

A hand is shown pointing towards a futuristic digital interface. The interface features a world map with glowing nodes and connecting lines, representing a global network. There are also icons of people, binary code (0s and 1s), and various geometric shapes like hexagons and circles. The background is a dark, blurred image of a person's face, possibly wearing a headset, suggesting a high-tech or virtual environment. The overall color palette is dominated by blues, oranges, and reds.

AGM Presentation

Connexion Media Limited (ASX: CXZ)

30 November 2016

Disclaimer

Connexion Media Limited (“Connexion”) is an ASX listed technology 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.



CONNEXION™

Enabling the future of the automobile

Who we are & what we do

CONNEXION SUPPLIES SOFTWARE PRODUCTS AND SERVICES TO WEB-CONNECTED VEHICLES.

We currently offer products and services in four categories



Telematics



Infotainment



Data analytics


















Consulting

Connexion Media is a technology company, listed on the Australian Stock Exchange, specialising in developing and commercialising software apps and services for the web connected car market. Our headquarters are in Melbourne, Australia, with sales offices in Detroit, USA and Cambridge, UK.

Products and services

Our products and services are well positioned to take advantage of the future convergence of technologies.

	 Telematics	 Infotainment	 Big data analytics*	 Consulting*
Our Products			Cloud based infrastructure Customised Reporting Real time data Data enrichment	Consulting for commercialisation of products and services through our strategic partnerships.
	Customised solutions  	Content partners    	Technology partners  	Innovation partnerships 
Innovation layer focused on IoT across all four categories				

Significant events in our corporate growth



Company changing deal executed with General Motors



Connexion has executed a milestone deal with General Motors (GM) to develop and support GM's "Commercial Link" service.

GM to offer Commercial Link to new car buyers as an incentive to drive increased car sales.

Commercial Link is targeting the commercial SME fleet and owner-driver markets with an addressable market of over 250 million cars in the USA alone.

The agreement provides Connexion with access to an extensive customer network for the rollout of its flagship technology.

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

Subscription based revenue model with customers being billed by Connexion monthly and revenues shared.

A soft roll out of Commercial link commenced as of April 2016.

Wider roll out to commence in conjunction with the release of the new car models for the year.

CONNEXION™

Enabling the future of the automobile

General Motors at a glance

Every vehicle manufactured in the USA after 2015 has built-in connectivity via the OnStar service.



Slide / 7

© 2016 Connexion Media Ltd. All Rights Reserved.




- GM has 23% market share of the USA fleet market.
- Around 10 million vehicles manufactured globally per annum.
- USA production of 3 million vehicles annually, around 1 million vehicles in Europe, 3.6 million vehicles in China.
- 4,000+ dealers across the USA.
- International brands include Opel, Vauxhall, Holden, Cadillac, Buick, and Chevrolet.



Consolidation in the sector has begun

The connected car services sector is currently one of the hottest areas in IoT for investment and M&A activity.

The velocity and volume of interest in the sector is rapidly increasing, with a number of recent notable acquisitions.

	<p>Fleetmatics (NASDAQ) Fleet telematics for after market</p> <p>Acquired by Verizon for *USD 2.4 Billion (August 2016)</p>
	<p>Telogis (VC Backed unlisted) Fleet telematics for after market</p> <p>Acquired by Verizon for undisclosed amount (June 2016)</p>
	<p>Pelagicore (VC Backed unlisted) SmartCar infotainment open source development business.</p> <p>Acquired by Luxsoft (NASDAQ) for *USD 25 Million (September 2016)</p>

*Numbers have been rounded

FY2016 financial highlights

Connexion achieved significant revenue growth during the 2016 financial year.

Expenses grew incrementally, predominantly due to development and commercialisation costs, which have plateaued.

Total revenue **up 1157%** to \$1.295M from \$0.103M.

Subscription and customisation revenue **up 837%** to \$572k from \$61k.

Expenses **up 32%** to \$8.156M from \$6.202M, predominantly due to **one-off** research and development expenses to build enterprise-grade telematics system and increased sales and marketing expenses.

