

CONNECTED IO LIMITED

(ACN 009 076 233)

Prospectus

Offer

For the offer of 1 Share at an issue price of \$0.003 to raise \$0.003.

Cleansing

This Prospectus has been prepared primarily for the purposes of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of certain Shares issued on or prior to the Closing Date.

IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. Please read the instructions in this Prospectus and on the accompanying Acceptance Form regarding acceptance of the Offer. If you do not understand this document you should consult your stockbroker, lawyer, accountant or other professional adviser without delay. The Shares offered under this Prospectus should be considered speculative.

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IMPORTANT INFORMATION

General

The Prospectus is dated 20 December 2018 and a copy of this Prospectus was lodged with ASIC on that date. ASIC and ASX do not take any responsibility for the contents of this Prospectus or the merits of the investment to which the Prospectus relates.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act.

Within 7 days of the date of this Prospectus, the Company will make an application to ASX for the Shares offered pursuant to this Prospectus to be admitted for quotation on ASX. No securities will be issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Electronic Prospectus

In addition to issuing the Prospectus in printed form, a read-only version of the Prospectus is also available on the Company's website at www.connectedio.com.au. Applications cannot be made online. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian resident and must only access the Prospectus from within Australia. The Corporations Act prohibits any person passing onto another person an Acceptance Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered electronic version of this Prospectus.

Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the assumptions underlying the prospective financial information and the risk factors set out in **Section 3** that could affect the performance of the Company. Potential investors should carefully consider these factors in light of personal circumstances (including financial and taxation issues) and seek professional advice from a stockbroker, accountant or other independent financial adviser before deciding to invest.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision on whether or not to invest in the Company.

Offer restrictions

The offer of Shares made pursuant to this Prospectus is not made to persons to which, or in places in which, it would not be lawful to make such an offer of Shares. No action has been taken to register the Offer under this Prospectus or otherwise permit the Offer to be made in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws.

Representations

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied upon as having been authorised by the Company or the Directors in relation to the Offer.

Forward-looking statements

This Prospectus contains forward-looking statements which incorporate an element of uncertainty or risk, such as 'intends', 'may', 'could', 'believes', 'estimates', 'targets' or 'expects'. These statements are based on an evaluation of current economic and operating conditions, as well as assumptions regarding future events. These events, as at the date of this Prospectus, are expected to take place, but there is no guarantee that such will occur as anticipated or at all given that many of the events are outside the Company's control.

Accordingly, the Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur. Further, the Company may not update or revise any forward-looking statement if events subsequently occur or information subsequently becomes available that affects the original forward-looking statement.

Interpretation

A number of terms and abbreviations used in this Prospectus have defined meanings which are set out in **Section 6**.

All references in this Prospectus to \$, AUD or dollars are references to Australian currency, unless otherwise stated.

All references to time in this Prospectus relate to the time in Perth, Western Australia.

CORPORATE DIRECTORY

Directors

Yakov Temov (Managing Director)
Blaise Thomas (Non-Executive Director)
Adam Sierakowski (Non-Executive Director)

Company Secretary

Nicki Farley

Registered Office

c/- Trident Capital
Level 24, 44 St Georges Terrace
Perth WA 6000

Share Registry (for information purposes only)

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Auditor (for information purposes only)

HLB Mann Judd
Level 4, 130 Stirling Street
Perth WA 6000

Legal Adviser

Price Sierakowski Corporate
Level 24, 44 St Georges Terrace
Perth WA 6000

ASX Code

CIO

Website

www.connectedio.com.au

1. DETAILS OF THE OFFER

1.1. Summary of the Offer

The Company is making an offer of 1 Share at an issue price of \$0.003 to raise \$0.003 before expenses of the Offer. The Offer is open to persons by invitation from the Company only.

1.2. Timetable

The timetable for the Offer is as follows:

Event	Date
Lodgement of this Prospectus with ASIC and ASX	20 December 2018
Opening Date	20 December 2018
Closing Date	21 December 2018

Note:

All dates (other than the date of lodgment of the Prospectus with ASX and ASIC) are indicative only. The Company reserves the right, subject to the Corporations Act, the ASX Listing Rules and other applicable laws, to vary the dates of the Offer, including extending the Closing Date or accepting late acceptances, either generally or in particular cases, without notice.

