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ConnectedIO

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ABOUT: ConnectediO

Connected IO develops hardware, software, and cloud-based services that connect products to the IoT

ConnectedIO was founded in Silicon Valley in 2013 following a contract with **Verizon**, (the largest carrier in the US) to design and manufacture a rugged, industrial, affordable 4gLTE cellular modem that would disrupt the Market. Those modems now provide dependable connectivity to a wide variety of IoT and M2M applications, including **Coca-Cola's** revolutionary Freestyle Fountain Machines which Coke promotes as the future of the **Coca-Cola** company.

ConnectedIO is targeting the multi-trillion dollar global IoT market, and currently supplying reliable cellular connectivity to a wide variety of vertical specific markets within IoT – including, but not limited to:

- Drones & Robotics
- Energy Management
- Telematics/Transportation
- Security & Surveillance
- Oil & Gas
- Digital Signage & Kiosks
- Vending & ATM
- Point of Sale
- W-Lan Network Failover
- H-VAC & Economizers
- Asset Tracking
- Connected Health
- Smart Car
- Smart Home
- Smart City
- Streaming Video, et al.

Corporate Snapshot

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Directors

Yakov Temov, Chief Executive Officer and Managing Director

Long and consistent track record of successfully delivering innovative products on time and under budget and building and growing world-class engineering teams.

Specialises in product development and executive leadership, with a solid start-up track record including CEO and Founder of White Label Corporation; VP of Engineering at U4EA Technologies, Inc. (acquired by Gos Networks, Ltd.); VP of Engineering and CTO at Voice4biz, Inc.

Jason Ferris, Executive Chairman

Experienced finance professional and currently a board member of Titanium Sands Ltd (ASX: TSL)

Blaise Thomas, Non-Executive Director

25 years' experience in building and managing businesses in Australia and UK and has held executive level positions in private and publicly listed companies

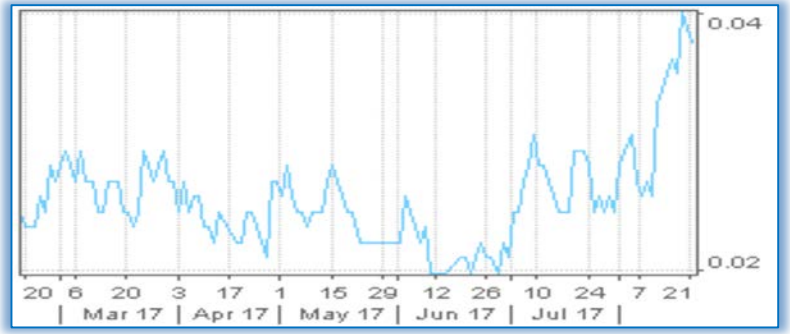
Sales and Operations Team

24 members strong in US and around the world.

Share structure	(ASX: CIO)
Tradable shares	528(M)
Escrowed (24 months from re-quotation)	265(M)
Share price (21 August 2017)	$0.039
Market Cap.	**$30,927,000**
Cash (31 July 2017)	$640,000
Performance Milestone 1[1]	100m
Performance Milestone 2[2]	50m
Fully Diluted (A$m)	**35.8**
Trading since listing @ $0.02 (Mar '16)	$0.023 - $0.053

[1] Milestone 1 - $15m revenue during the years 2017 or 2018

[2] Milestone 2 - $25m revenue during the years 2017 or 2018



Commercial Validation

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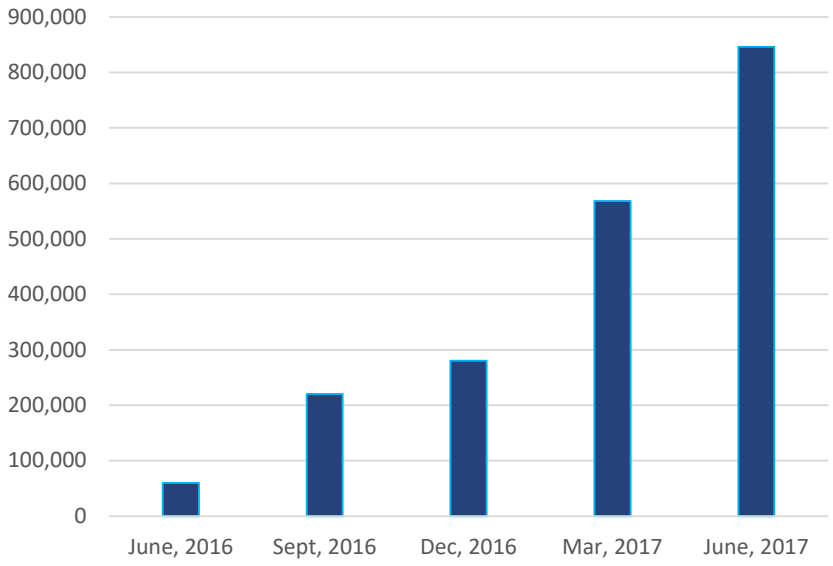
CIO's strategy has been validated by:

- A growing revenue profile, and decreasing costs per unit sold
- Strong strategic relationships with major carriers, distributors, and integrators
- Product sales and successful trials with customers across an increasingly diverse range of industries lead to increasing unit sales
- Reoccurring revenue from cloud management and data service begin to accrue
- Continual, disruptive development of new products

Connected IO Q2, 2017 Quarterly Receipts = $846,196

- up 48.9% from Q1 and 1,963% from Q3 FY 2017



Multifaceted SAAS Revenue Model

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CIO's M2M CLOUD PORTAL – Opportunity for a multifaceted revenue model

CIO Cloud services provide a sticky reoccurring revenue opportunity with minimal marketing and customer acquisition expenses.

- Low Cost of customer acquisition is due partially to CIO's close collaboration with carriers.
- Carriers are willing to market CIO products to their target customers in order to capture service activations.
- The typically high marketing and customer acquisition costs of most SaaS models is dramatically lowered.

Moreover: CIO's Strategic model targets much more than just subscription fees and unit sales

Numerous upsell opportunities: From dynamic feature sets to advanced reporting, the upsell opportunities are plentiful

API: CIO's robust API will allow for significant adoption across verticals, and revenue from sources not using our interface

White label: CIO is working with partners on white label opportunities that will provide incremental revenue and market exposure

Service Levels: With the wide variety of customers and applications using CIO's cloud solution, many different levels of support will be required. Customers who require more support will be happy to pay a premium for it.

Cloud M2M Portal

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CLOUD M2M PORTAL

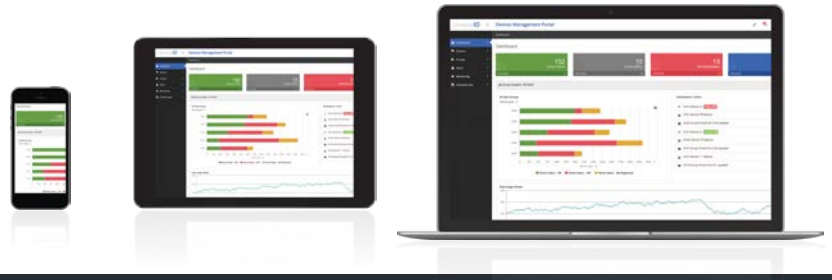
Secure, real-time access to diagnostic data from multiple devices

Intuitive dashboard interface with plug-and-play simplicity

Accessible on computers and mobile devices

Customizable to meet user requirements

Remarkably cost effective



SECURELY MANAGE:

CONNECTIONS

DEVICES

SECURITY

ACCOUNTS

NOTIFICATIONS

USAGE REPORTS AND LOGS

OVER THE AIR UPDATES

- ALL FROM ANY COMPUTER OR SMART DEVICE

State of the Market

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Worldwide Spending on IoT Forecast to Reach Nearly $1.4 Trillion in 2021

June 14th , 2017: The International Data Corporation (IDC) forecasts worldwide spending on the Internet of Things (IoT) to grow 16.7% year over year in 2017, reaching just over $800 billion. By 2021, global IoT spending is expected to total nearly $1.4 trillion as organizations continue to invest in the hardware, software, services, and connectivity that enable the IoT.

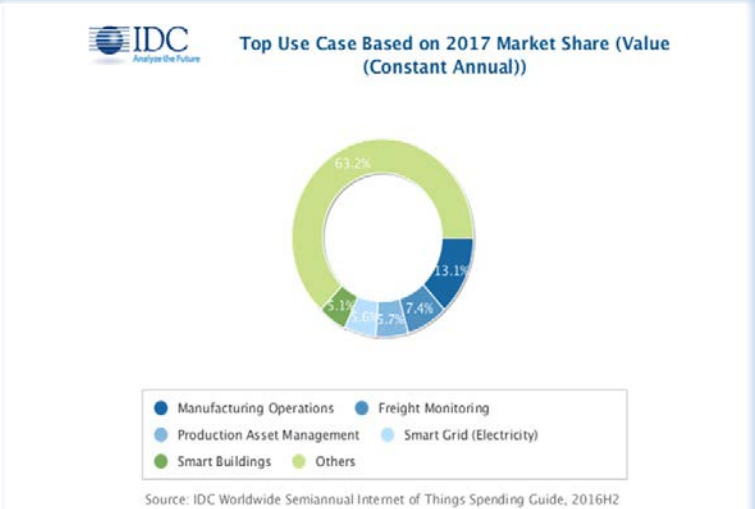
> "The discussion about IoT has shifted away from the number of devices connected," said Carrie MacGillivray, vice president, Internet of Things and Mobility at IDC. "The true value of IoT is being realized when the software and services come together to enable the capture, interpretation, and action on data produced by IoT endpoints."

