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CONNEXION

Connexion Media Limited

Investor Presentation

March 2016

## Disclaimer

Connexion Media Limited (“Connexion”) is an Internet of Things (IoT) ASX listed company, revolutionising smart car technology for the automotive industry.

This document contains certain forward-looking statements that involve risks and uncertainties. Although we believe that the expectations reflected in the forward-looking statements are reasonable at this time, we can give no assurance that these expectations will prove to be correct.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements due to many important factors, risk and uncertainties, future capital needs, general economic uncertainty and other risks detailed from time to time in the Company’s announcements to the ASX.

## Corporate Overview

**Connexion Media (ASX: CXZ)** is an Internet of Things (IoT) ASX listed company, revolutionising smart car technology for the automotive industry

CXZ has developed two flagship Software as a Service (SaaS) products which deliver cutting edge technology to the automotive industry:

### Flex

a cloud based, integrated management system providing high end telematics (fuel efficiencies, safety etc) to small fleet businesses to enable them to manage their entire fleet via a centralised control system

### miRoamer

an internet radio and music infotainment service offering over 35,000 stations to consumers around the world

The Company has secured commercial agreements with leading automotive industry players to roll out its proprietary smart car technology across millions of vehicles in the coming years.

### ASX: CONNEXION MARKET DATA (AS AT 04.03.2016)

<b>Share price</b>	\$0.19
<b>Shares on issue</b>	87.6 million
<b>Options on issue</b>	84.6 million
<b>Market Cap</b>	\$17 million
<b>52 Week High</b>	\$0.35
<b>52 Week Low</b>	\$0.15