1.3. Rights and liabilities attaching to Shares

The Share to be issued pursuant to this Offer is of the same class and will rank equally in all respects with the existing Shares on issue. The rights and liabilities attaching to Shares are further described in **Section 4.3**.

1.4. Minimum Subscription

There is no minimum subscription for the Offer.

1.5. Applications

An Application under the Offer may only be made by persons on invitation from the Company.

Application Forms must be delivered or mailed together with a cheque on or before the Closing Date to:

Trident Capital Pty Limited
Level 24, 44 St Georges Tce, Perth WA 6000

1.6. Overseas investors

The Prospectus does not constitute an offer in any jurisdiction where, or to any person to whom, it would not be lawful to issue this Prospectus or make such an offer. No action has been taken to register or qualify the Shares or the Offer or otherwise to permit an offering of the Shares in any jurisdiction outside of Australia and New Zealand.

Where the Prospectus has been dispatched to Shareholders domiciled outside Australia or New Zealand and where that country's securities code or legislation prohibits or restricts in any way the making of the Offer contemplated by this Prospectus, then the Prospectus and accompanying Offer Acceptance Form are provided for information purposes only.

It is the responsibility of any non-Australian investor to ensure compliance with any laws of a country relevant to their application. The return of a duly completed Offer Acceptance Form will be taken by the Company as a representation and warranty that there has been no breach of such laws.

1.7. CHESS and issuer sponsorship

The Company participates in the Clearing House Electronic Subregister System ("CHESS"). ASX Settlement Pty Ltd ("ASX Settlement"), a wholly-owned subsidiary of ASX, operates CHESS in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules.

ASX Settlement will send a CHESS statement to Shareholders who are broker sponsored following the completion of the Offer. Each CHESS statement will set out the number of Shares issued to the Shareholder under this Prospectus, and provide details of the Shareholder's holder identification number and the participant identification number of the sponsor. CHESS allotment advices will be sent by the Share Registry.

The Share Registry will send a statement to Shareholders who are registered on the Issuer Sponsored sub-register following the completion of the Offer. Each statement will contain the number of Shares issued to the Shareholder under this Prospectus and the Shareholder's security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes.

1.8. Privacy disclosure

Persons who apply for Shares under this Prospectus are asked to provide personal information to the Company, either directly or through the Share Registry. The Company and the Share Registry collect, hold and use that personal information to assess applications, to provide facilities and services to security holders and to carry out various administrative functions. Access to the information collected may be provided to the Company's agents and service providers and to ASX, ASIC and other regulatory bodies on the basis that they deal with such information in accordance with the relevant privacy laws. If the information requested is not supplied, applications may not be processed. In accordance with privacy laws, information collected in relation to specific Shareholders can be obtained by that Shareholder through contacting the Company or the Share Registry.

1.9. Taxation

It is the responsibility of all Shareholders to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer by consulting their own professional tax advisers. Neither the Company nor the Directors accept any liability or responsibility in respect of the taxation consequences for Shareholders as a result of the matters referred to in this Prospectus.

1.10. ASX Listing

The Company will apply to ASX within 7 days after the date of this Prospectus for quotation of the Share offered under this Prospectus.

All Application Monies received under the Offer shall be held by the Company until the Share is issued under the Offer. If approval for quotation of the Share to be issued under the Offer is not granted within 3 months after the date of this Prospectus, the Company will not issue the Share and will repay all Application Monies without interest as soon as practicable.

A decision by ASX to grant official quotation of the Share is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Share now offered for subscription.

1.11. Enquiries

This document is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Company Secretary, Ms Nicki Farley on +61 8 6211 5099.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Background

Underwriter Consideration

In August 2018, the Company conducted a non-renounceable, pro rata entitlement offer to raise a total of approximately \$2,130,999 (before costs) pursuant to the Company's prospectus dated 24 August 2018 (**Rights Issue**). Under the same prospectus, the Company also conducted a placement offer to raise a total of approximately \$399,562 (before costs) (**Placement**).

