

ASX Announcement

Company Update

- First GM Commercial Link free 30-day trial subscribers begin automatically converting to paying customers
- Approximately US\$500,000 (circa \$700,000) in development and customisation revenue expected in the coming months
- Subscriptions revenues continue to grow
- Company expects to be cash flow break-even by the start of CY 2017

23 May 2016, Melbourne: **Connexion Media Limited** (ASX: CXZ) (“Connexion”) is pleased to provide an update on recent commercial and financial progress.

Commercial Link builds momentum

Following the launch of General Motors’ Commercial Link service in April 2016, the Company is pleased to confirm that subscribers to the initial free 30-day trial of the service have begun automatically converting to paying customers.

The service has experienced steady subscriber take up, demonstrating the significant appeal and value proposition of the Commercial Link service.

The Company expects further subscription and revenue uplift in the coming months following the commencement of a dedicated marketing campaign. In addition, GM have begun promoting the service via selected social media channels including Twitter and LinkedIn.

It is estimated that there are over 4,000 telematics solution providers in the USA. Occupying a unique position in this market, Commercial Link is the only embedded solution that does not require expensive hardware installation, lock in customer contracts, or vehicle downtime for hardware installation.

miRoamer automotive interest grows

The miRoamer Internet radio and music aggregator service has been recognised as a global market leader by a number of automotive manufacturers. Its iPhone and Android smartphone apps are currently available for use in a number of automotive brands including Volkswagen, Peugeot, Citroen, Ford, Skoda, Seat, Daimler and others.

Connexion is currently in discussions with the likes of Audi, Jaguar Land Rover, Ford, Continental, and others about providing a customised miRoamer solution for their respective vehicle models and customers.

Connexion will receive a once-off license fee for each new vehicle manufactured which has the miRoamer service integrated.

This opportunity is further enhanced, as one of our largest competitors in the Internet radio aggregator market recently advised automakers that it had exited from the automotive market.

The Company anticipates miRoamer license revenues to grow steadily from late CY 2016.

Steadily building revenues to reach break-even

The Company is pleased to report it has received the first of a series of development and

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customisation purchase orders expected during the quarter. Approximately US\$500,000 (circa \$700,000) in total development and customisation revenue is expected for work being completed by Connexion in the coming months.

In addition to generating near-term fees for service, the development and customisation work effort will help drive subscription and licensing revenue growth.

Connexion expects to be cash flow break-even by the start of CY 2017, based on existing product sales pipeline and inbound enquiries from prospective customers.

In particular, the anticipated growth in embedded telematics solutions and SaaS connected car services will help drive revenues over the medium term.

Participation at TU-Automotive Show Detroit

With a view to building further automotive partnerships and demonstrating its Flex and miRoamer products, Connexion will be participating in the upcoming TU-Automotive Show Detroit in June 2016.

TU-Automotive Detroit is the world's largest conference dedicated to automotive technology and innovation with 150 speakers, 300 booths and over 3,000 attendees. This represents a valuable marketing opportunity for the Company to showcase its Internet of Things technology offering to potential customers and partners.

Commenting on the commercial progress George Parthimos, CEO of Connexion Media, said:

"With Commercial Link now well and truly launched by General Motors in the US, it is pleasing to see the steady growth in subscriber numbers to the service. Occupying a unique position in this market, Commercial Link is the only embedded solution that doesn't require expensive hardware installation, lock in customer contracts, or vehicle downtime for hardware installation.

Connexion is well on its way to achieving cash-flow break-even by the start of CY2017."

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Media queries:

Andrew Ramadge
Media & Capital Partners
T: +61 475 797 471
E: andrew.ramadge@mcpartners.com.au

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.

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