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Connected*iC*

MARKET UPDATE

MAY 2017

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All amounts are in Australian dollars unless stated otherwise.

Corporate Snapshot

Connected IO develops hardware, software, and cloud-based services that connect products to the Internet

Directors

Yakov Temov, Chief Executive Officer and Managing Director

Long and consistent track record of successfully delivering innovative products on time and under budget and building and growing world-class engineering teams.

Specialises in product development and executive leadership, with a solid start-up track record including CEO and Founder of White Label Corporation; VP of Engineering at U4EA Technologies, Inc. (acquired by Gos Networks, Ltd.); VP of Engineering and CTO at Voice4biz, Inc.

Jason Ferris, Executive Chairman

Experienced finance professional and currently a board member of Titanium Sands Ltd (ASX: TSL)

Blaise Thomas, Non-Executive Director

25 years' experience in building and managing businesses in Australia and UK and has held executive level positions in private and publicly listed companies

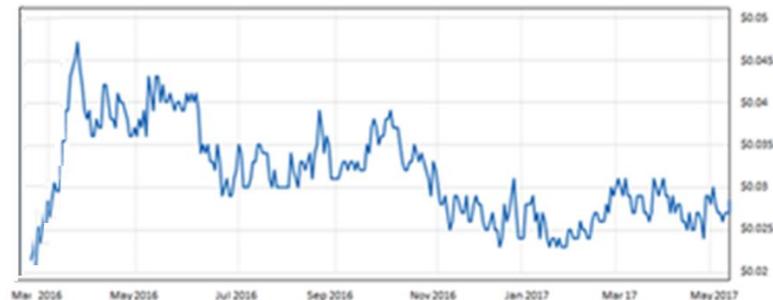
Sales and Operations Team

24 members strong in US and around the world.

Share structure	(ASX: CIO)
Tradable shares	527.67m
Escrowed (24 months from re-quotations)	265.25m
Share price (12 May 2017)	\$0.029
Market Cap.	\$22.99m
Cash (31 March 2017)	\$1.24m
Performance Milestone 1 ¹	100m
Performance Milestone 2 ²	50m
Fully Diluted	942.92m
Trading since listing @ \$0.02 (Mar '16)	\$0.023 - \$0.053

¹ Milestone 1 - \$15m revenue during the years 2017 or 2018

² Milestone 2 - \$25m revenue during the years 2017 or 2018



Commercial Validation

CIO's strategy has been validated by:

A growing revenue profile, and decreasing operating expenses per unit sold

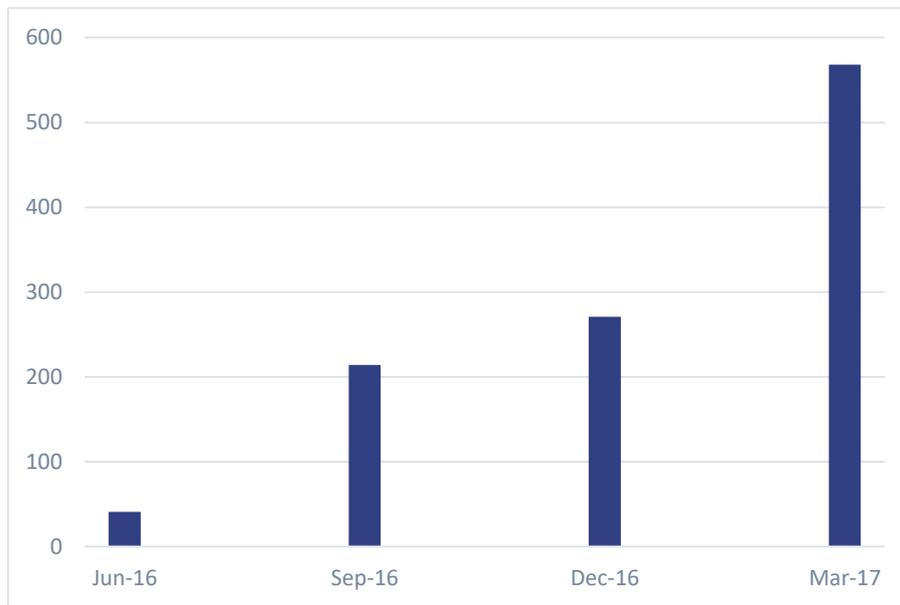
Strong strategic relationships with major carriers, distributors, and integrators

Product sales and successful trials with customers across an increasingly diverse range of industries, lead to increasing unit sales

Reoccurring revenue from cloud management and data service begin to accrue

Continual, disruptive development of new products

Connected IO Q1 Quarterly Receipts = \$568,000
Up 511% from Q3 FY16 and up 110% from Q2 FY17.



