

Connected*ic*

INVESTOR UPDATE — SEPTEMBER 2020



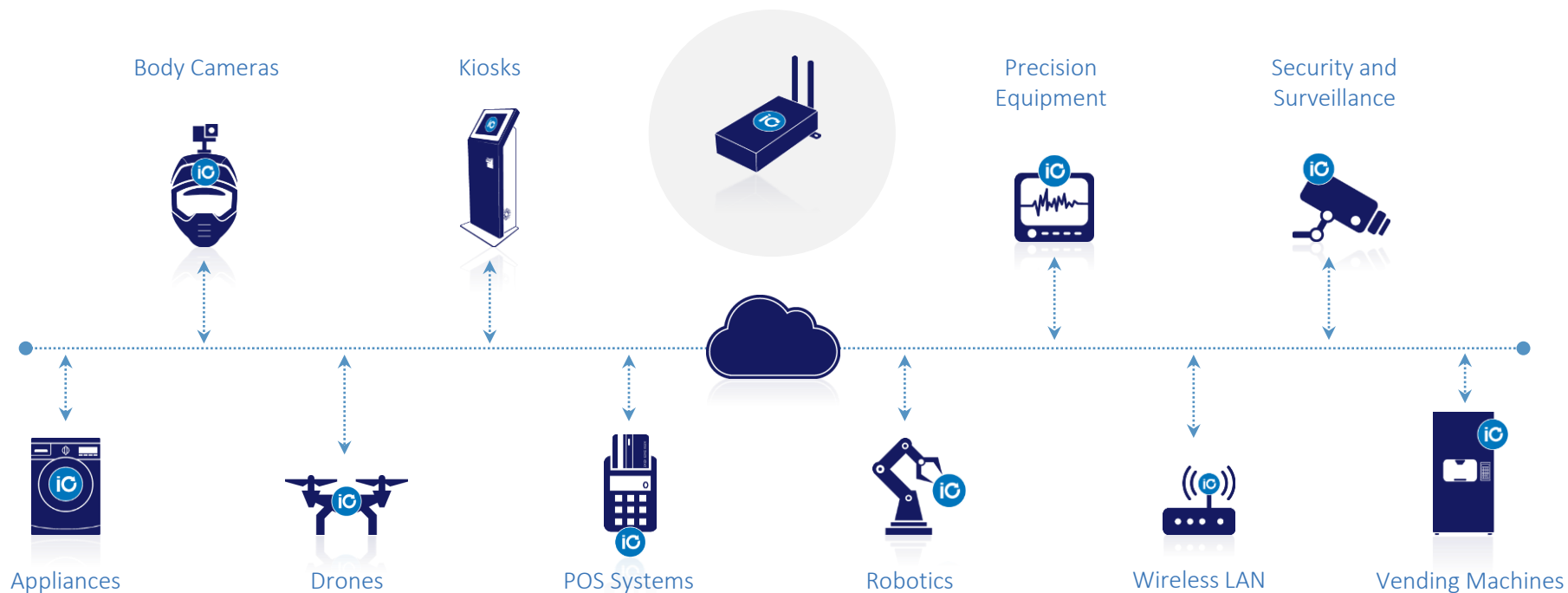
What is Connected IO?

- Founded in 2014 as an engineering contractor to the largest operator in the US, Verizon Wireless, **Connected IO designs and manufactures rugged, industrial 4G/5G Routers and Modems** for Machine-to-Machine (M2M) and Internet of Things (IoT) connectivity.
- Connected IO hardware is a **rugged, high-performance architecture** designed to provide many years of reliable service to **commercial and industrial customers**.
- The **SaaS management interface is cloud based** so any Connected IO router can be configured, monitored and managed individually or en-masse from a single browser 'pane-of-glass'.
- Connected IO is a participant in the **multi-trillion dollar global IoT market** – supplying reliable mobile/cellular connectivity to numerous applications – including but not limited to: Drones, Energy Management, Surveillance, Security, Oil & Gas, Robotics, Digital Signage and Industrial Machinery markets – just to name a few.
- Based in the USA, Connected IO has an **established sales team and customer base** with **FY20 sales revenue of ~\$3.8 million** (unaudited) with **active sales pipeline**

Connected IO Business Model

- ✓ Connected IO works closely with major customers and partners to **create IoT solutions** that meet customers **dynamic and innovative** needs.
- ✓ Connected IO's **open software platform** allows for easy branding and **integration of 3rd party software** and services, making Connected IO products ideal for customers looking to **integrate multiple technologies**.
- ✓ Market proven, **operator certified products**, established sales and marketing team with **US Fortune 500 customers** generating **recurring and growing sales** over the last 4 years.
- ✓ Gross profit margin >40% and **SaaS revenue anticipated to increase** gross margins to ~60% over time.
- ✓ Connected IO **innovative and partnering approach** has positioned the Company to capitalize on the IoT sector as it evolves and matures.