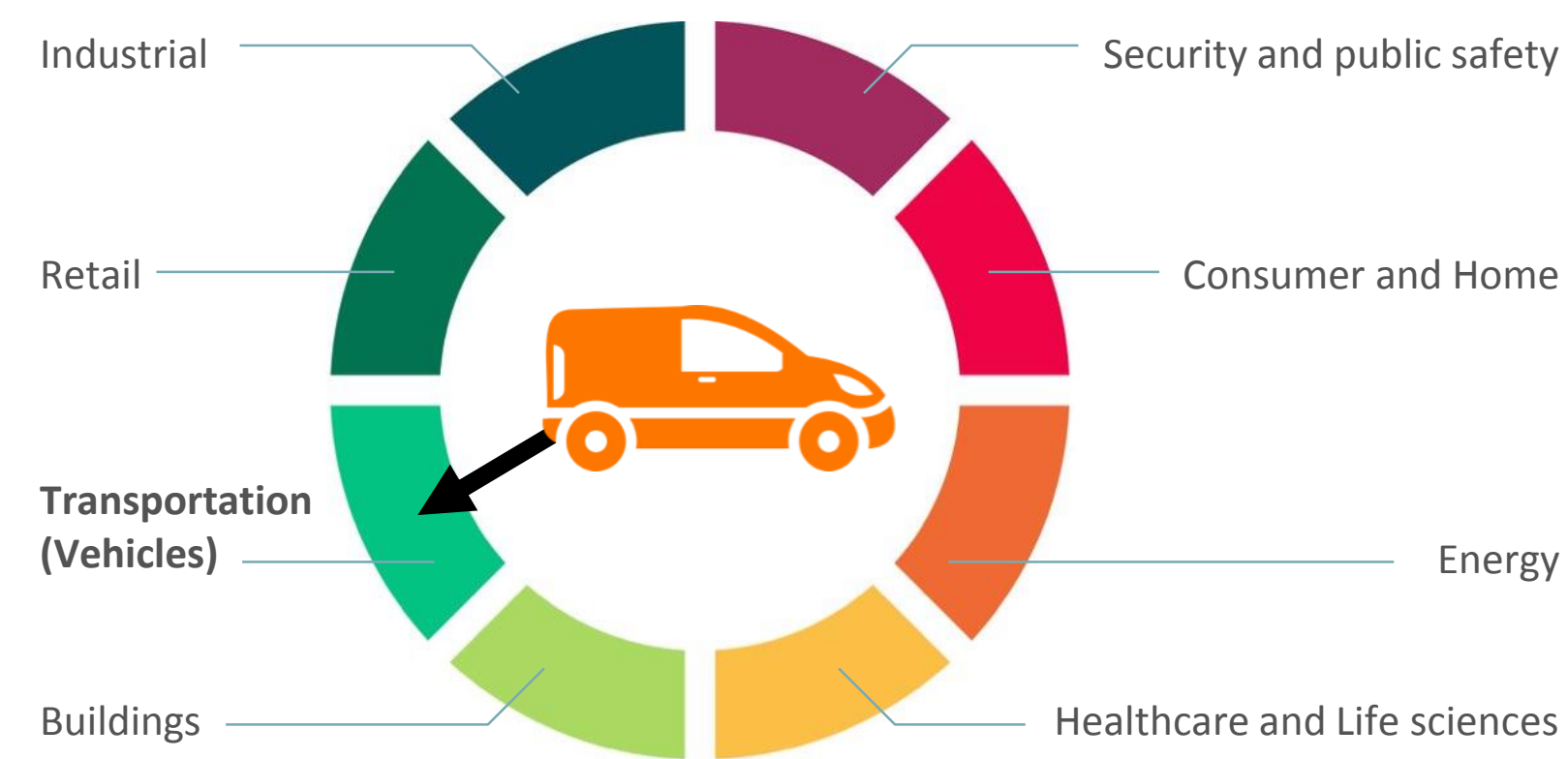
## Investment proposition

- **Market leading technology** in the high growth automotive IoT space, with internet car services expected to be worth c\$35 billion by 2018
- Proprietary technology product portfolio with **strong commercial validation from leading global automaker partners**, including General Motors and WEX Australia
- **Revenue facing** technology business with multiple global distribution channels and partners
- **Strong defensibility** with ownership of all intellectual property, infrastructure services and know-how
- Robust SaaS commercial model with **multiple revenue streams and significant scalability**
- **Transformational revenue growth**, estimated to reach in excess of \$20m in FY2017 and \$35m in FY2018 from existing blue-chip commercial partnerships
- **High activity near-term catalysts** to accelerate growth and expand internationally

# Internet of Things – the automotive industry

## The Internet of Things

Technology developments that connect devices over the internet, allowing everyday objects have network connectivity and inter-device communication.