Multifaceted SAAS Revenue Model

CIO's M2M CLOUD PORTAL – Provides opportunity for a multifaceted revenue model

CIO Cloud services are a sticky reoccurring revenue opportunity with minimal marketing and customer acquisition expenses.

- Low Cost of customer acquisition is due partially to CIO's close collaboration with carriers.
- Carriers are willing to market CIO products to their target customers in order to capture service activations.
- The typically high marketing and customer acquisition costs of most SaaS models is dramatically lowered.

Moreover: CIO's Strategic model targets much more than just subscription fees and unit sales

Numerous upsell opportunities: From dynamic feature sets to advanced reporting, the upsell opportunities are plentiful

API: CIO's robust API will allow for significant adoption across verticals, and revenue from sources not using our interface

White label: CIO is working with partners on white label opportunities that will provide incremental revenue and market exposure

Service Levels: With the wide variety of customers and applications using CIO's cloud solution, many different levels of support will be required. Customers who require more support will be happy to pay a premium for it.

Cloud M2M Portal

First Recurring Cloud Based Management Fees Announced October 2016

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CLOUD M2M PORTAL

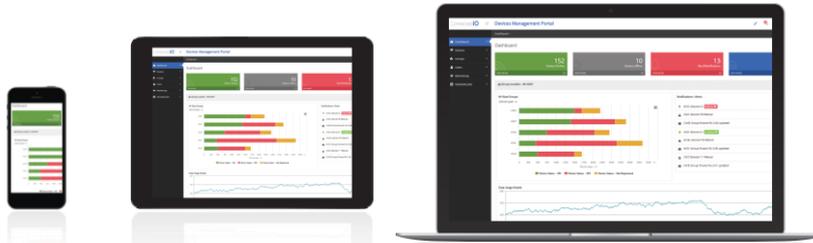
Secure, real-time access to diagnostic data from multiple devices

Intuitive dashboard interface with plug-and-play simplicity

Accessible on computers and mobile devices

Customizable to meet user requirements

Remarkably cost effective



SECURELY MANAGE:

CONNECTIONS

DEVICES

SECURITY

ACCOUNTS

NOTIFICATIONS

USAGE REPORTS AND LOGS

OVER THE AIR UPDATES

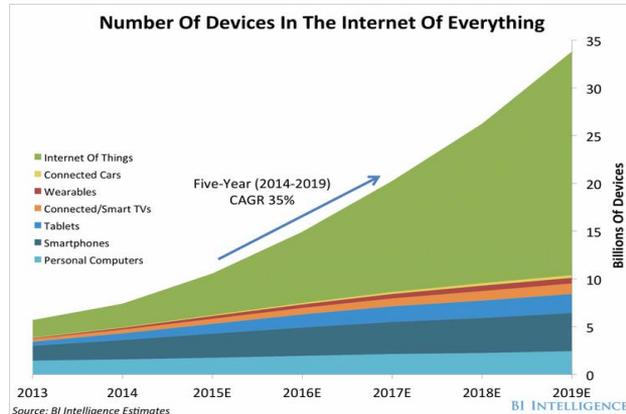
- ALL FROM ANY COMPUTER OR SMART DEVICE

Carriers Are Key To Unlocking IOT Potential

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- As the trajectory of the IOT continues to climb, carriers are aggressively shifting their focus and resources accordingly
- CIO is riding this wave by expanding relationships with Verizon and AT&T and collaborating with major carriers around the world
- AT&T represents 50+% of the M2M market, growing at 35%+ CAGR, and Verizon, Vodafone, Telefonica, Telstra, and others are investing heavily in pursuit of their share of the global IOT opportunity

Below, a graph presented by Business Insider's John Greenough in an article, *THE INTERNET OF EVERYTHING: 2015 [SLIDE DECK]*, revealing a prediction for the internet of things market expansion through 2019.



See also from Ironpaper: [Marketing Opportunities for the Internet of Things](http://www.ironpaper.com/webintel/articles/internet-things-market-statistics-2015/)

<http://www.ironpaper.com/webintel/articles/internet-things-market-statistics-2015/>

Strengthening Carrier Relationships

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25 May 2016 – Executed Agreement with Vodafone, giving CIO access to Vodafone enterprise customers and setting the stage for collaboration in the US and around the world



2 August 2016 – Achieved AT&T PTCRB certification, allowing CIO to deploy its products throughout the AT&T and T-Mobile networks, which represent ~75% of M2M data lines in USA.



