31 October 2017

ASX Announcement / Media Release

Quarterly Report for Period Ending 30 September 2017

- Record Purchase Orders of almost AUD\$2m received for the quarter providing a solid base of revenue for the coming quarters.
- Orders were up 236% on the previous quarter (+794% Sept 16) with further significant growth expected to continue following Mobile World Congress in San Francisco during September 2017.
- Placement of AUD\$3m managed by Trident Capital to assist with increased manufacturing capacity allowing accelerated sales to continue.
- Number of Customer Accounts grew 8% from Q4 2016 to now total 1,065 customers that have purchased from CIO. 72% of orders in the quarter were from repeat customers.
- Cash Receipts growing with AUD\$591,093 received during the quarter, a significant result during the company's Purchase Order growth phase.

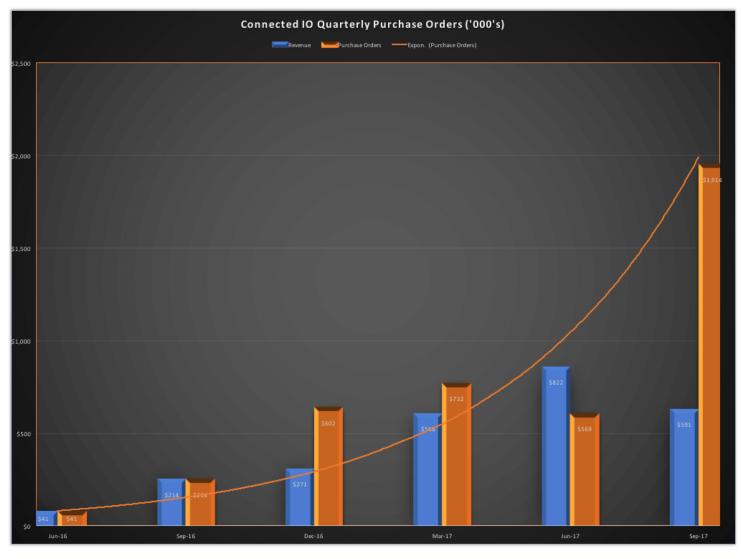
The Board of Connected IO Limited ("CIO" or "Company") is pleased to announce the release of its results for the quarter ended 30 September 2017.

The Company has achieved record sales during the quarter with purchase orders amounting to **AUD\$1,914,000**. These purchase orders further support the momentum CIO is building as sales continue to develop and grow quarter on quarter.

CIO achieved cash receipts from customers for the quarter of AUD\$598,807 (up 179% from Q1 FY16). The revenue generated along with the significant increase in Purchase Orders highlighted above bode well for revenue growth over the coming quarters as the Company strives to build a significant revenue base to springboard into the 2018 calendar year.

During the quarter CIO released its new family of CAT-1 products at the Mobile World Congress in San Francisco. As a direct result purchase orders were received from distributors and many new opportunities are now being negotiated. The interest generated both leading up to and during the congress has extended the Company's growth outlook for the December quarter and beyond.

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In addition to the expected increase in revenues as a result of the record Purchase Orders, Connected IO also successfully completed a placement of AUD\$3m under mandate with Trident Capital in Perth. As at the date of this announcement \$2.85m has been received with the balance expected to follow this week. The placement will allow the company to confidently continue to seek and accept Purchase Orders with increased financial manufacturing capacity. The Company would also like to confirm it is negotiating a six month extension on the original loan facility arranged by 708 Capital and Trident Capital (announcement dated 22 June 2017) to further assist the Company's next growth phase.



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Body Worn Live-Streaming Camera

Further to recent presentations by the executive team (as announced 22 September 2017) both Thailand and Philippine military and police opportunities are being considered. This includes the Company's products in drones, body cameras and wireless communication solutions. This represents the first opportunities of the Company to penetrate significant Asian markets with interest also expressed from Indonesian and Malaysian parties.

Financial Position Comments

With significant Purchase Orders received and strong further order generation expected over the next quarter CIO remain confident revenues will continue to increase aggressively for the balance of 2017 and beyond. Inventory levels have increased to just over AUD\$1.5m through increased manufacturing as previously reported, which will help meet immediate demand and deliver on confirmed purchase orders.