CIO Connects Just About Anything: Easily, Securely, Affordably



Existing Customers and Strategic Partners



Target Market: Internet of Things (IoT)

The IoT concept – **connecting machines and devices with internet connectivity** to collect and transmit machine or environmental data – creates enormous opportunities for businesses. The internet is no longer just a network of computers it is a **network of inter-connected ‘things’**. Gaining real-time feedback which helps business efficiency in terms of:

- Feedback on an **asset’s performance statistics** can allow for **operational optimization**.
- **Real-time feedback** on stock and consumable levels.
- Reduction in physical call-outs as asset **faults can be remotely diagnosed**.
- Ability to **communicate with assets** and force software and firmware updates.

Connecting a machine or asset in a Business-to-Business context with internet connectivity is broadly defined as an M2M (machine to machine) application within the IoT segment.

The pool of connected IoT devices is predicted to increase to 42 billion devices by 2025 with the majority of growth a result of new machine connections. These commercial applications will include factories and industrial equipment including robots, healthcare devices, agricultural and mining machines and construction applications.

CIO Products: IOT Routers

ER2500 IOT ROUTERS - Dependable, Rugged & Remarkably Affordable.

Ideal for M2M applications, such as kiosks, digital signage, security, failover.

The ultracompact CAT1 EMU Router is a high-speed, multiband, cellular router with an embedded Open Source Linux OS encased in an innovative lightweight thermally conductive, slimline enclosure.

- Next Gen Category -1 IOT dedicated spectrum
- Powerful 2x2 MIMO Wi-Fi interface
- Cloud Managed for ease of deployment, firmware updates, remote management, reporting and more.



CIO Products: Enterprise Routers

CR48NA ENTERPRISE ROUTERS - Powerful, Rugged & Remarkably Affordable.

Ideal for Enterprise grade M2M and IOT applications, such as branch offices, home offices, retail, & vending.

The powerful CM4NA Modem is a high-speed, multiband, cellular modem with an embedded Open Source Linux OS encased in an innovative lightweight thermally conductive, slimline enclosure.

- Works with all major telco operators in North America
- **Dual SIM design with seamless fail-over**
- Powerful 802.11AC MIMO Wi-Fi interface
- Cloud Managed for ease of deployment, firmware updates, remote management, reporting and more.



CIO Products: Mobile Modems

CM4NA OPERATOR AGNOSTIC MODEM - Dependable, Rugged & Remarkably Affordable.

Ideal for M2M applications, such as kiosks, digital signage security, failover, vending.

The ultracompact CM4NA Modem is a high-speed, multiband, cellular modem encased in an innovative lightweight thermally conductive, slimline enclosure.

- Works with all major telco operators in North America
- USB Connectivity for power and data allowing for ease of integration and deployment



Cloud Based Device Management: SaaS

CLOUD MANAGED SOLUTIONS FOR M2M and IOT

CIO's Open Sourced Routers and Cloud based device management combine to provide reliable, Plug & Play, 4G/5G LTE connectivity and remote management for a broad spectrum of applications

- Secure, real-time device management and access to diagnostic data from multiple devices ranging from Drones to Dishwashers
 - and just about anything in between
- Intuitive online interface with plug & play device management dashboard
- Customizable to meet user requirements - including API integration
- Device management streamlines installation and operation - further reducing the total cost of implementation
- Remarkably cost effective
- Customers realize tremendous savings by conducting remote diagnostics, updates, and optimizing operational efficiency without the expense of deploying personnel to a physical location



Corporate Summary

Board and Management

Adam Sierakowski	Non Executive Chairman
Yakov Temov	CEO & Managing Director
Davide Bosio	Non-Executive Director
Dougal Ferguson	Non-Executive Director
Nicki Farley	Company Secretary
Terian Eller	Chief Financial Officer
Dmitri Smirnov	Director of Engineering