The IoT use cases that are expected to attract the largest investments in 2017 include;

- Manufacturing operations ($105 billion), Freight monitoring ($50 billion), Production asset management ($45 billion)
- Smart grid technologies for electricity, gas and water and smart building technologies are also forecast to see significant investments this year ($56 billion and $40 billion, respectively).

The use cases that will see the fastest spending growth are

- Airport facilities automation (33.4% CAGR), electric vehicle charging (21.1% CAGR), in-store contextual marketing (20.2% CAGR), and Smart home technologies (19.8% CAGR)



*Hardware will be the largest spending category until the last year of the forecast when it will be overtaken by the faster growing services category. **Hardware spending will be dominated by modules and sensors that connect end points to networks**, while software spending will be similarly dominated by applications software. Services spending will be about evenly split between ongoing and content services and IT and installation services. The fastest growing areas of technology spending are in the software category, where horizontal software and analytics software will have five-year CAGRs of 29.0% and 20.5%, respectively. Security hardware and software will also see increased investment, growing at 15.1% and 16.6% CAGRs, respectively.

Carriers Are Key To Unlocking IOT Potential

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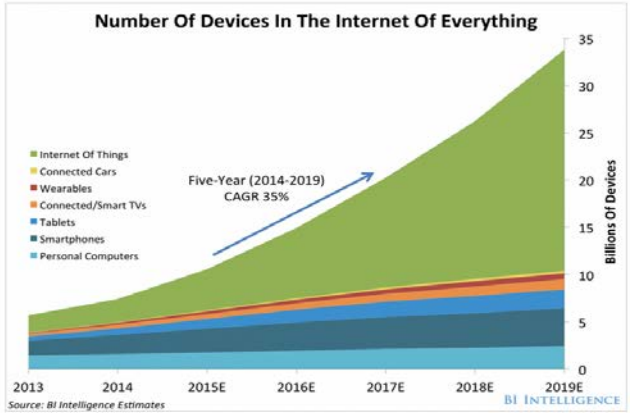
- As the trajectory of the IOT continues to climb, carriers are aggressively shifting their focus and resources accordingly
- CIO is riding this wave by expanding relationships with Verizon and AT&T and collaborating with major carriers around the world
- AT&T represents 50+% of the M2M market, growing at 35%+ CAGR, and Verizon, Vodafone, Telefonica, Telstra, and others are investing heavily in pursuit of their share of the global IOT opportunity

Below, a graph presented by Business Insider's John Greennough in an article, THE *INTERNET OF EVERYTHING: 2015 [SLIDE DECK]*, revealing a prediction for the internet of things market expansion through 2019.



See also from Ironpaper: Marketing Opportunities for the Internet of Things
http://www.ironpaper.com/webintel/articles/internet-things-market-statistics-2015/

Strengthening Carrier Relationships

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25 May 2016 – Executed arrangement with Vodafone, giving CIO access to Vodafone enterprise customers and setting the stage for collaboration in the US and around the world

2 August 2016 – Achieved AT&T PTCRB certification, allowing CIO to deploy its products throughout the AT&T and T-Mobile networks, which represent ~75% of M2M data lines in USA.

8 February 2017 – Executed expanded partnership agreement with Verizon across multiple Verizon initiatives:

- Selected CIO to integrate it's 'ThingSpace' device management platform into CIO's products
- Selected CIO to participate in Verizon's new device certification process, Airborne LTE Operations (ALO) for drones
- National marketing initiative to promote CIO's 'Powered by Verizon' products to 142m+ Verizon subscribers

28 February 2017 – Strengthened relationship with AT&T to collaborate with their IOT Division in joint effort to meet growing needs of AT&T's enterprise clients across drones, robotics, energy management, O&G, fleet & asset tracking, security/surveillance, PoS, smart city, vending/ATM, digital signage etc…

6 April 2017 – Launched our next generation Category 1 cellular modems, compatible with Telstra's newly launched dedicated IOT network

16 August 2017 – Connected IO executes a reoccurring revenue share agreement with Verizon Preferred distributor, Mach Networks, and receives an initial Purchase Order for 3000 units ($734,000+) to be delivered in 2017/2018

Other Carriers Relationships: T-Mobile, Rogers, Telefonica, Deutsche Telekom, TELUS