The Rights Issue was fully underwritten by 708 Capital Pty Ltd (**708 Capital**) and the terms of the underwriting agreement is set out in the Company's prospectus dated 24 August 2018 (**Underwriting Agreement**).

Funds raised under the Rights Issue and Placement have or will be used for sales and marketing, research and development, manufacturing expenses and general working capital. To assist the Company with maintaining a sufficient level of cash reserves to be directed towards its stated use of funds under the Rights Issue, the Company has agreed to issue to 708 Capital or its nominee(s):

- 36,633,643 Shares, at an issue price of \$0.003 each in lieu of underwriting fees totaling \$109,900.93; and
- 6,682,030 Shares, at an issue price of \$0.003 each in lieu of placement fees totaling \$20,046.09,

payable to 708 Capital under the Underwriting Agreement (**Underwriter Issue**).

In consideration for corporate advisory and underwriting services provided under the Rights Issue and Placement, the Company has also agreed, and obtained Shareholder approval at its annual general meeting held on 28 November 2018, to issue to 708 Capital or its nominee(s) 75,000,000 Options, each with an exercise price of \$0.01 and an expiry date 4 years from the date of issue. The Company will not apply for quotation of the Options and the Options are not transferrable without the prior written consent of the Company. Please see the Company's notice of annual general meeting dated 18 October 2018 for the terms and conditions of the Options.

Loan Agreements

On 16 July 2018 and 20 September 2018, the Company entered into two separate loan agreements with Tyche Investments Pty Ltd and 2428 Pty Ltd respectively (**Loan Agreements**). Under the Loan Agreements the Company was provided with short-term financing facilities to the value of \$201,000, to be repaid within 2 months of being provided. No interest was payable by the Company under the Loan Agreements, however the Company agreed to issue 2,500,000 Shares each to both Tyche Investments Pty Ltd and 2428 Pty Ltd as consideration for the short-term financing facilities (**Loan Issue**).

Directors Shares

On 28 November 2018, Shareholders approved the issue of 33,333,333 Shares to Yakov Temov, the Company's Managing Director, in lieu of outstanding director fees payable by the Company (**Director Issue**).

2.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to offer those securities for sale within 12 months of their issue.

Relevantly, section 708A(11) provides that a sale offer does not need disclosure to investors if:

- the relevant securities are in a class of securities of the company that are already quoted on the ASX;
- a prospectus is lodged with ASIC either:
 - on or after the day on which the relevant securities were issued (section 708A(11)(b)(i)); or
 - before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued (section 708A(b)(ii)); and
- the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

By this Prospectus, the Company is making an Offer to certain persons by invitation only of 1 Share at an issue price of \$0.003 to raise \$0.003 before expenses. Accordingly, the primary purpose of the Offer is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may attach to Shares issued by the Company under the Underwriter Issue, the Loan Issue and the Director Issue.

2.3 Financial position

After paying the expenses of the Offer of approximately \$13,206 (exclusive of GST), there will be no net proceeds from the Offer. The expenses of the Offer will be met from the proceeds of the Rights Issue.

The effect of the Offer on the Company's financial position will be a net decrease in cash held of approximately \$13,206 (exclusive of GST).

2.4 The effect of the Offer on the capital structure

The effect of the Offer on the Company's capital structure is set out below.

Capital structure	Existing	Completion
Existing Shares	1,731,436,053	1,731,436,053
Shares under the Underwriter Issue	-	43,315,673
Shares under the Loan Issue	-	5,000,000
Shares under the Director Issue	-	33,333,333
Shares under the Offer	-	1
Total Shares	1,731,436,053	1,813,085,060
Existing Performance Shares ¹	150,000,000	150,000,000
Options ²	-	75,000,000
Fully diluted share capital	1,881,436,053	2,038,085,060

Notes:

1. The existing Performance Shares were issued under the Company's prospectus dated 27 November 2015, available from the ASX online platform. Please see the Company's prospectus dated 27 November 2015 for the terms and conditions of the Performance Shares.
2. Please see the Company's notice of annual general meeting dated 18 October 2018, available from the ASX online platform, for the terms and conditions of the Options.

2.5 Effect of the Offer on control

The Offer will not have a material impact on the control of the Company.

