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Company Announcements Office
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CIO EXECUTES EXPANDED PARTNERSHIP AGREEMENT WITH VERIZON

- **In recognition of CIO's proven value, Verizon has negotiated a further new Agreement with CIO to collaborate on initiatives that are critical to Verizon's IOT strategy**
- **Verizon has selected CIO to integrate its device management solution "ThingSpace" in to CIO's family of products**
- **Further Verizon has selected CIO to contribute to its Drone program (ALO) which will facilitate the deployment of millions of drones on Verizon's network**
- **Verizon launches a national marketing initiative to promote CIO's "Powered by Verizon" products to 142+ million Verizon Subscribers**

The Board of Connected IO Limited ("CIO") is pleased to advise that the Company has been selected as a partner on multiple key initiatives by Verizon, the largest mobile operator in the US. The partnership will benefit the 142 million+ businesses, Local Governments and individuals currently on Verizon's network. The initiatives will help manage, scale and monetize IOT solutions in accelerated timeframes for these customers.

CIO and Verizon have enjoyed a very successful partnership to date, collaborating to provide leading edge M2M and IoT solutions to some of the world's largest companies. In recognition of the ongoing success and customer satisfaction realized through this collaboration, Verizon pursued a deeper partnership with CIO that will allow the companies to join forces on several key initiatives planned for 2017 and beyond.

Yakov Temov (CEO) “Verizon’s decision to expand and deepen our partnership is an undeniable validation of the abilities of CIO as a company, and Verizon’s belief in the quality and value of the products we supply. We are proud to be an integral part of their IOT strategy, and I am confident that this agreement sets the stage for a long and successful relationship with Verizon.”

ThingSpace

Verizon developed ThingSpace as a device management platform that allows subscribers to simply and effectively utilise the IOT by integrating solutions like those offered by CIO.

Verizon’s ThingSpace partnership will accelerate the sales cycle of CIO products within Verizon’s network. The partnership will focus on emerging market segments including drones and robotics. These segments continue to show tremendous promise and the Verizon CIO partnership will allow an accelerated deployment of product.

As announced on Verizon’s website, “The launch of a new suite of services expected to begin in early 2017 on Verizon’s ThingSpace IoT platform will help developers and businesses create and manage a wide-range of Airborne LTE Operations (ALO)-enabled applications simply backed by secure cloud and analytics capabilities.”

Joint Marketing Effort

CIO and Verizon launched a joint marketing venture on January 24th this year with a nationwide training event for Verizon’s Advanced System Architects, Major Account Managers, and Government Account Managers. **It is expected this will maximize the benefit of the expanded partnership.**

Verizon will champion CIO’s “powered by Verizon” products in an ongoing campaign that will securely tie CIO to the foundation of IOT on Verizon’s network - **This ensures that as Verizon’s IOT market share grows, so will CIO’s.**

As published on Verizon’s website, the worldwide Internet of Things (IOT) market spend will grow to \$1.3 trillion in 2019 with a compound annual growth rate of 17%. The installed base of IoT endpoints will grow to more than 25.6 billion in 2019, hitting 30 billion in 2020. In the second-quarter 2016, revenue from Verizon’s internet of things business grew 25% totaling \$205 million and approximately \$400 million year-to-date June 2016.

About Verizon's Airborne LTE Operations ("ALO") initiative.

CIO will participate in Verizon's new device certification process, Airborne LTE Operations (ALO). ALO provides solutions that enable access to connectivity for unmanned aerial vehicles ("UAV"s) and unmanned aerial systems ("UAS") on Verizon's network.

- Verizon's Vice President of Network Operations, Mike Heberman said "This latest trial demonstrated how emerging technology combined with wireless networks can improve safety and security. A nationwide reliable 4G LTE network is the foundation for the future of mobile IoT in the air."
- Collaboration with innovative partners such as American Aerospace ("AATI") and Sierra Wireless (Also a key partner to CIO) pave the way for aerial long-range applications beyond line of sight.
- The FAA estimates small, hobbyist UAS purchases may grow from 1.9 million in 2016 to as many as 4.3 million by 2020. Sales of UAS for commercial purposes are expected to grow from 600,000 in 2016 to 2.7 million by 2020. Combined total hobbyist and commercial UAS sales are expected to rise from 2.5 million in 2016 to 7 million in 2020. <https://www.faa.gov/news/updates/?newsId=85227&cid=TW414>

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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About Verizon Wireless

Verizon Wireless is an American company, a wholly owned subsidiary of Verizon Communications, that offers wireless telecommunications products and services. With 142.8 million subscribers as of July 2016, Verizon Wireless is the largest wireless telecommunications provider in the United States. Verizon Wireless reported revenues of \$164B AUD in the fiscal year 2016, and has approximately 183,000 employees world-wide.