Building Clients & Sales Across Multiple Sectors

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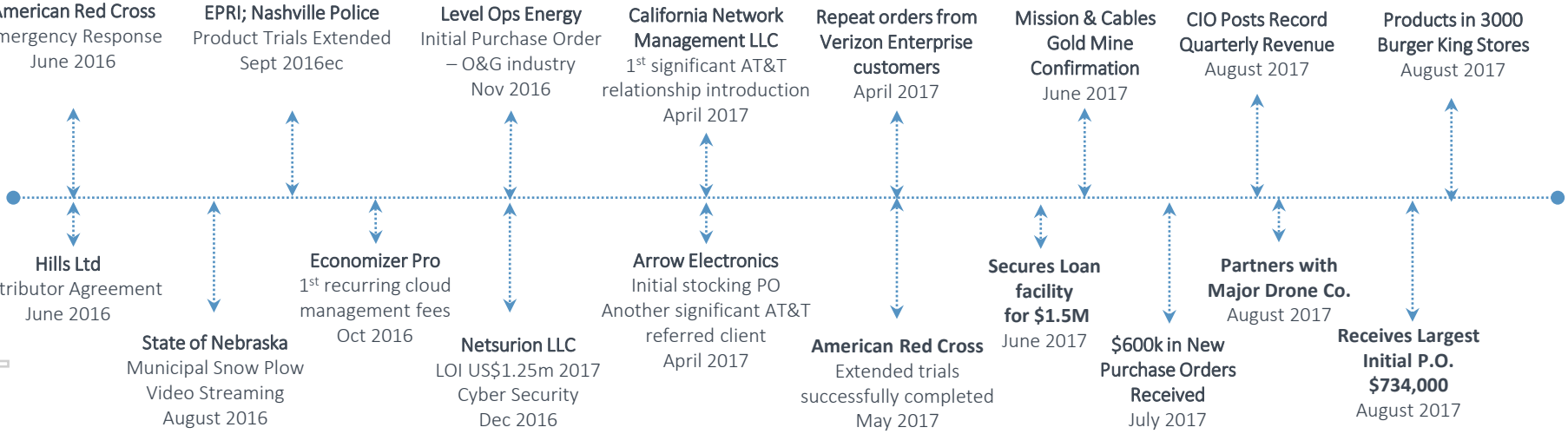
Selected announced clients and sales (past 12 months)



CIO hardware is manufactured in Shenzhen, China with capacity to produce 30 thousand + units per month.

Well over 15,000 unit sales of CIO's initial product design has paved the way for an expanded menu of new products that have already been successfully deployed in thousands of additional applications since ASX Listing in March 2016

Featured Relationships

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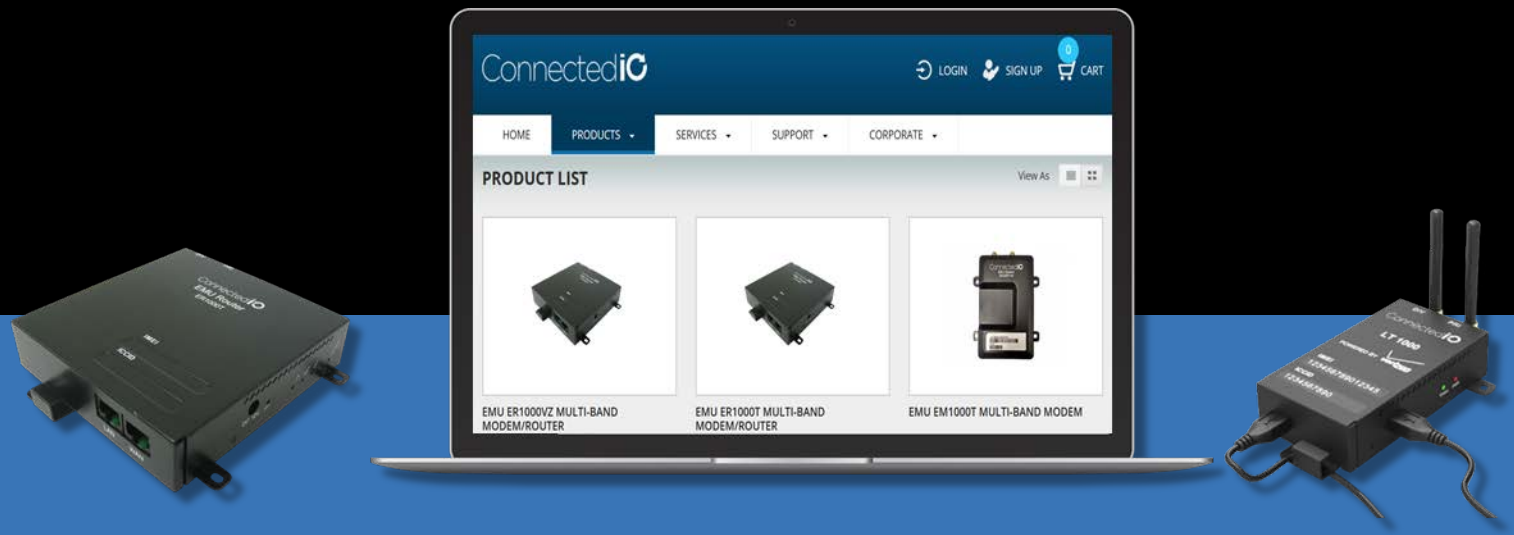
MACHINE TO MACHINE PRODUCT RANGE