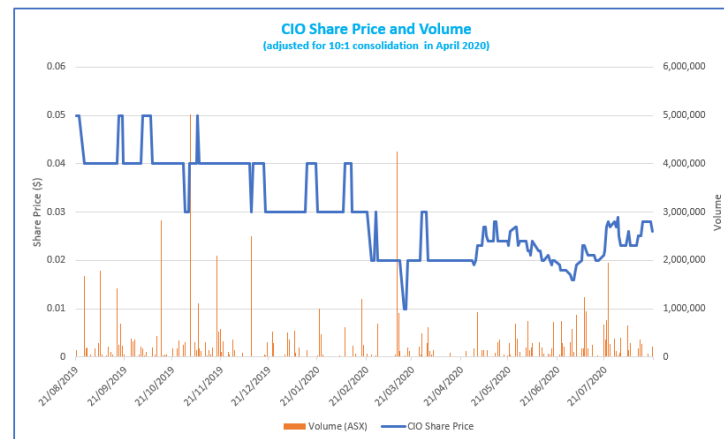
Share Ownership

Director Shareholding (%)	13.7 %
Top 20 (%)	35.3 %
Top 50 (%)	53.0 %
Other (%)	47.0 %

Share structure

Millions

Ordinary Shares (ASX:CIO)	247
Performance Shares	20
Market Capitalisation (at \$0.025)	\$6.2
Convertible Notes (at \$0.03)	\$1.3
Debt (at 30 June 2020)	\$0.5
Cash at Bank (at 30 June 2020)	\$0.7
Enterprise Value	\$7.3



Positive and Negative Impacts of COVID-19

- Shelter-in-place caused the **US economy to contract** at the annualized rate of 38% in April and May.
- Short term Connected IO sales revenues adversely impacted by **frozen budgets and general economic uncertainty**.
- COVID-19 pandemic triggered a world-wide trend for employees to **work from home** which has the potential to **benefit Connected IO** in the longer term.
- CIO is currently **pursuing new opportunities** that did not exist prior to the pandemic such as school districts and enterprises transitioning to work from home, remote service broadcasting for churches, automation of safety precautions.
- There is **little effect on the companies supply chain** and Taiwan based contract manufactures.
- COVID-19 is **not expected to have a lasting negative impact** on Connected IO's base business and provides new opportunities for the Company to pursue.

Future Growth Strategy

- Roll out fully functional **SaaS solution** to completely operate deployment and management of IOT solutions.
- Transition the business model to become as transactional as possible to **minimize operational expenses** and **customer acquisition cost**.
- Develop **vertical solutions** to address **new markets** such as remote offices, Voice over IP connectivity and fail-over and remote education.
- 5G solutions to be released in 2021.
- Explore **strategic acquisition opportunities** that deliver operating synergies or significant revenue growth.

CIO Investment Case

- Cash flow generating business (FY20: ~\$4.0 million cash receipts) with the base business approaching quarter on quarter break-even cash flow point.
- Strong relationships with the largest Telcos in North America and other Fortune 500 customers with most customers looking to expand Connected IO product purchases in 2020 and beyond.
- All Connected IO products are certified, and market proven reducing R&D risk/expense with a market ready product line.
- Connected IO products manufactured in Taiwan delivering strong margins (~40%) on products with current production capacity at 50k units per month that can be expanded as sales grow.
- Multi-faceted SaaS model to be kicked off in 2020 providing potential recurring revenue streams.
- Significant pent-up demand from new and existing customers expected once the United States starts lifting the COVID-19 restrictions.
- EV of less than 2x FY20 revenues with Board and management owning ~13.7%.

Disclaimer

This presentation has been prepared by Connected IO, Ltd (“CIO”). The information contained in this presentation is a professional opinion only and is given in good faith. Certain information in this document has been derived from third parties and though CIO has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by CIO. Any forward-looking statements included in this document involve subjective judgment and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to, CIO. In particular, they speak only as of the date of this document, they assume the success of CIO’s strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Recipients of this document (Recipients) are cautioned to not place undue reliance on such forward-looking statements. CIO makes no representation or warranty as to the accuracy, reliability or completeness of information in this document and does not take responsibility for updating any information or correcting any error or omission which may become apparent after this document has been issued. To the extent permitted by law, CIO and its officers, employees, related bodies corporate and agents (Agents) disclaim all liability, direct, indirect or consequential (and whether or not arising out of the negligence, default or lack of care of CIO and/or any of its Agents) for any loss or damage suffered by a Recipient or other persons arising out of, or in connection with, any use or reliance on this presentation or information.

This presentation is not an offer, invitation, solicitation or recommendation with respect to the subscription for, purchase or sale of any security, and neither this presentation nor anything in it shall form the basis for any contract or commitment whatsoever.

All amounts are in Australian dollars unless stated otherwise.

Connected*iC*

Thank You