Sales and marketing expenses increased to further drive sales growth:

- Marketing expenses **up 211%** to \$265k from \$85k
- USA operations expenses of **\$529k** from \$0
- Exhibit and participation in trade shows across multiple continents

R&D refund **up 232%** to \$2.397M from \$0.722M (refund received October 2016).

Resources **reduced 30%** from 60 to 42, predominantly due to completion of **one-off** research and development activities and **head-count rationalisation**.

Annualised **expenses have reduced** since telematics product launch and are expected to **remain constant** in FY2017.

Telematics services have been architected to handle in **excess of 60,000** monthly subscribers **without increase** in annual core costs.

Key Numbers (1,000s) –

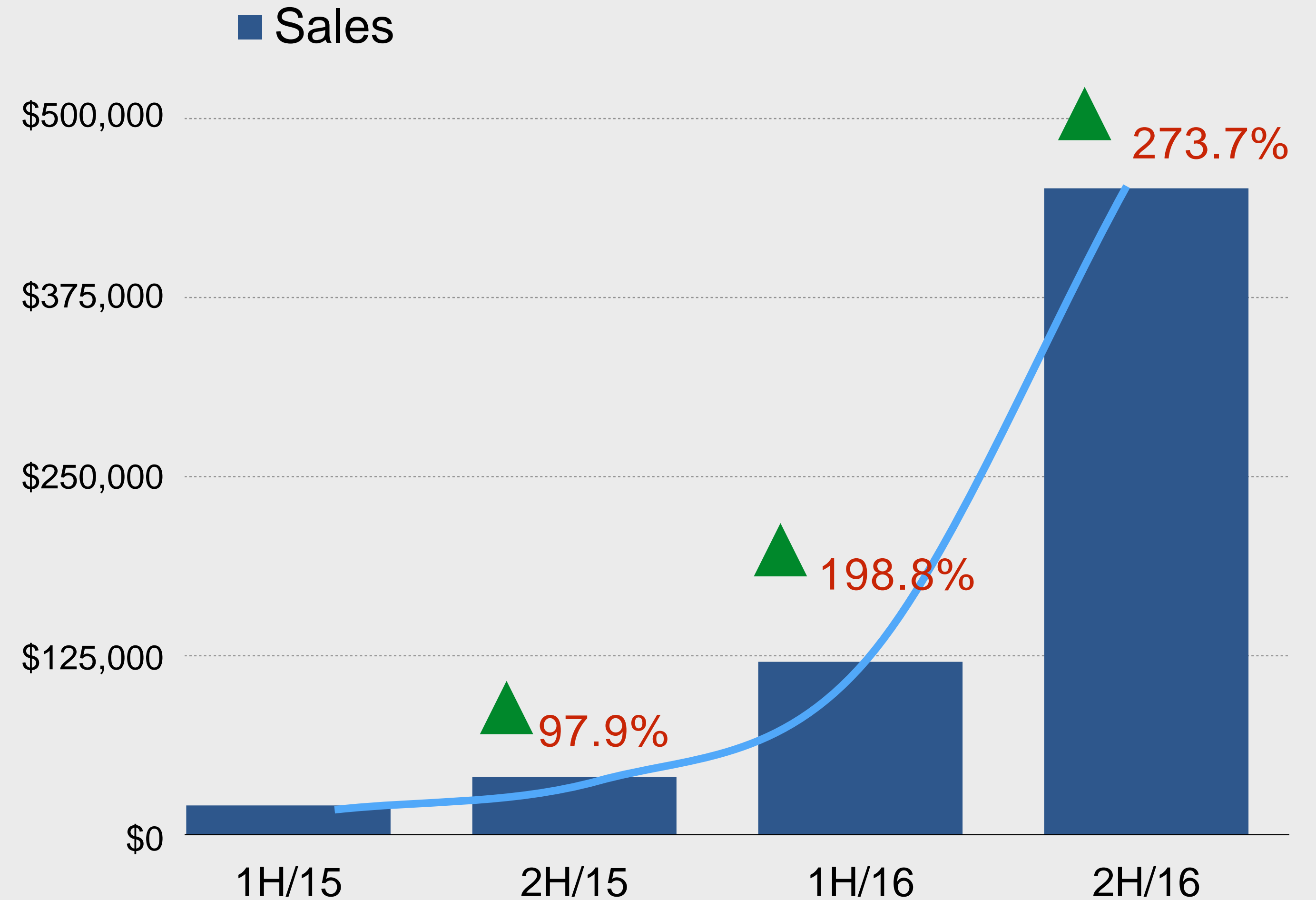
Financial years

	1H/15	2H/15	1H/16	2H/16
Sales	20	40	121	451
R&D Refund	0	0	722	0
Expenses	4,210	1,992	4,092	4,063
Loss Before Tax	4,190	1,910	3,250	3,610

Numbers have been rounded

Slide / 10

© 2016 Connexion Media Ltd. All Rights Reserved.



- Sales increasing at a significant rate
- Expenses have plateaued in line with 'go-live' status of several product lines. Monthly expense 'burn rate' is now beginning to reduce.
- R&D expenses are becoming the largest component of overall expenditure and provide for significant grant income

FY2016 operational update

Connexion now has a fully functioning **operations framework**, which is **scalable** for future product and revenue growth.

Developed and implemented **operational framework and delivery** policies, processes and procedures.

Implemented **Customer Support Centre** solution across the range of products.

Established **knowledge base** repository, covering operational processes and procedures for Technology Development, Customer Delivery, Business Support and Administration.

Implemented **global billing system** to assist with customer subscription and revenue management.

Implemented **industry standard methodologies** including SCRUM software development and PRINCE2 project management.

Established a **best practice** program/project management **governance framework** to deliver core project initiatives.

Completed a **reorganisation** of the business to focus on product development and **commercialisation**.

Telematics key performance metrics

Many early key performance metrics collectively across all three telematics products are tracking ahead of expectations.

\$15.29 pcm
(\$183.48 annualised)

Average Revenue Per User (ARPU)

62%