CURRENT PRODUCTS

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EMU: 4G/3G/2G MODEM

EM1000T –NA, EU

- 4GLTE with 3G/2G
- Smaller than a deck of cards
- Weighs less than 60 grams
- Rugged - IP 51 Compliant

- USB Ports for power and data
- Custom Y- Cable for easy installation to wide variety of host devices

- Disruptively priced
- Certified for use on major carrier networks around the world
- Category–1 Version Now available

EMU: 4G/3G/2G ROUTERS

ER1000T -EU

- 4GLTE with 3G/2G
- First Open Source OS Router
- Rugged - IP 51 Compliant

- Cloud Based Device Management

- Dual Ethernet ports for plug and play connectivity for a wide variety of M2M and IoT applications

- Disruptively priced at a fraction of the cost of the leading competitors

Connected IO Machine Connect LT1000:

- 4GLTE with 3G/2G fallback

- Successfully Deployed in thousand of applications.
- Modular design and housing for standard mini-PCIe modules (4G)
- Low cost 4G connectivity optimized for embedded M2M applications
- Connection Manager provided for easy start–up

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ConnectediC

NEW PRODUCTS AND SERVICES
KEEPING CIO AHEAD OF COMPETITORS

NEW CATEGORY 1 SOLUTIONS

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CIO: CAT- 1 MODEMS

EM1000TCAT1 – NA & - EU

Revolutionary, Rugged & Remarkably Affordable.
Ideal for M2M applications, such as kiosks, UAV, Telematics, POS, failover, Energy Management, vending et al.

The ultracompact, innovative, LTE modem leverages next gen Category-1 networks that have recently been launched by major mobile carriers to provide a dedicated spectrum that will better accommodate the rapid growth and specific needs of the IoT

- Rugged, reliable, and easy to integrate
- EM1000T- CAT1 ‘s affordable versatility accelerates sales cycles and dramatically expands CIO’s addressable market by helping prospective customers build more compelling business cases for using cellular solutions to connect to the IoT

CIO: CAT- 1 LTE ROUTERS (with WiFi)

ER2000T-CAT1- NA & AP

Revolutionary, Rugged & Remarkably Affordable.
Ideal for M2M applications, such as digital signage, security and surveillance, failover, retail POS et al.

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
- Cloud Managed for ease of deployment, firmware updates, remote management, reporting and more.
- **ER2000T’s affordable versatility accelerates sales cycles and dramatically expands CIO’s addressable market**

CAT-1 LTE SOLUTIONS: Accelerating the IoT

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CIO's New EM1000 CAT1 Modems
CIO Leverages IOT Dedicated Category 1 Networks to Provide Affordable, Reliable, Easily Deployed Solutions
– Removing Barriers to Accelerate Adoption-

CIO's, EM1000 –Cat1 modems utilize new Category 1 low latency, broad band cellular networks that have been designed and deployed by major mobile service providers in the US and around the world with a dedicated spectrum that is optimized to meet the rigorous demands of the IOT.

CIO's PTCRB / FCC / Verizon / AT&T / T-Mobile / IC certified modems provide Cat 1, 4GLTE coverage on all available networks, with automatic fallback to 3G/2G for unmatched reliability. Its advanced engineering allows for easy installation and dependable performance – Energy efficient and affordable for IoT applications ranging from Video Surveillance and Vending to Drones.

"Our new Cat 1 modems take advantage of the dedicated spectrum of Category 1 network and 4G LTE to ensure more reliable connectivity for any IOT or M2M application than could previously be achieved with cellular networks that were optimized for smart phones rather than the IoT. " said Yakov Temov, CEO, ", The disruptively low price of our solutions, opens up significant opportunities where cellular connectivity was previously cost prohibitive."

