



3 July 2017

ASX Announcement / Media Release

## ConnectedIO Posts Record Quarterly Revenue

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### HIGHLIGHTS

- **ConnectedIO posts fourth consecutive quarter of increased revenues, beating internal estimates.**
- **Cash receipts from customers for the 2017 June Quarter show record growth to AUD\$822,562 up 45% from the prior quarter and 1,900% from the same period last year.**
- **New customers including a Fortune 500 distributor of Electronics products as well as AT&T distributor CNM have help boost quarterly receipts with recurring orders anticipated.**
- **ConnectedIO revenue continues to grow via upfront and recurring customers, from over 40 unique product verticals.**
- **ConnectedIO partners, Verizon and AT&T continue to increase orders via their enterprise customers.**

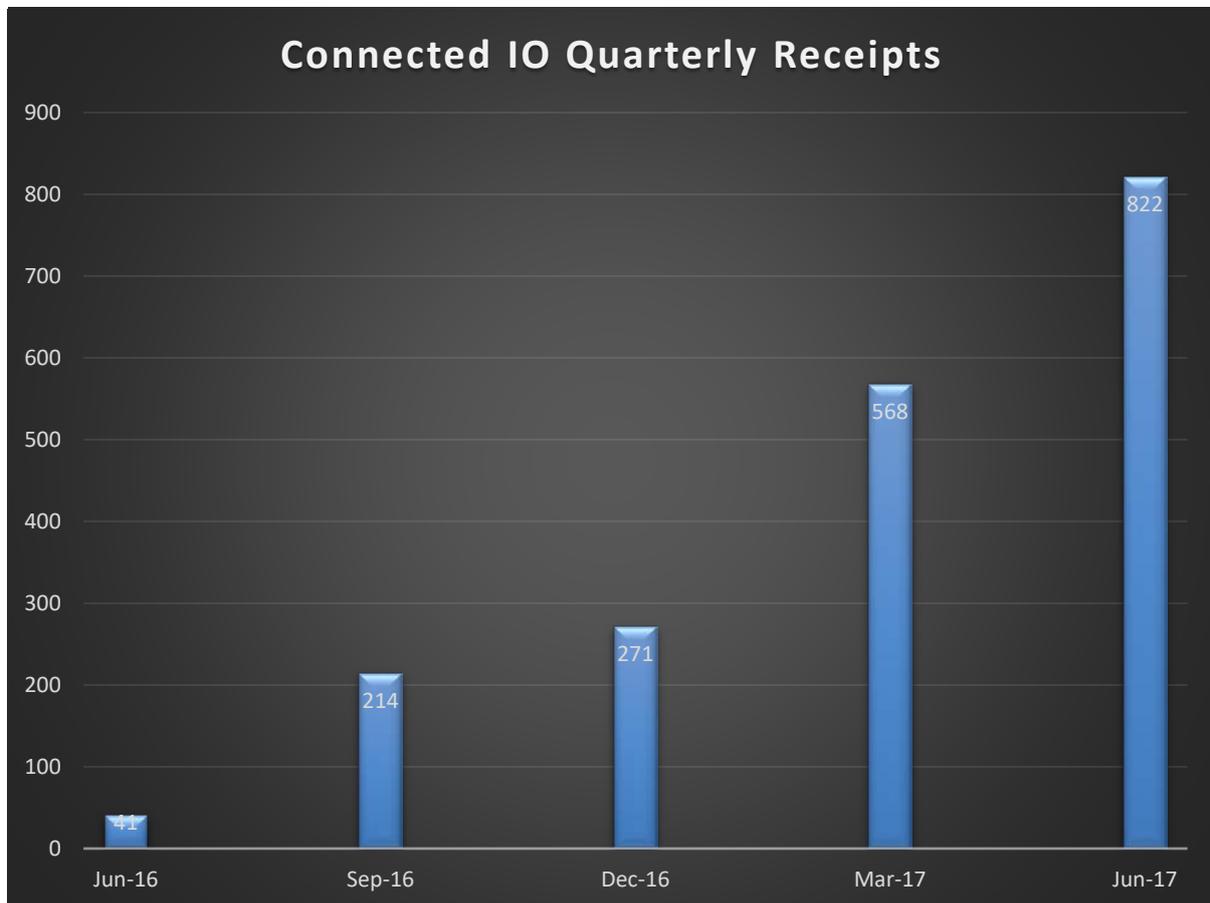
Connected IO Limited ("CIO") is pleased to report that it has posted record revenue for the June 2017 quarter of AUD\$822,000. This represents its fourth consecutive quarter of increased revenues. Purchase orders have been received from several key new enterprise customers partnering with CIO, as well as orders received from recurring sources.