3. RISK FACTORS

As with any share investment, there are risks associated with an investment in the Company. The numerous risk factors are both of a specific and a general nature. Some can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated.

Section 3 identifies the major areas of risk associated with an investment in the Company, but should not be taken as an exhaustive list of the risk factors to which the Company and its Shareholders are exposed. Potential investors should read the entire Prospectus and consult their stockbroker, lawyer, accountant or other professional adviser before deciding whether to apply for Shares.

3.1 Specific Risks

(a) Competition and new technologies

The industry in which the Company is involved is subject to increasing domestic and global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of their competitors, whose activities or actions may positively, or negatively affect the operating and financial performance of the Company's business. For instance, new technologies could overtake the advancements made by the Company's products. In that case, the Company's revenues and profitability could be adversely affected.

(b) Special Reputational Risks

The Company operates in a fast-changing environment, and negative publicity can spread quickly, whether true or false. Negative comments by disgruntled customers about the Company may have a disproportionate effect on the Company reputation and its ability to earn revenues and profits. Additionally, complaints by such customers can lead to additional regulatory scrutiny and a consequential increase compliance burden in responding to regulatory inquiries. This could negatively impact on the Company's profitability.

(c) Limited Trading History

The Company has a limited trading history and therefore there is uncertainty in relation to the business of the Company, and investors should consider the Company's prospects in light of their limited financial history. In addition, there is no guarantee that the Company will be able to successfully develop or commercialise its products and if it is unable to do so it will not be able to realise significant revenues in the future.

(d) Reliance on Key Personnel

The recent development of the business of the Company has been in large part due to the talent, effort, experience and leadership of Yakov Temov.

There is no assurance that Yakov Temov, or senior management will remain healthy and able to continue in their current roles. If such employment contracts were terminated or breached, or if the relevant Director and employees were no longer to continue in their current roles, the Company would need to employ alternative staff, and the Company's operations and business would be adversely affected.

(e) Outsourcing

The Company outsources to consultants for expert advice and contract organisations for manufacturing services and research and development services. There is no guarantee that such experts or organisations will be available as required or will meet expectations.

(f) Customer Service Risk

Customers may need to engage with the Company's customer service personnel in certain

circumstances, such as if they have a question about the services or if there is a dispute between a customer and the Company. The Company recruits and retain the Company's staff with interpersonal skills sufficient to respond appropriately to customer services requests. Poor customer service experiences may result in the loss of customers. If the Company lose key customer service personnel, or fail to provide adequate training and resources for customer service personnel, this could lead to adverse publicity, litigation, regulatory inquiries and/or a decrease in customers, all of which may negatively impact on the Company's revenue.

(g) Risks Associated with the Regulatory Environment

If the Company expands into other markets, for example Germany, then the Company will be subject to German laws and regulations. Users, competitors, members of the general public or regulators could allege breaches of the legislation. This could result in remedial action or litigation, which could potentially lead to the Company being required to pay compensation or a fine. The Company's operations may become subject to regulatory requirements, such as licensing and reporting obligations, which would increase the costs and resources associated with its regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's profitability. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices or the imposition of a pecuniary penalty. This could lead to significant reputational damage to the Company and consequently impact upon its revenue.

(h) Future Capital Needs

Further funding may be required by the Company to support ongoing activities and operations. There can be no assurance that such funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and consequently its performance.

(i) Liability Claims

The Company may be exposed to liability claims if its services are provided in fault and/or cause harm to its customers. As a result, the Company may have to expend significant financial and managerial resources to defend against such claims. If a successful claim is made against the Company, the Company may be fined or sanctioned and its reputation and brand may be negatively impacted, which could materially and adversely affect its reputation, business prospects, financial condition and results of operation.

(j) Foreign Exchange Risks

As the Company has costs and expenses in the United States of America they will likely be denominated in US\$. Accordingly, the depreciation and/or the appreciation of the US\$ relative to the Australian currency would result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the US\$ relative to the Australian currency may result in lower than anticipated revenue, profit and earning. The Company could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the US\$, and will have to monitor this risk on an ongoing basis.