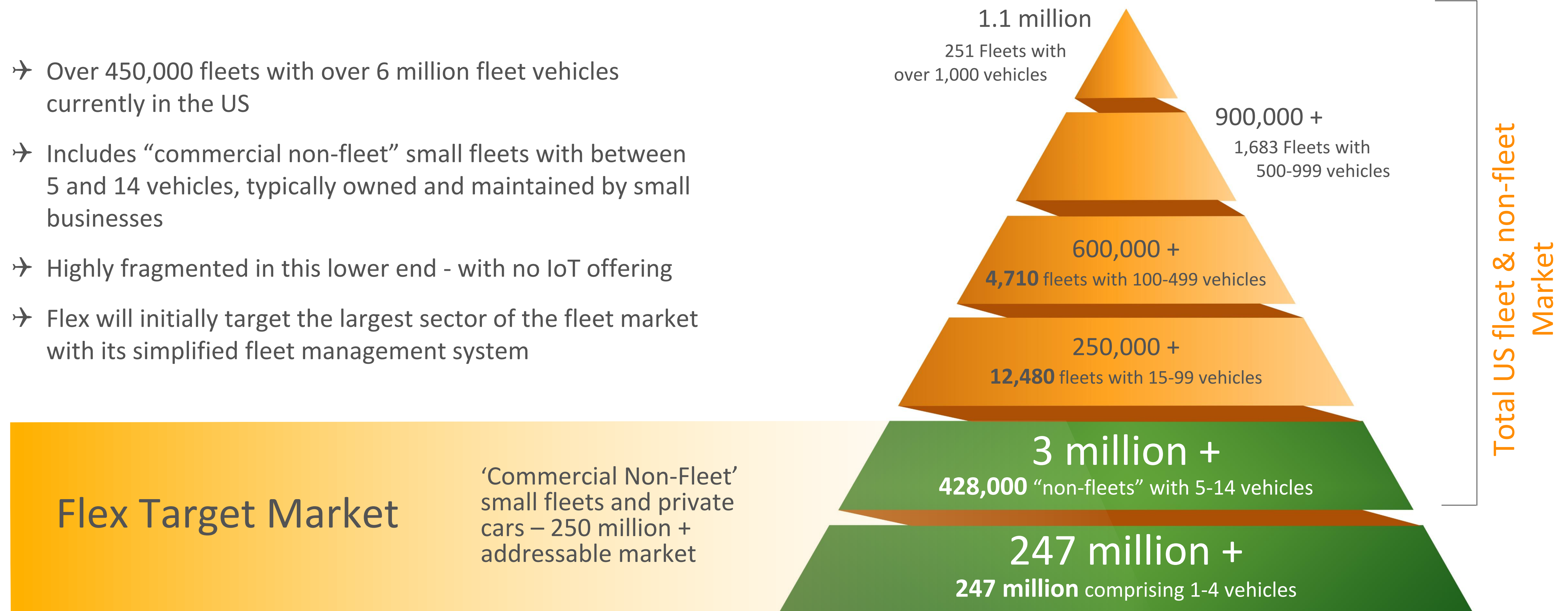


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- **25 billion devices** all in all by 2020 (Gartner)
- Automotive shows **fastest growth rate – 95%** (Gartner)
- Car services estimated to be **\$35 billion by 2018** (SBD 2012)
- Embedded telematics is set for rapid growth to reach **600 million vehicles by 2025**
- 52% of cars will be internet connected by 2020; **100% of cars will be internet connected by 2025.**
- This represents **5% of all internet connected devices**, up from 0.1% currently (SBD 2012)

## Flex attractive to largest segment of fleet market

- Over 450,000 fleets with over 6 million fleet vehicles currently in the US
- Includes “commercial non-fleet” small fleets with between 5 and 14 vehicles, typically owned and maintained by small businesses
- Highly fragmented in this lower end - with no IoT offering
- Flex will initially target the largest sector of the fleet market with its simplified fleet management system



Represents Flex US market opportunity only.

