	26 September 2018
Issue of new Shares and deferred settlement trading ends	28 September 2018
Issue of holding statements and New Shares commence trading	1 October 2018
Shareholders Meeting	9 October 2018

Notes:

1. The date from which Shares commence trading without the entitlement to participate in the Offer.
2. The date for determining the Entitlements of Eligible Shareholders to participate in the Offer.
3. Shareholders Meeting approvals will include but is not limited to the conversion of an existing Loan to Convertible Notes, conversion of outstanding Director Fees to Shares and the issue of Advisory Options.

These dates are indicative only and may be subject to change. Subject to the Listing Rules and other applicable Laws, the Directors reserve the right to vary the dates of the Offer. The Directors also reserve the right not to proceed with the whole or part of the Offer.

Capital Structure

The Company has also announced a placement of 133,187,407 new fully paid ordinary shares to sophisticated and professional investors who are not related parties of the Company at \$0.003 per share to raise approximately \$400,000 (**Placement**). The table below sets out the impact of the Entitlement Offer and the Placement on the capital structure of the Company:

Ordinary shares	Shares
On issue at the date of this Prospectus	887,916,052
Offered pursuant to the Entitlement Offer	710,332,841
Offered pursuant to the Placement Offer	133,187,407
Total ordinary shares on issue after the Offers	1,731,436,300¹

Note:

1. As announced on 22 August 2018, the Company proposes to obtain shareholder approval for the conversion of up to \$140,000 owed to Directors into 46,666,666 Shares at an issue price of \$0.003 per Share.

Actions required of Eligible Shareholders

Pursuant to the Entitlement Offer, Eligible Shareholders may:

- take up all or some of your entitlements;
- not participate in the Entitlement Offer and if so, you do not need to take any action.

If you are eligible and wish to participate in the Entitlement Offer, it will be necessary for you to complete and return the personalised Entitlement Offer Acceptance Form that will accompany the Offer Document expected to be sent to Eligible Shareholders on or about 4 September 2018 in accordance with the instructions on the Entitlement Offer Acceptance Form. You will need to ensure your application money for the entitlements you wish to take up is received by the Company by no later than 5.00pm (WST) on 21 September 2018. If you have any queries about the Entitlement Offer, please contact the Company on +61 8 6211 5099.

Yours faithfully



Nicki Farley
Company Secretary

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