(k) Low Barriers to Entry

There are relatively low barriers to entry in the field of next generation wireless technology and the market is experiencing the emergence of providers of these services. Potential risks relate to other providers of these services operating on a lower cost basis placing pressure on the Company's prices.

(l) Insurance Coverage

The Company faces various risks in connection with its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company

maintains insurance coverage for its employees (as required by law the relevant jurisdictions) as well as insurance coverage for management liability, corporate liability, employment practices liability, crime protection and statutory liability. However, the Company does not maintain insurance against various other liabilities. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, its financials may be adversely affected.

(m) Commercialisation Risk

There is a risk that the Company will not be able to further successfully commercialize or sell their products, or be unable to attract further customers to be sufficiently profitable to fund future operations.

(n) Partnerships

The commercial strategy for products which may be derived from internet-of-things (**IoT**) markets potentially includes forming partnerships with other companies that have the ability to effectively commercialise next generation wireless technology products in key economic markets and there is no assurance that suitable partnerships will be secured or maintained, or that products can be commercialised. For example, the Machine Connect product was developed by a subsidiary of the Company in partnership with Verizon Wireless. Verizon Wireless retained the intellectual property in the Machine Connect product, however granted a non-exclusive licence to the Company's subsidiary to exploit the Machine Connect hardware, software and mechanical design. That licence expires in 2018, and can also be terminated by Verizon prior to then. The Company must therefore maintain its relationship with Verizon Wireless to ensure that the licence continues in force and that Verizon continues to refer customers to the Company and its subsidiaries. Machine Connect product is now obsolete and the above reference is provided as an example only.

(o) Competition

The IoT industry is highly competitive and other corporations may commercialise products that may compete with the Company's products.

(p) Shortage of electronic components

Communications industry is experiencing shortage of certain components which could impact company's ability to manufacture products. Not being able to manufacture products to meet demand poses significant risks to the Company's business.

3.2 General Risks

(a) Investment risks

The Shares to be issued pursuant to this Prospectus should be considered speculative due to the nature of the Company's business. There is no guarantee as to the payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid by the investor for the Shares.

Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

(b) Share market risks

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. The market price of the Shares may be subject to fluctuation and may be affected by many factors including, but not limited to, the following:

- general economic outlook;

- introduction of tax reform or other new legislation;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

There is also no guarantee that an active market in the Shares will develop or that the price of the Shares will increase. There may be relatively few buyers or sellers of Shares on the ASX at any particular time.

(c) Competition risks

The industry in which the Company will be involved is subject to domestic and global competition. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, and such activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(d) Economy risks

The future viability of the Company is also dependent on a number of factors which may affect the performance of all industries and not just the education industries including, but not limited to, the following:

- general economic conditions;
- changes in Government policies, taxation and other laws;
- the strength of the equity and share markets in Australia and throughout the world and, in particular, investment sentiment towards the education sector;
- movement in, or outlook on, exchange rates, interest rates and inflation rates; and
- natural disasters, social upheaval or war.

4. ADDITIONAL INFORMATION

4.1 Continuous disclosure

The Company is a “listed disclosing entity” for the purposes of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is, or becomes, aware concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the Opening Date and the Closing Date:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2018;
 - (ii) any half-year financial report of the Company lodged with ASIC after the lodgement of the annual financial report referred to in **Section 4.1(c)(i)** but before the lodgement of this Prospectus with ASIC; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the annual financial report referred to in **Section 4.1(c)(i)** but before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

The following announcements have been lodged with ASX in respect of the Company since the lodgement of the annual financial report for the year ended 30 June 2018.

Date	Title
6/12/2018	Initial Director's Interest Notice
6/12/2018	Final Director's Interest Notice
4/12/2018	Board Changes
28/11/2018	Results of Annual General Meeting
31/10/2018	Quarterly Report and Appendix 4C
26/10/2018	Notice of Annual General Meeting/Proxy Form
11/10/2018	Appendix 3B – Entitlement Offer Shortfall Shares
28/10/2018	Appendix 4G
28/09/2018	Corporate Governance Statement 2018
28/09/2018	Annual Report 2018

4.2 Market Price of Shares on ASX

The highest and lowest sale price of Shares on ASX during the 3 months preceding the date of this Prospectus, and the sale price on the Trading Day before this Prospectus was lodged with ASIC, are set out below.