(Source: US Department of Transport)

## GM Commercial Link

Connexion is providing General Motor's "Commercial Link" service

Imminent launch to new GM customers in 2016 via its large dealer network across the United States

Available to new vehicle buyers and small fleet owners as a "Software as a Service" subscription

Represents one of the largest automotive deals in recent Australian history

Gives Connexion access to a substantial new customer base



**GMC**



*Cadillac*



**VAUXHALL**



**BUICK**



**HOLDEN**



**GM DAEWOO**  
A General Motors Company

PARTICIPATION 42%



Wir leben Autos.

## General Motors at a glance



**37**

The number of countries that GM operates

**23%**

GM market share of USA fleet market

**9.9 million**

Total vehicles sold in 2014

**4G LTE**

Connectivity built in to every new GM vehicle sold in the USA (MY2016 onwards)

**3 million**

GM vehicles sold in United States in 2014

**3.6 million**

GM vehicles sold in China in 2014

**934,000+**

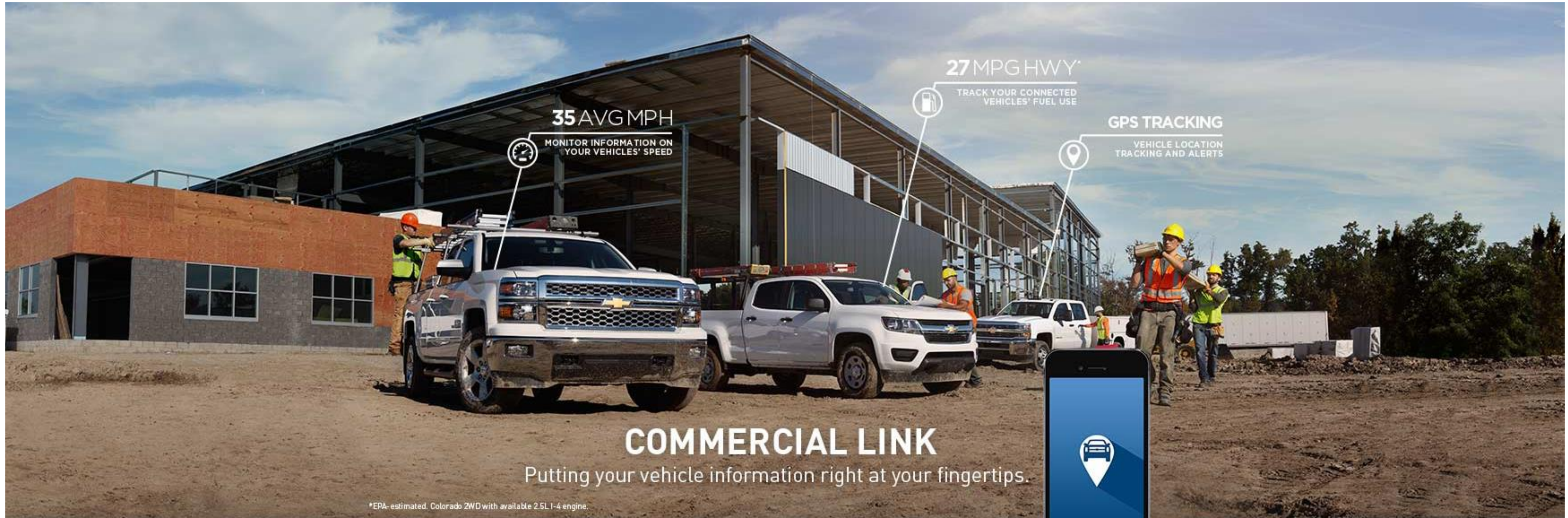
Total GM vehicles sold in EU (Opel and Vauxhall brands – [Left-Lane.com](http://Left-Lane.com))

**4,000+**

Number of GM dealerships in the USA



# GM Commercial Link is ready for launch – [www.gmcommerciallink.com](http://www.gmcommerciallink.com)



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## What GM Commercial Link means

**General Motors USA annual sales are approximately**

**3 million**

(avg 250,000 per month)

All of which may be eligible for a free trial.

**Revenue per vehicle during trial period and after signing up for the service**

**US\$10**

(per month)

**Note:** The trial period is free to consumers, but GM will pay Connexion during this period.

**Typically, retention free-trial to paid subscription services is**

**25%\***

**Note:** Retained subscriptions mean recurrent and continuing revenue. Vehicle owner automatically pays Connexion direct via online gateway.

## Revenue scenarios

These figures are provided for illustrative purposes and do not represent actual forecasts.

