

10 March 2020

ASX Announcement

PROPOSED CONSOLIDATION OF CAPITAL

Connected IO Limited (“**CIO**” or “**Company**”) advises that the Board proposes to seek shareholder approval for a consolidation of issued capital of the Company through the conversion of every ten (10) existing shares into one (1) share (“**Consolidation**”).

Under section 254H of the Corporations Act, a company may consolidate its securities if the consolidation is approved by an ordinary resolution of shareholders at a general meeting. The Company has dispatched a Notice of General Meeting to shareholders of the Company which includes a resolution seeking this approval.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders. As a result of the large number of Shares currently on issue, the purpose of the Consolidation is to reorganize the Company’s share capital which, in turn, will provide a higher nominal price per Share. The Company’s balance sheet and tax position will remain unaltered as a result of the Consolidation.

Effect of Consolidation

The full effect of the Consolidation, if approved, on the Company’s capital structure is set out below.

(a) Shares

The Company’s issued share capital as a result of the Consolidation on a 1 for 10 basis will be as follows (subject to rounding):

	Pre-Consolidation	Post-Consolidation
Shares on issue	2,407,582,054	240,758,205

(b) **Options**

The existing Options as a result of the Consolidation will be as follows (subject to rounding):

Pre-Consolidation			Post-Consolidation	
Expiry date	Number of Options	Exercise price	Number of Options	Exercise price
20/12/2020	75,000,000	\$0.01	7,500,000	\$0.10
Total	75,000,000		7,500,000	

(c) **Performance Shares and Performance Rights**

The Company's Performance Shares and Performance Rights as a result of the Consolidation will be as follows (subject to rounding):

Pre-Consolidation		Post-Consolidation
Securities	Number	Number
Class A Performance Shares ⁽ⁱ⁾	100,000,000	10,000,000 ⁽ⁱ⁾
Class B Performance Shares ⁽ⁱ⁾	50,000,000	5,000,000 ⁽ⁱ⁾
Class A Performance Rights	100,000,000	10,000,000
Class B Performance Rights	100,000,000	10,000,000

Note (i) As the milestones of the 100,000,000 Class A Performance Shares and 50,000,000 Class B Performance Shares were not satisfied, the Performance Shares will be cancelled on 15 March 2020, being the date 4 years from being readmitted to quotation, in accordance with the terms of the Performance Shares.

(d) **Convertible Notes**

The Company's convertible notes on issue are currently convertible into Shares at a deemed conversion price of \$0.003 per Share. Pursuant to the terms of the convertible notes and in accordance with ASX Listing Rule 7.21, if the Consolidation is approved, each Convertible Note will become convertible into Shares at a deemed conversion price of \$0.03 per Share.

Indicative Timetable

If the Consolidation is approved by Shareholders, it is expected to take effect in accordance with the timetable set out in paragraph 7 of Appendix 7A of the Listing Rules. The anticipated timetable for the Consolidation is set out below.

Event	Date
Effective date of Consolidation as specified in the resolution approving the Consolidation – date of Shareholders Meeting	9 April 2020
Last day for trading in pre-consolidation securities	14 April 2020
Trading in post-consolidation securities commences on a deferred settlement basis	15 April 2020
Record Date Last day for the Company to register transfers on a pre- Consolidation basis	16 April 2020
First day for the Company to update its register and to send holding statements to security holders	17 April 2020
Last day for the Company to update its register, to send holding statements to security holders and notify ASX	23 April 2020

** The above timetable is indicative only and subject to change. Any changes will be announced to ASX.*

ABOUT CONNECTED IO

Connected IO Limited has its operations based in Dallas, in the USA. Its business is a wireless technology innovator and manufacturer operating in the multi-trillion-dollar “IOT” (Internet of Things) sector. CIO specializes in machine to machine (“M2M”) connectivity, providing hardware and software solutions to some of the world’s largest companies. CIO’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.

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

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