CONNEXION

> Connexion Media Limited. ABN 68 004 240 313

# Chairman's Address

On behalf of all Connexion Media, I would like to welcome everyone present to our Annual General meeting for 2016.

Before we commence the proceedings, I would like to take the opportunity to introduce our Board members who are all present here today, including our CEO George Parthimos, Non-executive Director John Dimitropoulos and Executive Director Eric Jiang.

The past year has been one of tremendous progress for Connexion Media. The Company has worked hard and successfully laid the foundation for our future growth.

Today I would like to speak about what makes Connexion Media unique. To my mind, there are two themes that give us confidence of commercial success. These are: our scalability and the value of the relationships we have developed with our major partners, including major global automakers and large domestic and international organisations, Oracle and WEX Australia. Together these two core attributes are helping us to reach our goal of becoming an international market leader in the internet connected car space.

FY2016 was a transformative year for Connexion Media. Of particular significance, we worked closely with our partner global automotive giant General Motors (GM) to complete and launch GM's Commercial Link service, a customised Flex telemetry solution. GM commenced rolling out the Commercial Link service at over 4,000 of its auto dealerships across the USA and has already experienced encouraging uptake of the service.

The launch of GM's Commercial Link is the culmination of years of discussion and collaboration with General Motors as well as substantive investment by Connexion into the technology.

The significance of the launch of Commercial Link by General Motors is twofold:

Firstly, it validates the technical value of our Flex telemetry product which has the potential to be used by thousands of fleet managers for millions of vehicles across the globe.  Further to this, it validates our relationship with a blue-chip global automotive giant that manufactures over 10 million vehicles per annum and has over 23% market share of the USA fleet market.

Secondly, it represents the scalable potential of our Flex product. GM's Commercial Link service was the first white-labelling and customisation of our Flex technology for a major partner, being quickly followed by our white-labelled telemetry offering for WEX Australia. Having succeeded in launching this type of customised solution, Connexion is now well positioned to replicate this partnership model through other partnership deals with automakers across the globe.

Domestically, we have continued to develop a close relationship with leading fuel card provider, WEX Australia who subsequent to the end of the financial year, launched a pilot trial of Connexion's Flex technology to thousands of vehicles in Victoria. We look forward to updating the market in coming months with the success of the trial.

Further partnership deals will allow us to scale rapidly and as you would expect, the Company's main focus now on achieving the maximum potential of our offering.

Importantly, we are uniquely placed to be early movers in a market that already demonstrates strong growth metrics. It's clear that the internet connected car market is set to explode in the years ahead. Currently, less than 20% of all new cars are manufactured as internet connected. This will rise to 100%

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of all new cars manufactured by 2025. This represents an enormous potential for Internet of Things companies such as Connexion Media.

Looking forward, as we continue to roll out our customised telemetry solutions, we can expect to measure our progress across a range of key metrics. In the year ahead specifically, these metrics will include subscription numbers to our SaaS (Software as a Service) products and also revenue generated, in particular, "ARPU" or "Average Revenue Per User". Growth in these key metrics will highlight the extent to which our solution is growing across the globe.

Our internet radio and music aggregator service, miRoamer, also continues to underpin our business. miRoamer has already been pivotal in assisting our Company in fostering relationships with large automakers. In recognition of miRoamer's market leading position, a number of large global brands have integrated miRoamer, including Volkswagen, Peugeot, Citroen, Skoda, Seat and Daimler among others. In the year ahead we aim to further scale our miRoamer product.

During the course of FY16, Connexion Media fostered close ties with global computer software giant, Oracle Corporation. Collaboratively, the partnership has allowed Connexion to offer the world's first in-vehicle data analytics product via the Oracle CRM platform. Not only will this result in a new revenue stream for the Company, but the relationship also allows Oracle's large sales force to on-sell Connexion's Flex and miRoamer products to their potential customers globally.

In closing, FY2016 was a highly successful year for Connexion. We have optimised our operating structure, secured the right mix of talent and secured funding to vigorously pursue our growth objectives and scale our products. Along with deepening our relationships with automakers globally, this will see us on our way to becoming a leading player in the Internet of Things sector and in a connected car future.

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**About Connexion Media**

Connexion Media specialises in developing and commercialising smart car software apps and services for internet-connected vehicles and mobile devices. The Company is headquartered in Melbourne, Australia and currently has offices in Cambridge, Detroit, Kochi and Seattle.

Connexion has two core products in commercialisation, Flex and miRoamer. Flex is a highly sophisticated smart car solution that allows car fleet managers to manage an entire fleet of vehicles from a mobile phone or computer and deliver cost efficiencies through reduced maintenance costs. Flex is able to track a range of real time and historical data including vehicle locations, distance travelled, fuel consumption, battery life, engine performance and absolute and average speeds travelled. It is also able to monitor driver behaviour and instantly send notifications and alarms to vehicle owners and fleet managers.

miRoamer is a next generation internet radio product that allows users to pick up radio stations from broad geographies, including international stations. miRoamer has become the world leader in internet radio technology, delivering a superior understanding of the technical, content and marketing demands of radio manufacturers and car makers alike.