3-month high (on 5 December 2018)	3-month low (on 18 December 2018)	Last sale price (on 18 December 2018)
\$0.004	\$0.003	\$0.003

4.3 Rights and liabilities attaching to the Shares

The Shares will rank equally in all respects with existing fully paid ordinary shares in the capital of the Company on issue. The following is a general description of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive. Full details of provisions relating to rights attaching to the Shares are contained in the Corporations Act, ASX Listing Rules and the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Security holders are entitled to be present in person, or by proxy, attorney or representative, to attend and vote at general meetings of the Company.

Security holders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of securities, at general meetings of security holders or classes of security holders:

- (i) each security holder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a security holder or a proxy, attorney or representative of a security holder has one vote, and

- (iii) on a poll, every person present who is a security holder or a proxy, attorney or representative of a security holder shall, in respect of each fully paid security held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the security, but in respect of partly paid securities shall have such number of votes as bears the same proportion to the total of such securities registered in the security holder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time decide to pay a dividend to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares. The Directors may rescind a decision to pay a dividend if they decide, before the payment date, that the Company's financial position no longer justified the payment.

(d) Winding up

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set a value as the liquidator considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders. No member is obliged to accept any Shares, securities or other assets in respect of which there is any liability.

(e) Transfer of securities

Generally, securities in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act.

(f) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of security holders, vary or abrogate the rights attaching to securities.

If at any time the share capital is divided into different classes of securities, the rights attached to any class (unless otherwise provided by the terms of issue of the securities of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued securities of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the securities of that class.

4.4 Interests of Directors, experts and advisors

Other than as set out below or elsewhere in this Prospectus, no:

- Director;
- person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- financial services licensee named in this Prospectus as being involved in the issue of the Shares,

holds at the date of this Prospectus or held at any time during the last two years, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- the Offer.

Other than as set out below or elsewhere in this Prospectus, no amount has been paid or agreed to be paid, and no benefit has been given or agreed to be given, to any Director either to induce them to become, or to qualify as, a Director of the Company, or otherwise for services rendered by them in connection with the formation or promotion of the Company or the Offer.

(a) Directors' Relevant Interests in securities

As at the date of this Prospectus, the Directors had the following Relevant Interests in Shares:

Director	Number of Shares Held
Blaise Thomas	Nil
Yakov Temov ¹	79,333,333
Adam Sierakowski ²	38,516,267

Notes:

1. Yakov Temov is also the holder of 51,825,000 performance shares in the Company. However these performance shares have not converted to Shares. Yakov Temov is being issued 33,333,333 Shares under the Director Issue.
2. Adam Sierakowski's interest is held via Trident Capital Pty Ltd, Lachzar Pty Ltd, IML Holdings Pty Ltd as well as in his own name.

(b) Directors' remuneration

The Constitution provides that the Directors may be paid for their services as directors a maximum total amount (excluding salaries) determined by the Company in general meeting (currently set at \$500,000). Executive Directors are entitled to be remunerated by salary or other employment related benefits in accordance with their employment agreements. The table below sets out the remuneration paid to the Directors for the two financial years prior to the date of this Prospectus and for the current financial year until the date of this Prospectus:

Director	Remuneration paid in 2017 financial year	Remuneration paid in 2018 financial year	Remuneration paid in 2019 financial year
Blaise Thomas	\$60,000	\$60,000	\$31,900
Yakov Temov	\$202,222	\$242,955.87	\$40,000
Adam Sierakowski	-	-	-

(c) Experts and advisers

Price Sierakowski Corporate has acted as legal adviser to the Company. Price Sierakowski Corporate's fees for work in relation to the Offer (which includes services in connection with the Offer) up to the date of lodgment of this Prospectus will be approximately \$10,000 (plus GST and disbursements). Price Sierakowski Corporate may receive further fees for additional work done determined on the basis of hours spent at its ordinary hourly rates. Adam Sierakowski, a non-executive Director is a director of Price Sierakowski Corporate and

may obtain an indirect benefit from the Company's engagement of Price Sierakowski Corporate.

