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Company Announcements Office
Australian Securities Exchange
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SYDNEY NSW 2000

CONNECTED IO CONFIRMS GREATER THAN EXPECTED 364% ANNUAL GROWTH IN 2017 WITH STRONG 2018 PIPELINE

HIGHLIGHTS

- **CIO adjusts previous estimates to confirm revenue for 2017 calendar year has grown by 364% on the 2016 calendar year to approximately \$2.44m;**
- **CIO pipeline continues to grow with confirmed purchase orders already exceeding \$2m;**
- **CIO expanding relationship with US based cyber security company to offer new premium managed services delivering wider profit margins to CIO;**
- **One of the world's largest franchise groups is currently evaluating CIO's solutions for its corporate and franchise stores.**

The Board of Connected IO Limited (CIO) is pleased to advise the market it has finished the December 2017 Quarter stronger than expected (ASX:CIO 14 December 2017) and now provides a revised increase on calendar year revenues of 364% at the end of December 2017 compared to the same time in 2016. The company anticipates even higher percentage growth in the 2018 calendar year given the purchase orders already received and the strong pipeline of anticipated contracts.

CIO's confirmed purchase orders have reached \$2m. Five significant further purchase orders are currently being negotiated and further updates to the market are anticipated in coming weeks.

CIO is also finalising an expanded partnership with a US based cyber security company that will see a

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multi year relationship with CIO to grow its profit margins significantly by offering new premium managed services with higher price points. This opportunity predominately includes router based services via cloud connectivity and is anticipated to deliver recurring revenue of approximately 10-15% of CIO's total revenue in 2018.

Opportunities introduced by AT&T and Verizon have already enabled CIO to provide services and products to significant US based multi-billion-dollar retail chains and stores. In addition to these relationships, the largest franchise company in the world is currently evaluating CIO's solutions for its corporate and franchise stores.

The company has also expanded marketing and sales initiatives resulting in:

- the roll out of CIO hardware via 3,000+ AT&T resellers selling directly to enterprise;
- Multiple Virtual Network Operators (MVNO) selling CIO hardware globally, packaged with their services;
- a digital signage company utilising the CIO modem as a bundled airtime package solution; and
- the resale of CIO modems for failover solutions with a large multi-national tech player.

Following this significant increase in marketing and sales, further substantial purchase orders are anticipated over the next three months.

CIO CEO Yakov Temov said, "The promising revenue growth experienced in the 2017 calendar year is set to continue with many of the above opportunities about to come on line. These opportunities have been developed throughout 2017 and have taken some time to bring to the market. However the company has confidence that these and other new opportunities will be developed and confirmed to the market soon."

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 family of programmable modems and routers are innovative, operator-certified, secure, and affordable, making them the preferred choice of enterprises around the globe for a wide array of applications and industries, including digital signage, POS, vending machines, security, monitoring and control, and failover.

The IoT market is growing exponentially and cellular technology and wireless connectivity are advancing rapidly—from LTE to Narrowband IoT (NB-IoT). 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 our cloud-based management portal.

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