Scenarios are based on the following assumptions:

1. GM launch the product across its entire USA dealership network
2. Average of 250,000 vehicles manufactured per month
3. Addressable market is USA only, excludes EU and Asia
4. Excludes churn, end of life, and other cancellations

### Monthly Revenue (USD 000's)

% Uptake	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>1%</b>	25	50	75	100	125	150	175	200	225	250	275	300	325	350	375	400	425	450
<b>5%</b>	125	250	375	500	625	750	875	1,000	1,125	1,250	1,375	1,500	1,625	1,750	1,875	2,000	2,125	2,250
<b>10%</b>	250	500	750	1,000	1,250	1,500	1,750	2,000	2,250	2,500	2,750	3,000	3,250	3,500	3,750	4,000	4,250	5,000
<b>20%</b>	500	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500	5,000	5,500	6,000	6,500	7,000	7,500	8,000	8,500	9,000

## Multiple active revenue streams

Revenue category	Product	Description	Typical pricing
<b>Monthly subscription fee paid by the user</b>	Flex	<ul style="list-style-type: none"> <li>Driven by Connexion's or partner's (eg GM or WEX Australia) marketing program to acquire new users.</li> </ul>	<ul style="list-style-type: none"> <li>Ranges between <b>USD\$10 to USD\$20</b> per user per month</li> <li>Dependent on the partner agreement</li> </ul>
<b>License fee paid by auto industry partners</b>	miRoamer	<ul style="list-style-type: none"> <li>For supply miRoamer content (radio, songs etc) to partner's users</li> <li>Fee ratchets up as more content becomes available (i.e. through Deezer and Rhapsody agreements)</li> </ul>	<ul style="list-style-type: none"> <li>Typically between <b>USD\$0.25 and USD\$1.00</b> per vehicle once-off</li> <li>Charged to the vehicle manufacturer or Tier 1 supplier at the time of production</li> </ul>
<b>Customisation fee paid by auto industry partners</b>	Flex & miRoamer	<ul style="list-style-type: none"> <li>Highly adaptable products, can be customised to suit distinct user groups targeted by auto industry partner</li> <li>Multiple customisation fees (i.e. initial development, ongoing updates)</li> </ul>	<ul style="list-style-type: none"> <li>Ranges from <b>USD\$100 to USD\$150</b> per resource per hour</li> <li>Typically billed on a "time and material basis"</li> </ul>
<b>Data analytics licensing fee to be paid by partners</b>	Flex & miRoamer	<ul style="list-style-type: none"> <li>Considerable real-time in-vehicle and user meta data collected</li> <li>On-sold to third parties (if permitted under source partner agreement)</li> <li>Continuously augmented by growth in user base of free consumer product versions</li> </ul>	<ul style="list-style-type: none"> <li>Potentially <b>very high margin</b> annuity</li> <li>Substantial growth expected with critical mass</li> <li>Distribution opportunity through multiple channels including <b>Oracle CRM</b> platform</li> </ul>

## Worldwide customer synergy with Oracle

*Oracle is one of the most widely used enterprise platforms in the world*

About Oracle:

1. More than 420,00 customers in 145 countries worldwide
2. Over 400 automotive companies run Oracle applications
3. 20 of the top 20 OEMs\* run Oracle applications
4. 15 of the top 15 automotive manufacturers run Oracle applications and technology
5. 20 of the top 20 Fortune 500 automotive manufacturers run Oracle applications and technology

\* As ranked by Automotive News

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## Connexion becomes an Oracle Global Platinum Partner



### Key benefits:

1. **Significant cost savings on existing infrastructure.** By transitioning to the Oracle cloud services Connexion could reduce our per-vehicle monthly costs by over 70%
2. **Access to a large global sales force.** Oracle will support the distribution of the Flex product globally via its 15,000 strong sales force as a recognised Independent Solution Vendor for Connected Cars
3. **Integration with Oracle CRM platform.** Oracle will certify service oriented architecture integration with the Oracle CRM platform, which is extensively used by major automotive players
4. **Oracle CRM platform integration will be the first channel to sell in-vehicle real time data.** This is a gateway sales pathway for real-time data analytics collected through miRoamer and Flex services
5. **Ongoing revenue share opportunities.** Oracle and Connexion will benefit from global distribution of our products and new Oracle CRM platform module subscription revenues

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## Strong commercial validation from leading global automakers