Major Cellular Service Providers Invest Heavily in CAT1 Networks to Accommodate and Accelerate the growth of the IOT

What makes LTE (CAT 1) so compelling is that it will likely drive more connections to the network--and help the industry achieve the predicted 50 billion connections by 2020 that Ericsson (NASDAQ: ERIC) and others have been touting for the past several years. http://www.fiercewireless.com/wireless/making-lte-lighter-cheaper-and-slower-for-internet-things

As IoT becomes more widely adopted, network connectivity needs to be simple, reliable and economically viable. Recognizing this market gap, Verizon has created a core IoT network within its LTE architecture optimized for Cat1 devices. Verizon has also worked with partners to embed LTE chipsets in a wide-range of connected machines to automate the provisioning process and make it faster to deploy IoT devices. http://www.securityinfowatch.com/news/12132758/verizon-lays-out-plans-to-accelerate-iot-adoption

Building on its global strategy to simplify the Internet of Things (IoT), Verizon announced new developments that further expand its IoT portfolio including:
•**The availability of world's first Cat1 LTE network features for IoT** ideal for use cases that were previously developed for 2G. Verizon's LTE network now makes the value proposition for connecting Cat1 IoT applications on LTE in the U.S. as affordable as alternative technologies and leverages LTE's reliability. https://www.verizon.com/about/news/verizon-iot-cat1-expands-thingspace

USE CASES

Flexible, Reliable, Affordable Solutions for a Limitless Variety of Applications

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SECURITY AND SURVEILLANCE

DRONES

SMART CITY

VENDING MACHINES

ENERGY MANAGEMENT

POINT OF SALE

ROBOTICS

KIOSKS

HOME AUTOMATION

DIGITAL SIGNAGE

PRECISION EQUIPMENT

TRAFFIC MANAGEMENT

WATER MANAGEMENT

TRANSPORTATION: TELEMATICS + VIDEO

WIRELESS LAN SYSTEMS

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ConnectediQ

CASE STUDIES

Vending Machines

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Connecting Coca-Cola Machines and Customers

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PROJECT

Develop a rugged, Industrial grade 4g LTE alternative to consumer grade 3g dongles at a disruptively low price.

CHALLENGE: MODEM PLACEMENT & DURABILITY REQUIREMENTS

Internal placement: Signal disruption by metal enclosure, heat, vibration

External placement: Vulnerable to weather and attacks

SOLUTION: MACHINE CONNECT MODEMS, CLOUD M2M PORTAL

Modem: Rugged IP 51 Compliant design, flexible deployment options, less expensive than traditional 3g dongles

Portal: Cost-saving diagnostics; customer connectivity

MAKING THE CONNECTION

Mission Critical Failover

cisco Meraki

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Cisco Meraki

USE CASE

Provide seamless failover for mission critical applications of Cisco Meraki Security Appliances: MX and Z1 models

American Red Cross

CHALLENGE: PROVIDE SERVICE IN THE EVENT OF ISP CONNECTION OUTAGES

Designed for enterprise-grade deployment in business, retail, education, and government, the Cisco Meraki appliance—for security, networking, and application control—required a multilayered approach to connectivity redundancy, ensuring continual network availability for mission critical applications.

Mission critical networks, like those utilized by the Red Cross, can't afford the disruption of ISP connection outages and unreliable 3g dongles. As a result, Cisco-Meraki turned to Connected IO for a reliable cellular solution that would provide the Red Cross and all Meraki customers with support for multiple layers of redundancy, ensuring WAN connectivity, appliance availability, and seamless failover for branch sites.

SOLUTION: MACHINE CONNECT LT1000 MODEM

Modem: Affordable 2G/3G/4G dual-band modem; small footprint

Result: In the event of an ISP outage at American Red Cross Facilities throughout the US, Cisco Meraki's built-in traffic prioritization engine redirects flows through Connected IO's reliable cellular modems for seamless failover that eliminates disruptions before they start.

Cisco now supports and recommends Connected IO's Machine Connect LT1000 for outage protection on Every Cisco Meraki MX and Z1 Security Appliance

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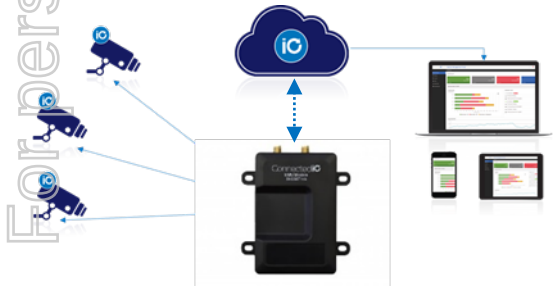
CASCADE CONNECT
IP Systems Integration

USE CASE

Provide rugged, reliable connectivity and cloud management capability for a variety of security and surveillance applications deployed in some of the World's busiest airports.



