

13 March 2018

ASX Announcement / Media Release

CIO RECEIVES SIGNIFICANT PO FROM US BASED CYBER SECURITY COMPANY

HIGHLIGHTS

- **Connected IO receives purchase order from US based cyber security company in addition to the relationship announced to the market on 6 February 2018.**
- **The purchase order is for an amount of \$349,000* and confirms re-occurring revenues from this customer.**
- **The purchase order adds significant momentum to the Company's Q1 revenues and launches a new product to the market.**

The Board of Connected IO Limited ("CIO") is pleased to advise further to previous announcements (ASX: CIO 6/2/18 and 12/2/18) the US based cyber security company has placed a further purchase order to CIO to produce 1,000 units of its new ER2800-UNA-C4 product.

The order represents the launch of a new CIO product developed specifically for this customer. The new product provides the next step of evolution of CIO solutions with more capabilities incorporating a dual SIM designed for mission critical applications.

The terms of the purchase order are as follows:

1. 35% of the purchase order payment due on receipt and acceptance of 5-10 engineering samples;
2. 35% of the purchase order payment due on receipt of first 250 sellable units;
3. 30% of the purchase order payment due on receipt of remaining units.

The purchase order is additional to the LOI announced on 6 February 2018 and the potential revenues do not form part of the previously announced relationship.

The purchase order represents a total in aggregate of revenues and purchases orders received of \$1m so far in 2018 and establishes a trajectory of increasing revenues.

CIO CEO Yakov Temov said “This additional Purchase Order indicates the solid growing nature of the relationship we have developed with the Cyber Security Company in the United States. Considering this Purchase Order is over and above the previously announced LOI, it now provides CIO with an additional avenue of revenue for this customer whilst also providing a new revenue product to a variety of customers seeking a dual SIM solution.”

TERMINATION OF HILLS DISTRIBUTION AGREEMENT

In addition, CIO advises that it has terminated its Distribution Agreement with Hills Limited (ASX: CIO 1/6/16). The Agreement included certain CIO products within Australia and New Zealand including the Machine Connect LT1000 tri-band 2G/3G/4G and Machine Connect 4G LTE modem, EU Emu Router (ER1000T), Emu Modem (EM1000T) and Live Eye 1000 - 3G/4G Live Streaming Video Camera. The termination is consistent with the new distribution agreement executed with M2M for distribution of a number of CIO products in Australia and New Zealand (ASX: CIO 5/3/18).

About US Cyber Security Company

The purchase order has been received with a US based cyber security company (name precluded under confidentiality and commercial secrets obligations) that develops and offers cloud based “payment card industry data security standard” (“PCI DSS”) solutions to large franchise merchants in the United States and internationally. It offers a managed security suite that includes the hardware and software for network security, secured data access, and a framework for creating policies and procedures. Its products are used in grocery and convenience stores, restaurants, retail facilities, hotels, and kiosks. The company was established in the USA almost 30 years ago.

About Connected IO Ltd. (CIO)

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.

(*) exchange rate of \$0.7871 as at 13 March 2018 via XE Currency exchange.