Vehicles: 7.7 million  
**8.7%**



Vehicles: 6.4 million  
**7.2%**



Vehicles: 6.7 million  
**7.5%**

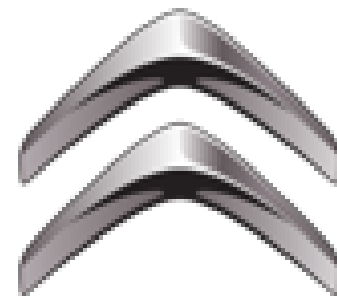


Vehicles: 1.1 million  
**1.3%**



**PEUGEOT**

Vehicles: 1.9 million  
**2.1%**



**CITROËN**

Vehicles: 1.2 million  
**1.4%**



**Mercedes-Benz**

Vehicles: 2.1 million  
**2.4%**

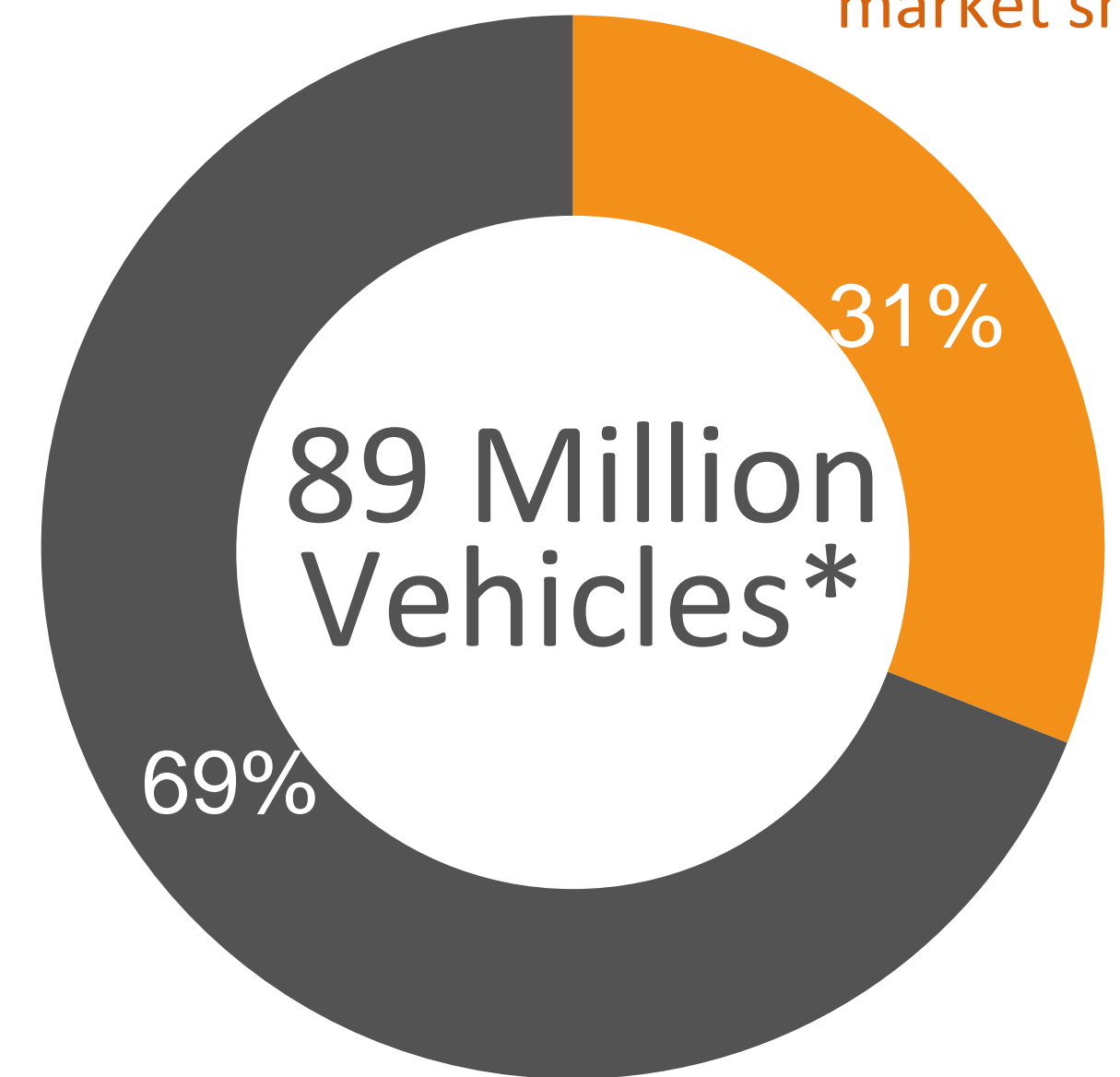


**SEAT**

Vehicles: 370,000  
**0.4%**



Partner  
cumulative  
market share



Includes 2015 production estimates and market share  
(Source: IHS 2015 production estimates)

\* 2015 global vehicle production estimates  
All numbers have been rounded

# Future-proofing our product pipeline through global innovation centres

**Connexion provides a pathway for product commercialisation through our established automotive channels**

Private, Public and Connexion Investment (funding, services, infrastructure and know-how)

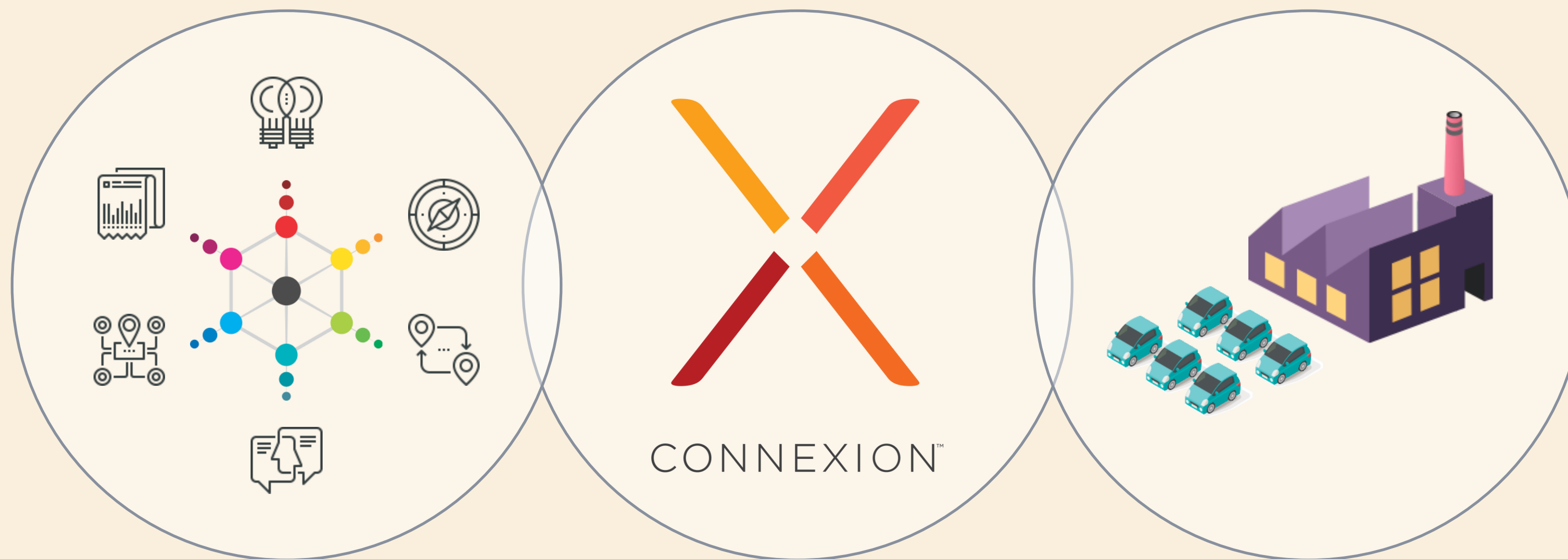
**Connexion selects “best of breed” innovations and helps commercialise through our automotive channels**