4.5 Expenses of the Offer

The estimated expenses of the Offer (exclusive of GST) are as follows:

Expense	Amount
Legal fees	\$10,000
ASIC fees	\$3,206
Total	\$13,206

4.6 Litigation

The Company refers to its market announcements made on 19 June 2017 and 8 November 2017 regarding the Company's application for E37/1232 and Mr Andrew Paterson's application for judicial review of the Western Australian Minister for Mines decision to terminate his application for E37/1220, which overlaps the same area as the Company's E37/1232.

On 2 July 2018, the Company announced that a single judge of the Supreme Court of Western Australia had upheld Mr Paterson's application for judicial review and ordered the Company to pay Mr Paterson's legal costs of these proceedings.

On 19 July 2018, the Company announced that it has appealed the decision to the Court of Appeal Division of the Western Australian Supreme Court. If the Company is successful in the appeal the Western Australian Minister for Mines' decision will stand and Mr Paterson's E37/1220 will be terminated. The Company will keep the market informed of the proceedings in accordance with its continuous disclosure obligations.

Other than the litigation referred to above, as at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

4.7 Consents

(a) Price Sierakowski Corporate

Price Sierakowski Corporate has given and has not, before lodgement of this Prospectus, withdrawn its written consent to be named in this Prospectus as legal advisor to the Company in respect of the Offer in the form and context in which it is named.

(b) Basis of consents

Each of the persons named as providing consents above:

- did not authorize or cause the issue of this Prospectus;
- does not make, or purport to make, any statement in this Prospectus nor is any statement in this Prospectus based on any statement by any of those parties other than as specified in this **Section 4.7**; and
- to the maximum extent permitted by law, expressly disclaims any responsibility or liability for any part of this Prospectus other than a reference to its name and a statement contained in this Prospectus with the consent of that party as specified in this **Section 4.7**.

5. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of the Company on 20 December 2018.

A handwritten signature in black ink, consisting of a stylized 'Y' followed by a horizontal line that curves upwards at the end.

Yakov Temov
Director

Connected IO Limited

6. DEFINITIONS

Definitions used in this Prospectus are as follows:

708 Capital means 708 Capital Pty Ltd.

Acceptance Form means an application form attached to and forming part of this Prospectus.

Application Monies means the monies received from persons applying for Shares under the Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules means the ASX Listing Rules published and distributed by the ASX.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

Board means the board of Directors.

Business Day means a day on which banks are open for business in Perth, Western Australia excluding a Saturday, Sunday or public holiday.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the date that the Offer close which is 5.00pm (WST) on 21 December 2018 or such other time and date as the Company determines.

Company means Connected IO Limited (ACN 009 076 233).

Constitution means the constitution of the Company from time to time.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Director Issue means the issue of Shares to Yakov Temov, as set out in Section 2.1.

Loan Agreements means the loan agreements between the Company and 2428 Pty Ltd and Tyche Investments Pty Ltd respectively, as set out in Section 2.1.

Loan Issue means the issue of Shares to 2428 Pty Ltd and Tyche Investments Pty Ltd, as set out in Section 2.1.

Lodgement Date means 20 December 2018.

Offer means the offer of 1 Share at an issue price of \$0.003 pursuant to this Prospectus to raise \$0.003.

Official Quotation has the definition given to that term in the Listing Rules;

Opening Date means the first date for receipt of acceptances under the Offer which is 9:00am (WST) on 20 December 2018 or such other time and date as the Company determines.

Option means an option to acquire a Share at an exercise price of \$0.01 and an expiry date 4 years from the date of issue, approved under the Company's notice of annual general meeting dated 18 October 2018.

Performance Share means a performance share issued under the Company's prospectus dated 27 November 2015.

Prospectus means this prospectus dated 20 December 2018.

Relevant Interest has the meaning given in the Corporations Act.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the registered holder of one or more Shares.

Share Registry means Computershare Investor Services Pty Ltd.

Trading Day has the meaning given in the ASX Listing Rules.

Underwriting Agreement means the underwriting agreement between the Company and 708 Capital for the purposes of the Company's prospectus dated 24 August 2018.