Average Monthly Growth Rate (Month on Month)

82%

Average subscription retention rate

2.35

Average number of subscriptions per customer account

108*

Peak total subscription sign-ups in 24hr period

(*Nov 2016)

Strategic outlook for FY2017 and beyond

The Company has clearly defined strategic objectives for FY2017 and beyond.

Grow **revenue and subscriber** numbers.

Grow **sales and marketing activities** across our core strategic territories (ie. USA, Europe and Australia).

Focus on **embedded solutions** with automakers and OEMs.

Sales strategy to focus on **four key channels**:

- Business to Business (B2B)
- Business to Enterprise (B2E)
- Automaker and OEM
- Vendor channels (eg. Oracle)

Establish partnerships with companies to help **commercialise innovation** across established automaker and OEM channels.

Position Connexion as a **trusted global market innovator** in connected car software services.

Seek partnerships to establish an **Innovation Centre** in key strategic locations (eg. Melbourne).

Transformational growth anticipated

With a solid foundation in place, and well-established commercial relationships with a number of major global automakers, Connexion is well placed to achieve transformational growth in the near term.

At least **1 new contract** by December 2016, with at least **2 new contracts** in CY2017 (automaker and/or territory expansion).

Target **50,000 subscribers** by CY2017, rising to **100,000 subscribers** by CY2018.

Expand sales and marketing activities in **Australia** and **Europe** for Flex in CY2017.

Explore **China expansion opportunities**.

Seek new business opportunities for **consultancy services**.

Operational readiness for increased customers and revenues.

Discussions underway with automakers for Connexion to add **additional SaaS services** in our product offering.

Summary

Connexion continues to meet its strategic objectives and consolidate its market position.

- Revenue generating technology business
- Continued growth of our product range with existing global partners
- Key performance metrics continue to grow month on month
- Explore new opportunities to drive revenue and subscriber growth
- Accelerated sales and marketing activities
- Operational readiness for scalable growth across multiple product categories and channels
- Successfully executing our strategic plan to build a profitable technology business

Questions?





CONNEXION

For more information, please go to:

www.connexionltd.com

www.miroamer.com

www.flexvs.com

enquiries@connexionltd.com