Connexion continues with its internal innovation activities

**Connexion will part-own the global innovation centres**

Preliminary planning has begun for Melbourne & Detroit centres, with initial launch anticipated in 12-18 months

## Connexion helps fast-track the commercialisation pathway



### Joint Venture Innovations Centres

provide framework and environment for start-ups and early stage business to innovate

### Connexion

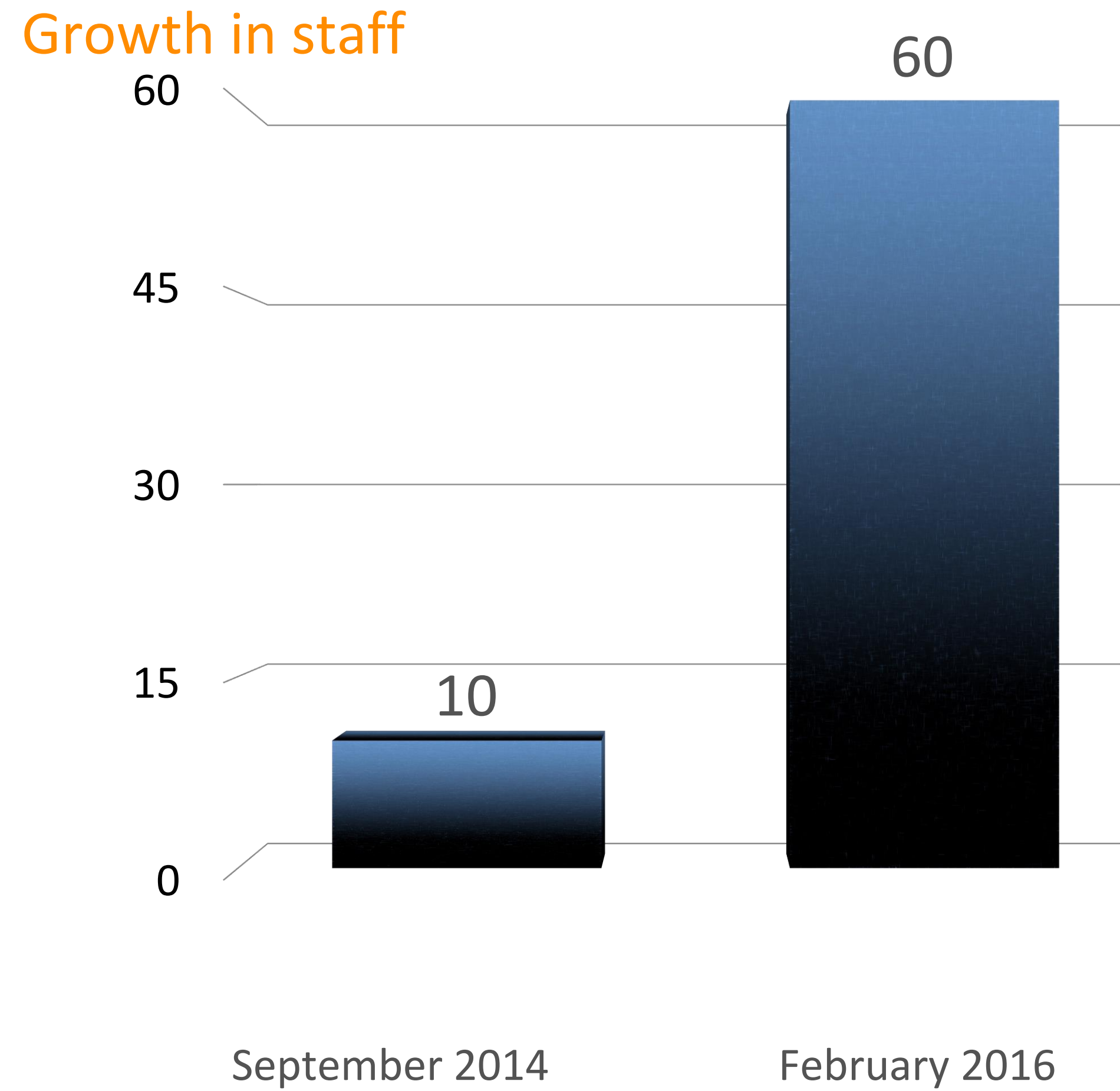
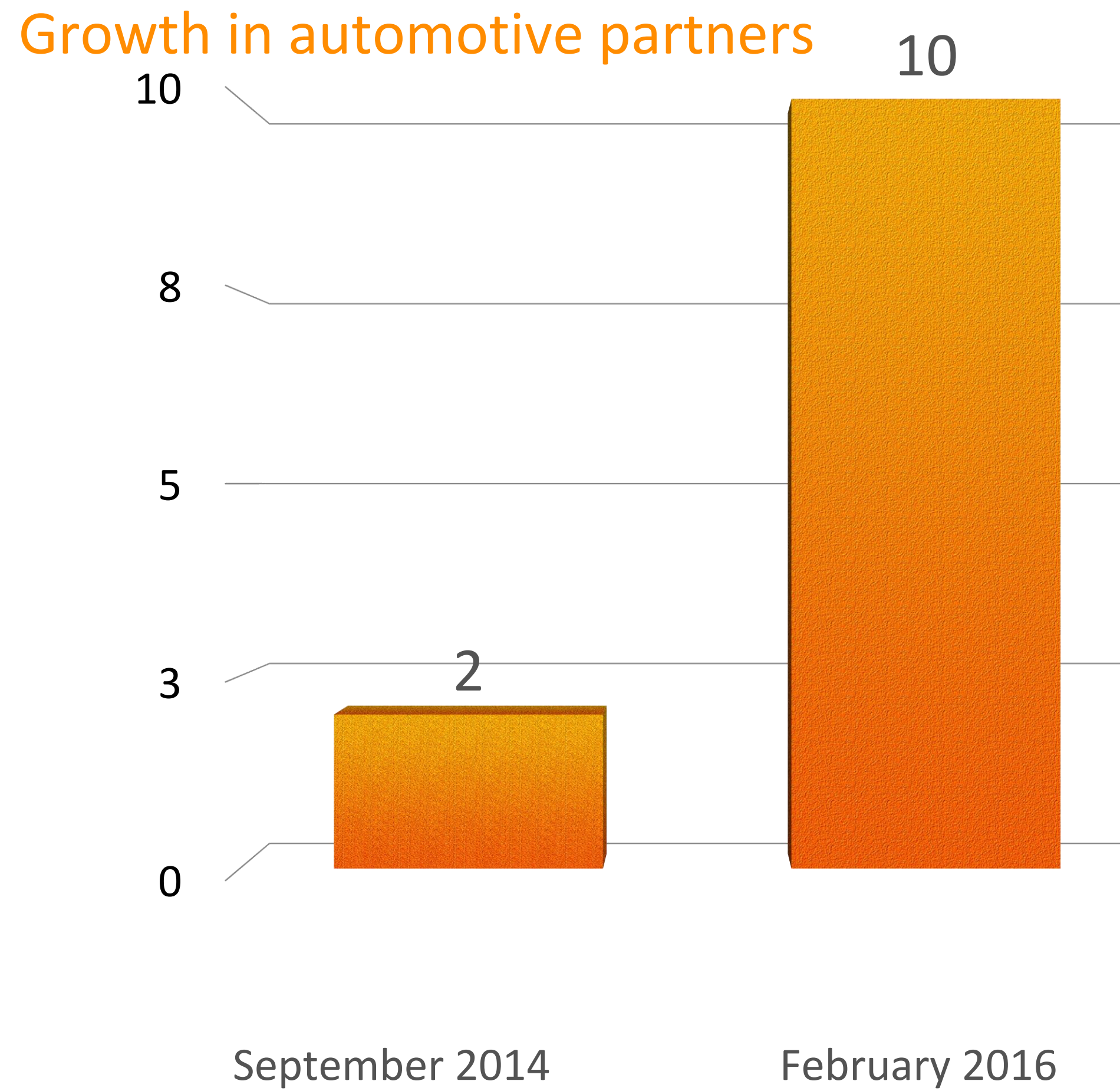
leverages established automotive channels