Developing Opportunities

As Cat-1 and Body Camera / Military Drone opportunities continue to develop the outlook for CIO, for not only the balance of 2017 but also the 2018 calendar year, bodes well for growth and increased revenues. The executive team have very aggressive revenue targets for 2018 and beyond.

Connected IO CEO, Yakov Temov said "The increased level of Purchase Orders received is yet another example of the momentum and expansion the business is experiencing. The company would like the revenue numbers to be greatly accelerated to reach breakeven and profitability in the not too distant future. This quarter provides the company a with very solid base to expand even further with cash in the bank and new sales being generated daily. The board remain very upbeat".



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GOLD ASSET UPDATE

As previously announced to the market (announcement dated 22 September 2017) the Company continues to plan for the development of the Missions & Cables gold project. The project contains a JORC Inferred resource in the eastern goldfields adjacent to infrastructure and 7kms from the 3 million ounce Darlot/Centenary gold mine recently acquired by Red 5 Limited. CIO has received multiple approaches in recent months by parties, including nearby gold producers interested in developing the project.

CIO has recently been made aware that it potentially owns a registered royalty interest on a tenement (M15/646) associated with the Coolgardie Gold Project that is now owned and operated by ASX-listed Focus Minerals Ltd. The Company is continuing to process the extent of its rights and will update the market as soon as the details of the royalty interest are verified.

CEO Yakov Temov also commented "The Company's quarterly sales growth and projected pipeline of opportunities for the December quarter and beyond underpin the ability of the business to scale significantly going forward with a sales force and manufacturing capacity to meet demand. CIO's strong objective is to become cash flow positive in 2018 and look to expand the business globally."



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About Connected IO Ltd. (CIO)

Based in Silicon Valley, Connected IO (CIO) develops wireless products for machine-tomachine (M2M) communications and Internet of Things (IoT) connectivity. The CIO EMU family of programmable modems and routers are innovative, carrier-certified, secure, and affordable, making them the preferred choice of enterprises around the globe. The IoT market is growing exponentially and cellular technology and wireless connectivity are advancing rapidly—from LTE to Narrowband IoT (NB-IoT) and Low-Power Wide-Area Networks (LPWANs). 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 CIO M2M Cloud software. CIO products can be found in a wide array of applications and industries, including digital signage, retail kiosks, vending machines, monitoring and control systems, failover, unmanned aerial vehicles (UAVs), and healthcare.

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+Rule 4.7B

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Connect IO Limited (formerly G8 Communications Limited) and its controlled entities

ABN Quarter ended ("current quarter")	
99 009 076 233	30 September 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	591	591
1.2	Payments for		
	(a) research and development	(24)	(24)
	(b) product manufacturing and operating costs	(877)	(877)
	(c) advertising and marketing	(4)	(4)
	(d) leased assets	(6)	(6)
	(e) staff costs	(594)	(594)
	(f) administration and corporate costs	(252)	(252)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	_	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,166)	(1,166)

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	_	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	_	-
	(d) intellectual property	_	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	193	193
3.2	Proceeds from issue of convertible notes	780	780
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

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Cons	solidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	973	973

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	639	639
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,166)	(1,166)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	973	973
4.5	Effect of movement in exchange rates on cash held	(14)	(14)
4.6	Cash and cash equivalents at end of quarter	432	432

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	432	639
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	432	639

6.	Payments to directors of the entity and their associates
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- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2
- 6.1 Director fees and director salaries.

Current quarter \$A'000
180
-

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available Add notes as necessary for an understanding of the position	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	1,500	1,280
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	_	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are		

proposed to be entered into after quarter end, include details of those facilities as well.

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	(24)
9.2	Product manufacturing and operating costs	(400)
9.3	Advertising and marketing	(45)
9.4	Leased assets	(7)
9.5	Staff costs	(500)
9.6	Administration and corporate costs	(160)
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	(1,136)

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:

Date: 31 October 2017

Print name: Jason Ferris - Director

Notes

- 1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- 2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.