Underwriter Issue means the issue of Shares to 708 Capital, as set out in Section 2.1.

WST means Western Standard Time, being the time in Perth, Western Australia.

Connected IO Limited

ACN 009 076 233

Please read the Prospectus dated 20 December 2018.

Follow the instructions to complete this Application Form (see reverse).

Print clearly in capital letters using black or blue pen.

Offer closes at 5.00pm WST on 21 December 2018

A Number of Shares you are applying for

[illegible]

B Total amount

—

C Write the name(s) you wish to register the Shares in (see reverse for instructions)

Applicant 1

[illegible]

Name of Applicant 2 or < Account Designation >

[illegible]

Name of Applicant 3 or < Account Designation >

[illegible]

D Write your postal address here

Number / Street

[illegible]

Suburb/Town

[illegible]

State

--	--	--

Postcode

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E CHESS participant – Holder Identification Number (HIN)

X									
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Important please note if the name & address details above in sections C & D do not match exactly with your registration details held at CHESS, any Shares issued as a result of your application will be held on the Issuer Sponsored subregister.

F Enter your Tax File Number(s), ABN, or exemption category

Applicant #1

[illegible]

Applicant #2

[illegible]

Applicant #3

[illegible]

G Cheque payment details – PIN Cheque(s) Here

Please enter details of the cheque(s) that accompany this Application Form. Make your cheque or bank draft payable to "Connected IO Limited – Subscription Account".

Name of drawer of cheque

Cheque No.

Cheque Amount A\$

H Contact telephone number (daytime/work/mobile)

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By submitting this Application Form, I/We declare that this application is completed and lodged according to the Prospectus and the instructions on the reverse of the Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the Constitution of Connected IO Limited (Company). I/We was/were given access to the Prospectus together with the Application Form. I/We represent, warrant and undertake to the Company that our subscription for the above Shares will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for Shares in the Company.

Guide to the Application Form

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM.

Please complete all relevant sections of the appropriate Application Form using BRICK LETTERS. These instructions are cross-referenced to each section of the Application Form.

Instructions

- A. If applying for Shares insert the number of Shares for which you wish to subscribe at Item A. Multiply by \$0.003 to calculate the total for Shares and enter the dollar amount at B.
- B. Write your full name. Initials are not acceptable for first names.
- C. Enter your postal address for all correspondence. All communications to you from the Company will be mailed to the person(s) and address as shown. For joint applicants, only one address can be entered.
- D. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN.
- E. Enter your Australian tax file number (TFN) or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN /ABN of each joint applicant. Collection of TFN's is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- F. Complete cheque details as requested. Make your cheque payable to "Connected IO Limited – Subscription Account", cross it and mark it "Not negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- G. Enter your contact details so we may contact you regarding your Application Form or Application Monies.
- H. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

NB: Your registration details provided must match your CHESS account exactly.

Correct form of Registrable Title

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and surname is required for each natural person.

Examples of the correct form of registrable title are set out below:

Type of Investor	Correct form of Registrable Title	Incorrect form of Registrable Title
Individual	Mr John David Smith	J D Smith
Company	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings	Mr John David Smith & Mrs Mary Jane Smith	John David & Mary Jane Smith
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	<J D Smith Family A/C>	John Smith (deceased)
Partnerships	Mr Michael Peter Smith	John Smith & Son
Clubs/Unincorporated Bodies	<Est Lte John Smith A/C>	Smith Investment Club
Superannuation Funds	Mr John David Smith & Mr Ian Lee Smith	John Smith Superannuation Fund

Lodgement

Post your completed Application Form with cheque(s) attached to the following address:

Trident Capital Pty Limited
Level 24, 44 St Georges Tce
Perth WA 6000

It is not necessary to sign or otherwise execute the Application Form. For questions on how to complete the Application Form, please contact Trident Capital Pty Limited on +61 8 6211 5099.

Privacy Statement

Chapter 2C of the *Corporations Act 2001* (Cth) requires information about you as a shareholder (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold shares. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. Your personal information may be disclosed to the entity in which you hold shares. You can obtain access to your personal information by contacting Computershare Investor Services Pty Ltd on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia).