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25 October 2021

ASX Announcement

STRATEGIC REVIEW COMPLETED

Connected IO Limited (**Connected IO** or **Company**) is pleased to advise that it has now completed its strategic review (**Review**) of the Connected IO business and is pleased to report the following outcomes.

New Business Opportunities Identified

Following a review of the current global market for the Company products and other offerings, which has to date been solely operating in North America, the Review has identified Southeast Asia and Australasia as a new focus market and has commenced investigating partnering arrangements that will allow it to begin exploration of penetration into those markets.

The Review has identified several unmet Internet of Things (**IOT**) device use cases and IOT service provider organisations which the Company intends to target to develop new revenue streams initially in Australia, then expanding into Southeast Asia and potentially Europe. These include the traditional IOT industrial router markets, but with a focus on new markets such as Smart Cities applications which is a fast-developing market.

Additionally, the Review has concluded that not only are there unmet markets for the Company's existing hardware product suite, but there are also applications for the Company's product suite which can address challenges in the Video Gaming Market. These include addressing the consistent low latency challenges which currently adversely effects the overall gaming experience in several markets, as well as considering potential enhancements to the overall standard offerings within online gaming and how the Company can improve these gaming experiences.

The global video game market is estimated to generate US$175.8 billion in 2021 (source: NewZoo) being spent annually with a large portion of that market being in the Southeast Asian region

The Board recognises the fast-moving nature of the digital world we live in and following the outcomes of the Review, has determined to allocate some additional resources to advance possible opportunities in this growing market.

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To that end, the Company has engaged a suitably qualified Australian based consultant to further develop business opportunities and execution plans. The initial engagement will focus on rolling out the existing product suite into the new markets identified and developing a detailed strategy to deliver services into the Video Gaming market. In addition, the Company has an ongoing agreement with Splendor Limited, a Southeast Asia consultancy group, to develop a Growth Plan for the Company, on the terms outlined in the last two quarterly activities reports of the Company.

At this stage, the Company is primarily seeking to grow its business in these regions organically rather than through any major acquisitions and the Board is allocating the resources to achieve that. However, the Board remains open to new acquisitions that are complimentary to the existing business and can be appropriately funded.

North American Business

The strategic review has also determined that in the current environment it is appropriate for the Company to re-structure the US business by divesting its wholly owned subsidiary, CIO Technology Inc, to the Company's previous Managing Director, Mr. Yakov Temov whilst retaining an exclusive perpetual global license to utilise the existing Intellectual Property (IP) outside of North America.

The Board has determined that with the current cost structure of that business together with the inability of that business to return to its pre COVID sales trajectory, it is in the best interests of shareholders to re-structure the US business at this time. Mr Yakov has agreed to a transaction that sees him acquire the business with its existing liabilities (including a $400,000 loan repayable to the Company) and assume on-going working capital requirements. As outlined, Connected IO will retain an exclusive perpetual global license to utilise the existing Intellectual Property (IP) outside of North America. Further information is provided in the Company's Notice of Meeting that has been lodged with ASX today.

The Board has determined that the sale of CIO Technology Inc., to Mr Yakov requires shareholder approval which will be sought at the Company's forthcoming Annual General Meeting.

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

For further information regarding this announcement please contact Dougal Ferguson, the Chief Executive Officer 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.