

22 September 2017

ASX Announcement / Media Release

## CONNECTED IO ACHIEVES RECORD QUARTERLY SALES WITH GROWTH OUTLOOK EXTENDED

- From 1 July CIO has achieved a record quarter to date obtaining approximately AUD\$2m in purchase orders.
- The Company experienced a significant response from prospective purchasers at the Mobile World Congress in San Francisco last week.
- The Company's largest individual purchase orders anticipated next quarter.
- CEO and Executive team have been invited to Asia next week to pursue military and major utilities contracts.
- Advanced negotiation underway with groups interested in financing manufacturing growth.
- Multiple approaches made by third parties interested in developing the Missions & Cable gold project.
- The Company has discovered potential rights to two gold royalties.

The Board of Connected IO Limited ("CIO" or "Company") is pleased to provide an update on its current achievements and outlook for the next quarter.

The Company has achieved record sales during the current incomplete quarter with purchase orders amounting to **AUD\$1,914,000**. These purchase orders also substantiate CIO's ability to continue to expand its product range and address new market segments such as drones.

CIO hosted many potential customers at last week's Mobile World Congress in San Francisco to promote its existing range and new family of CAT-1 products. As a direct result purchase orders have been received from distributors such as PWS (as announced 18 Sept 2017). In addition the interest generated both leading up to and during the congress has extended the Company's growth outlook for the December quarter and potentially producing the largest individual purchase orders received by CIO to date.

The Company's CEO and member of the executive team have been invited next week to present to military and major state operated utilities in both Thailand and Philippines to assess the potential of the Company's products in drones, body cameras and wireless communication solutions. This represents the first opportunities of the Company to penetrate significant Asian markets with interest also expressed from Indonesian and Malaysian parties.

The Company is in advanced negotiations with several financial groups who have expressed interest in providing debt funding to enable larger manufacturing orders to be placed. The Company believes that as its business grows and purchase orders increase its capacity to debt fund in particular, manufacturing capacity will become a significant piece of the blend of future funding required.

The Company would also like to confirm it is in negotiations with 708 Capital and Trident Capital, the parties who arranged the Loan Note (announcement dated 22 June 2017) to extend the facility for a further six months while the Company moves into its next growth phase.

As previously announced to the market (announcement dated 19 June 2017) the Company continues to plan for the development of the Missions & Cables gold project. The project which currently contains a JORC Inferred resource in the eastern goldfields adjacent to infrastructure and 7kms from the 3 million ounce Darlot – Centenary gold mine recently acquired by Red 5 Limited, has received multiple approaches in recent months by parties, including nearby gold producers interested in developing the project.

CIO has recently been made aware that it potentially owns a registered royalty interest on a tenement (M15/646) associated with the Coolgardie Gold Project that is now owned and operated by ASX-listed Focus Minerals Ltd. The Company is continuing to process the extent of its rights and will update the market as soon as the details of the royalty interest are verified.



CEO Yakov Temov commented “The Company’s quarterly sales growth and projected pipeline of opportunities for the December quarter and beyond underpin the ability of the business to scale significantly going forward with a sales force and manufacturing capacity to meet demand. CIO’s strong objective is to become cash flow positive in 2018 and look to expand the business globally.”

## About Connected IO Ltd. (CIO)

Based in Silicon Valley, Connected IO (CIO) develops wireless products for machine-to-machine (M2M) communications and Internet of Things (IoT) connectivity. The CIO EMU family of programmable modems and routers are innovative, carrier-certified, secure, and affordable, making them the preferred choice of enterprises around the globe. The IoT market is growing exponentially and cellular technology and wireless connectivity are advancing rapidly—from LTE to NarrowBand IoT (NB-IoT) and Low-Power Wide-Area Networks (LPWANs). To keep pace, reduce development costs, and shorten time to market, companies are choosing CIO hardware. Ready to go right out of the box, CIO products can be easily configured, deployed, monitored, and managed with CIO M2M Cloud software. CIO products can be found in a wide array of applications and industries, including digital signage, retail kiosks, vending machines, monitoring and control systems, failover, unmanned aerial vehicles (UAVs), and healthcare.

## Get Connected!