CHALLENGE: PROVIDE SERVICE IN THE EVENT OF ISP CONNECTION OUTAGES

Cascade Connect Systems utilize Connected IO solutions to assist in the installation, management, and servicing of Access control, IP Video & Video Management, Intrusion Detection Control, Communications Solutions, Wireless Technology, card readers, alarm notification, the latest biometrics & Physical Security Management
- in Airports, Maritime Ports, Defense Facilities, Research Facilities, & Public Transportation

SOLUTION: MACHINE CONNECT LT1000 MODEM

Modem: Affordable 2G/3G/4G dual-band modem; small footprint – a superior replacement for traditional dongles that were not durable and dependable enough for Cascade's applications

Result: Cascade realized tremendous savings in the time and resources required for installation and management of their security and surveillance applications.
Cascade's previous attempts to use traditional 3g dongles for this application rendered less that satisfactory results, but Connected IO's rugged LT1000 modem was build for M2M applications and was able to exceed the required level of performance at a significantly lower price point.

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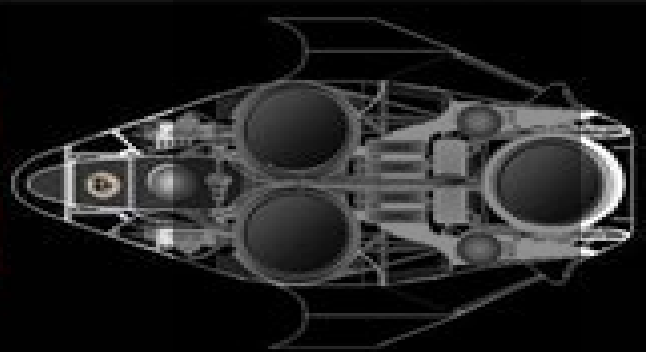
UAV

AirShip Endurance VTOL UAV

Clean Tech Propulsion



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AirShip Technologies Group

PROJECT

Provide small, lightweight, rugged, dependable cellular connectivity for Airship Drones with long flight time capability

CHALLENGE: PROVIDE SECURE, DEPENDABLE CELLULAR CONNECTIVITY FOR MISSION CRITICAL UAV APPLICATIONS

AIRSHIP's UAVs are unique in that they are designed for **extended flight durations of days**, not minutes or hours. The UAVs are vertical take-off and landing (VTOL), meaning they require very little launch space. In addition, the custom exterior solar film allows for gaining solar energy for day flights, and an integrated hydrogen fuel cell powers the UAV for nighttime flight. The company is aggressively pursuing serving many sectors of the new UAV industry; emergency first responders, agri-business, power generation monitoring, diverse civilian and military applications, to name just a few of the industries that will benefit.