CIO achieved a key internal milestone in receiving Purchase Orders from both a Fortune 150 United States company with annual sales in excess of US\$23B as well as CNM, one of AT&T's largest wireless hardware distributors in the United States.

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These two companies represent two of the largest Electronic Hardware Distribution giants in the United States.

The company was also encouraged by significant repeat orders placed by large Enterprise-level customers: **American Red Cross** and the **State of Nebraska**.



The company can also report its sales team has confirmed that momentum is increasing across all verticals as distribution channels become more aware of and confident in the CIO product range. Sales training continues to educate resellers and promote communication solutions and benefits of CIOs products. CIO can see the business is maturing through these increased sales as the CIO reputation continues to grow.

Growing relationships with carriers and distribution partners continue to generate opportunities for increased product sales from numerous sources without reliance on any one source.

CIO CEO Yakov Temov says “CIOs continued revenue growth represents both confidence in CIO products and also evidence of the developing machine to machine (“M2M”) and Internet of Things (“IoT”) market. It has been reported that the IoT market is running at 1% of capacity indicating sales growth of CIO products should continue as the market also continues to

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develop. Cisco have predicted there will be up to 50 billion connected devices by 2020. This further represents the significant opportunity CIO is presented with”.

Based on the continuing performance of the executive and management team, the company is pleased to report that it has extended key service agreements Mr Yakov Temov (Managing Director and CEO) and Mr Jason Ferris (Executive Chairman).

The terms and conditions of Mr Temov and Mr Ferris’ employment agreements have remained unchanged since 1 December 2015. The revised terms bring their employment agreements in line with market conditions for director contracts. CIO welcomes the contract extensions and Mr Temov and Mr Ferris’ continuing service and leadership to the company. A summary of key terms and conditions of these employment agreements is set out below.

Mr Temov is engaged as the Company’s Managing Director and Chief Executive Officer pursuant to an employment agreement with the Company. The employment agreement will commence on 1 July 2017 and will continue until it is terminated in accordance with the agreement. Either party may terminate the agreement without cause by providing the other party no less than 12 months’ notice in writing. The Company may terminate the agreement by summary notice to Mr Temov with cause in circumstances considered standard for agreements of this nature in Australia. The remuneration package is made up of annual salary of US\$225,000. The agreement is otherwise on terms and conditions standard for agreements of this nature.

Mr Ferris is engaged as the Company’s Executive Chairman pursuant to an employment agreement with the Company. The employment agreement will commence on 1 July 2017 and will continue until it is terminated in accordance with the agreement. Either party may terminate the agreement without cause by providing the other party no less than 12 months’ notice in writing. The Company may terminate the agreement by summary notice to Mr Ferris with cause in circumstances considered standard for agreements of this nature in Australia. The remuneration package is made up of an annual salary of \$240,000 plus 9% statutory superannuation. The agreement is otherwise on terms and conditions considered standard for agreements of this nature.

### **About Connected IO**

Connected IO Limited has its operations based in Silicon Valley, 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 – including Coca Cola, Verizon and AT&T. 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.

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