8 February 2017 – Executed expanded partnership agreement with Verizon across multiple Verizon initiatives:

- Selected CIO to integrate its 'ThingSpace' device management platform into CIO's products
- Selected CIO to participate in Verizon's new device certification process, Airborne LTE Operations (ALO) for drones
- National marketing initiative to promote CIO's 'Powered by Verizon' products to 142m+ Verizon subscribers



28 February 2017 – Strengthened relationship with AT&T to collaborate with their IOT Division in joint effort to meet growing needs of AT&T's enterprise clients across drones, robotics, energy management, O&G, fleet & asset tracking, security/surveillance, PoS, smart city, vending/ATM, digital signage etc...



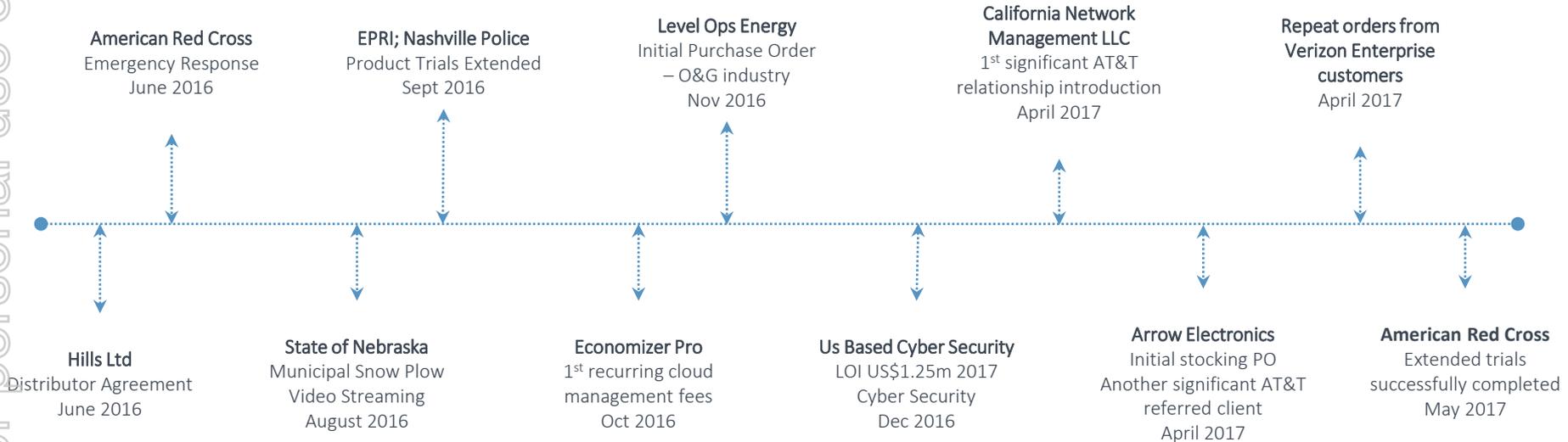
6 April 2017 – Launched our next generation Category 1 cellular modems, compatible with Telstra's newly launched dedicated IOT network

Other Carriers Relationships



Building Clients & Sales Across Multiple Sectors

Selected announced clients and sales (past 12 months)



CIO hardware is manufactured in Shenzhen, China with capacity to produce 30 thousand + units per month.

Well over 10 thousand unit sales of CIO's initial product design has paved the way for an expanded menu of new products that have already been successfully deployed in thousands of additional applications since ASX Listing in March 2016

