

16 August 2017

ASX Announcement / Media Release

CIO Receives its largest Initial Purchase Order for AUD\$734k, Signs Agreement with Verizon Preferred distributor, Mach Networks

HIGHLIGHTS

- **Connected IO executes a reoccurring revenue share agreement with Verizon Preferred distributor, Mach Networks, and receives an initial Purchase Order for 3,000 units (\$734,000+) to be delivered in 2017/2018**
- **Mach is a Verizon referred relationship, further expanding the CIO/Verizon partnership as announced 8 February 2017.**
- **Mach and CIO collaborate to provide “Op-ex product bundles” – allowing customers to include hardware costs in their monthly service plans**
- **CIO products bundled by Mach with Verizon’s dependable service shortens sales cycles and provides CIO with an incremental reoccurring revenue source**

The Board of Connected IO Limited (“CIO”) is pleased to advise that the Company has executed a reoccurring revenue share agreement with Verizon preferred distributor Mach Networks (“Mach”). CIO received an initial Purchase Order (“PO”) for 3,000 units from Mach (\$734,000+) to promote CIO products to Mach’s extensive network of customers and fill initial orders that are already being placed with Mach.

The Mach and CIO relationship commences this month with a national service bundle promotion that will highlight CIO products as cost effective solutions which can be amortized into the customers monthly bill, shortening sales cycles and providing CIO with a dependable source of reoccurring revenue.

Mach Networks customers include leading digital signage solution providers furnishing signage to over 3,000 banking and financial service locations in the United States.

About Mach Networks:



CHALLENGE: PROVIDE SECURE, UNINTERRUPTED CLOUD CONNECTION

An industry leader in total store messaging solutions who manages one of the world's largest bank signage networks in the USA and Europe, supporting organizations with over 3,000 branches, requires secure connectivity that is independent of their clients’ internal networks.

SOLUTION: CIO’s MACHINE CONNECT LT1000 MODEM, CLOUD M2M PORTAL, and MACH SERVICES

Modem: Affordable, secure, semi rugged, 2G/3G/4G dual-band modem

Portal: Cloud-based dashboard for managing and monitoring performance.

As one of the fastest growing Verizon Partners in the US, the mission of Mach Networks is to offer solution providers and enterprise customers best-in-class solutions designed to provide reliable and cost-effective connectivity using top-of-the-line routers combined with service from the best available 4G/3G network and industry leading monitoring and management tools. By offering 4G LTE services from Verizon Wireless™, Sprint™, and AT&T™, Mach Networks is able to provide solutions in more than 170 countries across the globe. With network management tools, customers can remotely manage all aspects of their M2M solutions through industry-leading remote management platform.

Don Ochoa, CEO of MACH Networks “Our mission is to offer best-in-class M2M Solutions-as-a-Service designed to provide reliable and cost-effective connectivity using enterprise class solutions like CIO’s LT1000 modem and ER1000 and ER2000 gateways to provide industry leading Solutions-as-a-Service for a wide range of M2M applications. By combining Connected IO’s new generation of modems and routers with 4G LTE service on the nation’s largest, fastest 4G LTE networks, along with remote monitoring and management, we expect to set the new standard for a Fully Managed Solution for M2M applications. Connected IO has figured out how to deliver an enterprise class 4G LTE router product at a price point that is certain to disrupt the market, enabling MACH Networks to provide SMBs and large enterprises with cost-effective, fully managed M2M solutions for a fixed monthly fee, with no upfront capital required.”

CIO CEO Yakov Temov said “We are very enthusiastic about this new relationship with Mach Networks, and the incremental reoccurring revenue source it provides CIO. Not only will the product bundle promotion help to shorten sales cycles by making it easier for customers to budget purchases, it will reward CIO with the opportunity to share in the monthly service subscription as well. “

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.