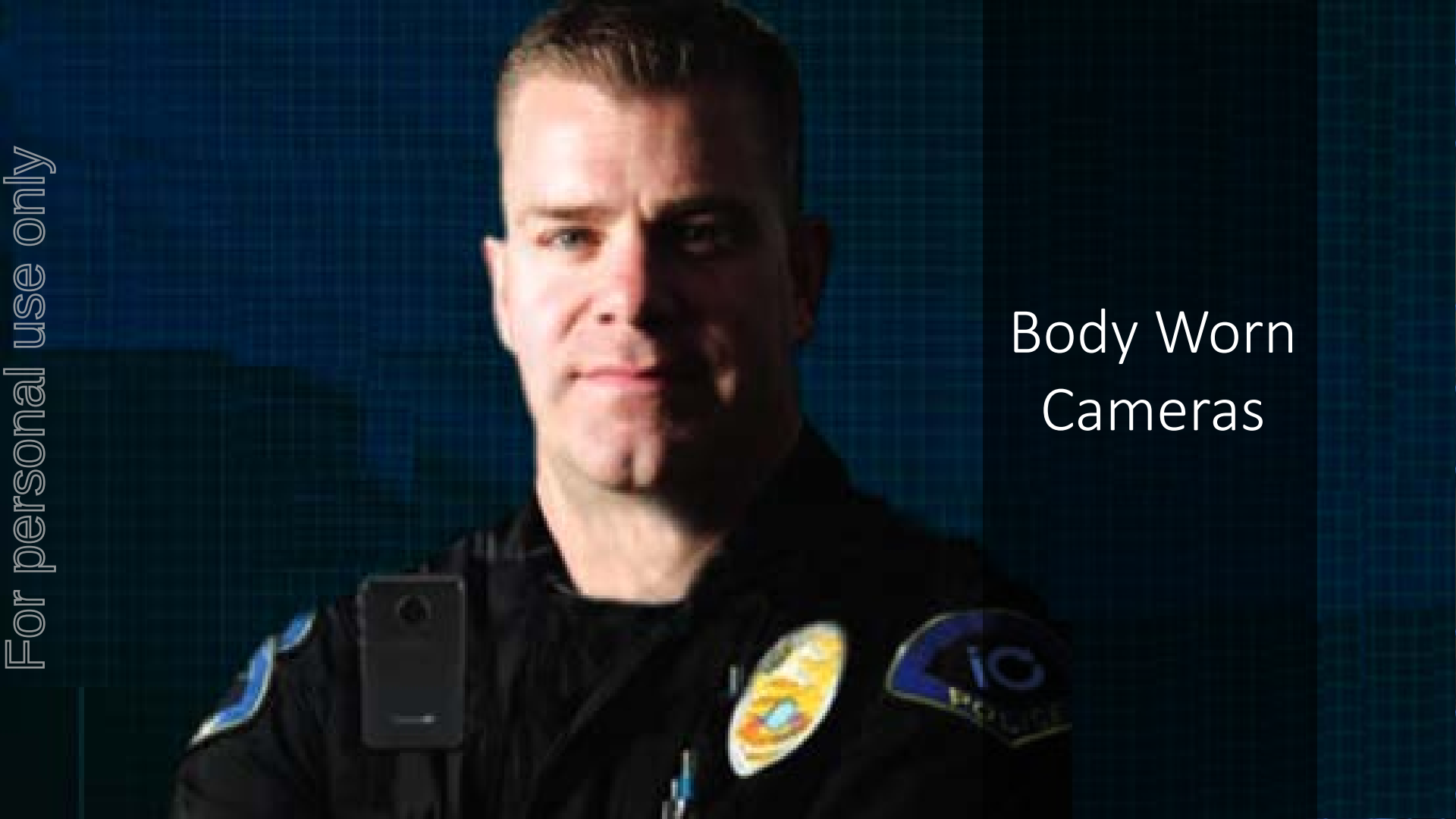
SOLUTION: MACHINE CONNECT EM1000 MODEM

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

CIO's EM1000 modem is housed in a durable, heat dissipating enclosure and easily connects to a limitless variety of host applications with a single USB V-cable for both power and data. Its advanced engineering allows for easy installation and dependable performance. At just under 60 grams with a smaller footprint than a deck of playing cards, the EM1000 is an ideal solution for the drone industry.

Integrating unmanned aerial systems with Connect-IO solutions, is a key component of the personal close air support delivered by our AIRSHIP ENDURANCE drones!.

- Ben Berry, CEO and Chief Digital Officer, AirShip Technologies Group, Inc.



Body Worn Cameras

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Connected IO Live Eye 1000
Live Streaming 3G/4G Body Camera

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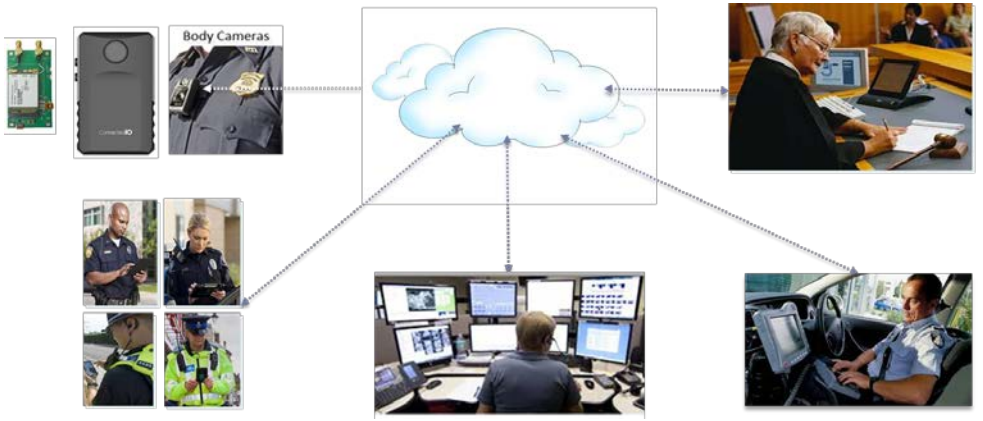
Machine Connect LT1000 provides an ideal solution for the rapidly growing Body Worn Camera market.

- The US Justice department recently allocated $75MM to fund police body cameras as part of a 3 year program.
- Police Precincts around the country are taking their time to experiment with a variety of hardware and software solutions because the currently available record-only models fall short in a number of key areas:

In response, CIO used its LT1000 cellular modem to develop a state of the art, cloud managed, live streaming body camera to solve the issues and set a new standard for body worn camera capabilities.

- Record-only cameras are not adequate for chain of custody of evidence: They cannot prevent editing, or provide back up if the camera is lost destroyed, or never turned on.
- CIO's Live Eye 1000 solves this issue with 4G/3G connectivity that allows the camera to be controlled by central dispatch and the video to be streamed in real time so that it can be instantly stored and protected.
- Record-only cameras don't provide a real time view or GPS to enable officer assistance and rapid emergency response
- CIO's Live Eye 1000 real time streaming capability and available GPS allows for real time command control and offer assistance that turns the camera in to a real value added tool for law enforcement



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