Featured Relationships

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at&t



Meraki

verizon



Deutsche Telekom



Schlumberger



Telstra ROGERS Telefonica



California Department of Fish and Wildlife

PROFILE SYSTEMS LLC



vodafone

JohnRyan



California Department of Parks and Recreation

SONOS



American Red Cross

iRobot

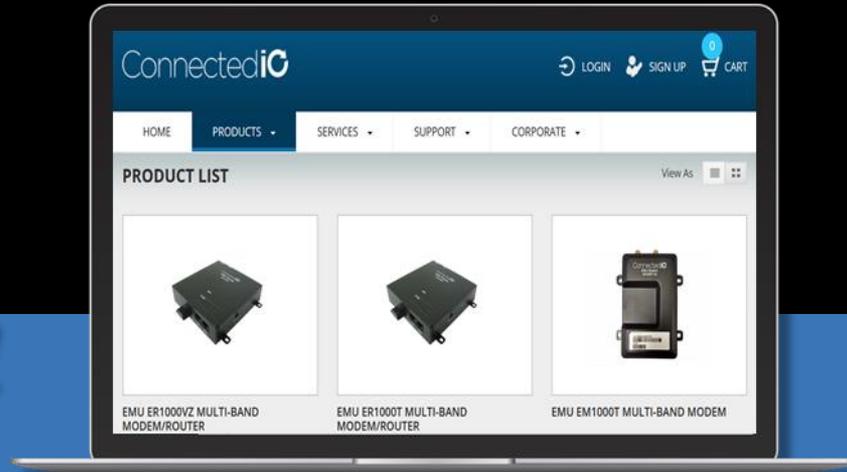
AirShip Technologies Group

HILLS



elyxor

MACHINE TO MACHINE PRODUCT RANGE



CURRENT PRODUCTS

EMU: 4G/3G/2G MODEM

EM1000T -NA, EU



- 4GLTE with 3G/2G
- Smaller than a deck of cards
- Weighs less than 60 grams
- Rugged - IP 51 Compliant
- USB Ports for power and data
- Custom Y- Cable for easy installation to wide variety of host devices
- Disruptively priced
- Certified for use on major carrier networks around the world

EMU: 4G/3G/2G ROUTERS

ER1000T -EU



- 4GLTE with 3G/2G
- First Open Source OS Router
- Rugged - IP 51 Compliant
- **Cloud Based Device Management**
- Dual Ethernet ports for plug and play connectivity for a wide variety of applications

Disruptively priced at a fraction of the cost of the leading competitor

Connected IO Machine Connect LT1000:



- 4GLTE with 3G/2G fallback
- Successfully Deployed in thousand of applications.
- Modular design and housing for standard mini-PCIe modules (4G)
- Low cost 4G connectivity optimized for embedded M2M applications
- Connection Manager provided for easy start-up

NEW CATEGORY 1 SOLUTIONS — Available June, 2017

EMU: CAT- 1 MODEMS

EM1000TCAT1 – NA & - EU



Dependable, Rugged & Remarkably Affordable.

Ideal for M2M applications, such as kiosks, digital signage security, failover, vending et al.

The ultracompact CAT1 EMU Modem is a high-speed, multiband, cellular modem encased in an innovative lightweight thermally conductive, slimline enclosure.

- Next Gen Category -1 IOT dedicated spectrum
- USB Connectivity for power and data allowing for ease of integration and deployment

EMU: CAT- 1 ROUTERS

ER1000TCAT1 NA & EU



Dependable, Rugged & Remarkably Affordable.

Ideal for M2M applications, such as kiosks, digital signage security, failover, vending et al.

The ultracompact CAT1 EMU Router is a high-speed, multiband, cellular router with an embedded Open Source Linux OS encased in an innovative lightweight thermally conductive, slimline enclosure.

- Next Gen Category -1 IOT dedicated spectrum
- Cloud Managed for ease of deployment, firmware updates, remote management, reporting and more.

OPEN SOURCE FLEXIBILITY: INDUSTRIAL RELIABILITY: DISRUPTIVE PRICING: LIMITLESS APPLICATIONS

SECURITY AND SURVEILLANCE



DRONES



SMART CITY



VENDING MACHINES



ENERGY MANAGEMENT



POINT OF SALE



ROBOTICS



KIOSKS



HOME AUTOMATION



DIGITAL SIGNAGE



PRECISION EQUIPMENT



TRAFFIC MANAGEMENT



WATER MANAGEMENT



TRANSPORTATION:
TELEMATICS + VIDEO



WIRELESS LAN SYSTEMS



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NEW PRODUCTS AND SERVICES
KEEPING CIO AHEAD OF COMPETITORS



NEW PRODUCTS

EMU: CAT-1 MODEM

EM1000T CAT 1-NA, EU



- IOT Dedicated Cat-1 4GLTE with 3G/2G
- Smaller than a deck of cards
- Weighs less than 60 grams
- Rugged - IP 51 Compliant

- USB Ports for power and data
- Custom Y- Cable for easy installation to wide variety of host devices

- Disruptively priced to help customers build better use cases for cellular solutions

EMU: Cat-1 ROUTERS

With Wifi



ER1000T -EU

- IOT dedicated Cat – 1 4G with 3G/2G
- First Open Source OS Cat-1 Router
- Rugged - IP 51 Compliant
- **Cloud Based Device Management**
- Dual Ethernet ports for plug and play connectivity for a wide variety of applications

Disruptively priced at a fraction of the cost of the leading competitor

Connected IO

Live Eye 1000

Prototype:



Unique Proof of Concept prototype 4G LTE live streaming body camera powered by a CIO modem – Demonstrates the superior value and capability of cloud managed 4GLTE Connectivity. Every Mission Critical Application deserves a dependable, secure, dedicated, cloud managed connection.

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