### Vehicle Manufacturers

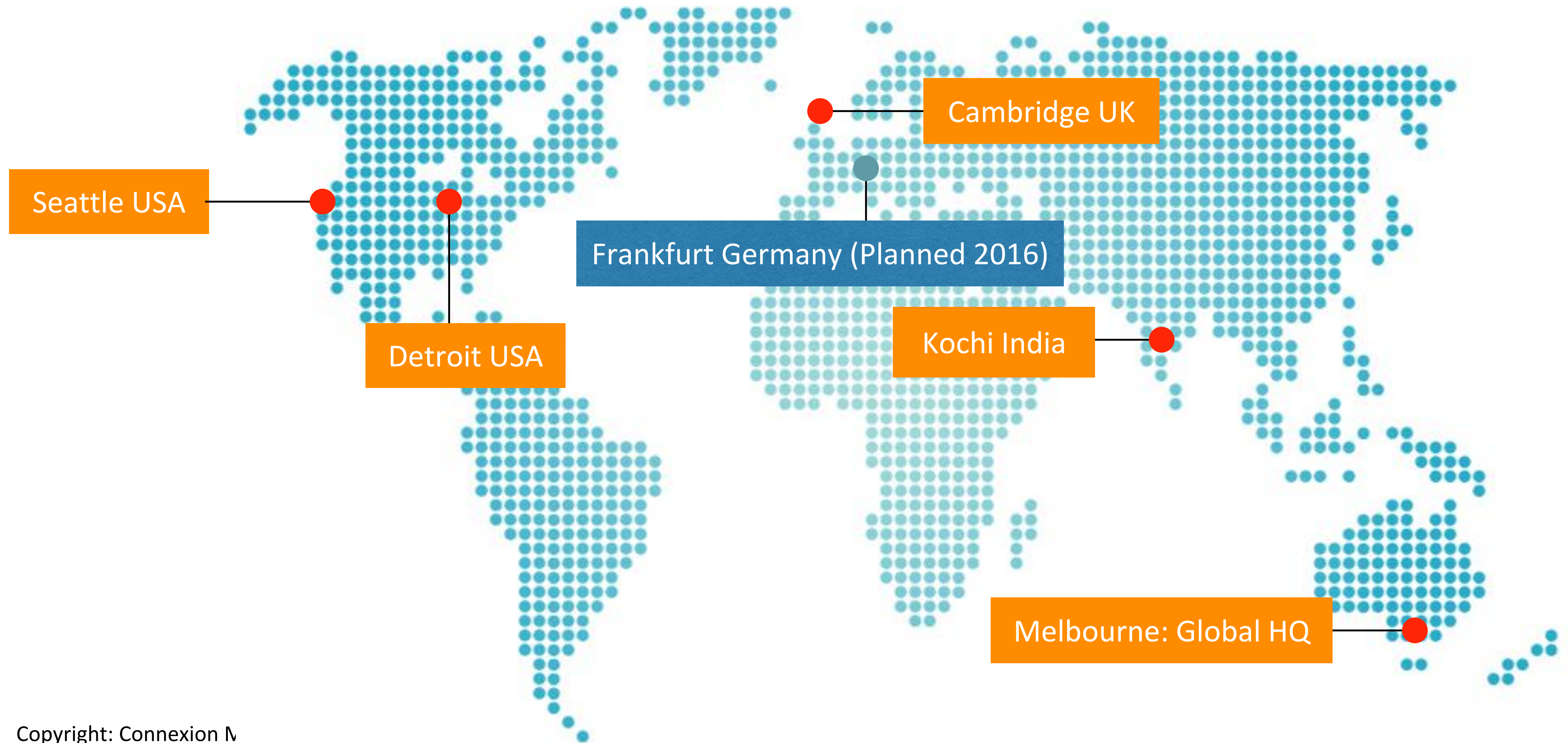
gain direct access to automotive innovation



# Continued growth



# Global footprint to access key auto industry markets



# Strong leadership team

## Board



**George Parthimos**  
**Chief Executive Officer**

With over 25 years experience developing internet products and networks, George is the founder and CEO of Connexion and miRoamer.



**John Conomos**  
**Non-Executive Chairman**

Former Chairman and CEO of Toyota Australia. One of the most respected leaders in the Australian automotive industry.



**John Dimitropoulos (JD)**  
**Non-Executive Director**

25 years international technology experience in digital media and telecomms, with strong M&A and corporate strategy experience.



**Eric Jiang**  
**Executive Director**

15 years' experience in the financial services sector, as a corporate consultant and advisor. Substantial listed company experience.



**Ashley Kelly**  
**Executive Director**

Over 20 years experience advising private and high-net worth individuals on ASX listed securities. Strong ASX listed company experience.

## Senior Management Team



**Junior Barrett**  
**Executive Vice President, US**

Over 14 years of automotive experience at General Motors, identifying and collaborating with key partners to develop vehicle-centric applications.



**Tasso Koutsovasilis**  
**Sales & Operations Manager**

Tasso is a commercial sales pro for technical systems with a focus on improving business results.



**Kate Thompson**  
**Project Delivery Manager**

With over 14 years experience, Kate has worked in a variety of project roles within many organisations.



**Graeme Robinson**  
**Technology Manager**

Extensive experience in General Management, operations, software development, systems design and architecture.



**Graeme Sala**  
**Chief Financial Officer**

Qualified finance expert with 25 years' experience working in senior accounting and finance related roles in the insurance, superannuation, biotech and automotive industries

## Summary

- **Market leading smart car technology** in an industry expected to be worth c\$35 billion by 2018
- **Strong commercial partnerships from leading global automakers**, including General Motors and WEX Australia
- **Revenue facing** technology business
- **Imminent Commercial Link product launch** by General Motors
- **Oracle CRM platform** integration to facilitate first ever in-vehicle real time data subscription revenues, plus Flex product distribution
- Robust SaaS commercial model with **multiple revenue streams and significant scalability**
- Near term product launches driving **transformational revenue growth**
- **Accelerating growth strategy** and international expansion

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For more information, please go to:

[www.connexionltd.com](http://www.connexionltd.com)

[www.miroamer.com](http://www.miroamer.com)

[www.flexvs.com](http://www.flexvs.com)

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