



3 February 2020

ASX Announcement / Media Release

DECEMBER QUARTER DELIVERS CONSISTENT HIGH QUARTERLY CASH RECEIPTS

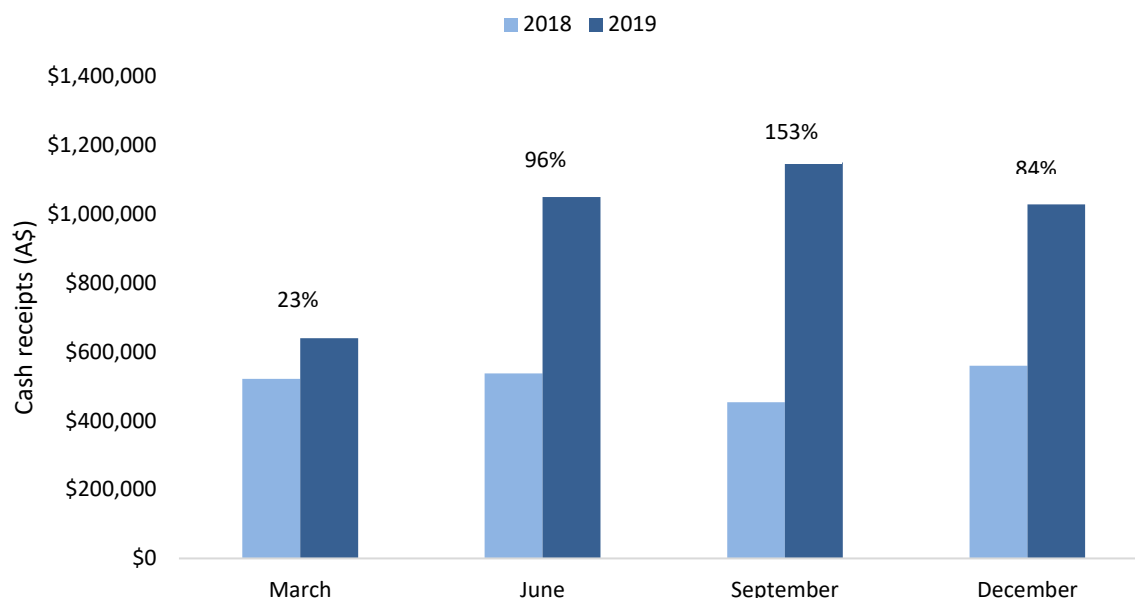
HIGHLIGHTS

- December quarter cash receipts total \$1,028,000.
- Cash receipts growth up 84% from December 2018 quarter.
- Cash receipts grow 87% for the calendar year 2019.
- Strong consistent performance with 3rd consecutive quarter of cash receipt in excess of \$1m.
- \$1.25m capital raising completed to accelerate purchase order completions.

YEAR ON YEAR GROWTH

Connected IO Limited (“CIO” or “Company”) is pleased to announce that the Company achieved high cash receipts from customers for the quarter of AUD\$1,028,000 demonstrating consistent performance in line with previous quarters. The Company has recorded its 3rd consecutive quarter of cash receipts in excess of \$1m, with expenses being maintained.

Cash receipts from the December 2019 quarter represented an increase of 84% from those of the 2018 December quarter and growth of 87% in the 2019 calendar year when compared to 2018, illustrating the Company’s ability to continue and maintain higher levels of manufacturing and delivery of its products to meet customer demand. The Company has demonstrated consistent and continued strong growth in the sales of CIO’s products and has achieved its 6th consecutive quarter of cash receipts.



The majority of CIO's revenues are derived from recurring orders from existing customers, however the Company is also commencing sales into several new sectors with customers in the US IOT automotive industry and IOT retail solutions sector such as smart shelving having recently purchased CIO products. Continued penetration into these new markets by the Company has the potential to add considerable further growth to the number of future sales of CIO products.

CIO achieved cash receipts in the 2018 calendar year totalling \$2.073m, and increased the cash receipts in the 2019 calendar year by 87% to \$3.868m. The Company expects this growth trend to continue and remains focused on maintaining its 40% plus gross profit margin as it continues to grow its SaaS revenue stream under which it expects to increase profitability substantially.

DECEMBER CAPITAL RAISING SUPPORTS FUTURE GROWTH

During the December quarter the Company successfully completed a placement to sophisticated and professional investors to raise \$1.25m (before costs). The funds have been used by the Company to increase manufacturing of its products to directly fulfil a significant number of purchase orders that were placed in the December quarter. The Company anticipates that the benefits from being able to fulfil these purchase orders will be reflected in the total cash receipts for the 2020 March quarter.

ABOUT CONNECTED IO

Connected IO Limited has its operations based in Dallas, 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. 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.

For further information regarding this announcement please contact Adam Sierakowski, Chairman of Connected IO Limited on 08 6211 5099.

This announcement was approved and authorised for release by the Company’s Board of Directors.

