

ASX Announcement

December Quarter Review

- Income of \$724,817 during the quarter
- Company continues to commercialise its innovative products, with the final customised Flex solution '*Commercial Link*' delivered to General Motors (GM) and launch of iOS Flex App
- Significant revenue growth expected, with revenues expected to exceed \$20m for FY2017 and \$35m FY2018 due to a solid anticipated growth in Flex and miRoamer subscriptions
- Continued partner progress, with promising Flex trials underway with nine leading global automakers including GM Holden
- Connexion is well positioned to execute growth strategy and fuel expansion through further top tier partnerships

29 January 2016, Melbourne: **Connexion Media Limited** (ASX:CXZ) ('Connexion') has today released its Appendix 4C Report for the three-month period to 31 December 2015 and is pleased to provide a review of its progress for the quarter.

Financial and Operational

Income growth

Income increased to \$724,817 during the quarter (compared to \$119,197 in Q1 FY2016).

Following the period close, Connexion received a further development milestone payment from GM of US\$230,803 (or circa AU\$330,000).

Furthermore, the Company received circa \$608,000 in funds via option conversions.

The Company expects subscriber numbers and revenues from existing customer contracts to significantly increase over the coming year due to recent commercial traction in its key contracts, including GM and WEX Australia. Revenues from the Company's Flex and miRoamer products are estimated to exceed \$20 million in FY2017 and \$35 million in FY2018.

Additionally, Connexion has been approached by a number of institutions and investment groups interested in providing funding options for the Company. The Board is currently assessing the proposals and expects to make a decision on the appropriate path forward shortly. The goal is to ensure the Company is well funded to continue its commercial expansion and further product innovation, as well as minimise dilution and maximise shareholder value.

General Motors agreement to provide Commercial Link

During the quarter, Connexion continued to work closely with General Motors (GM) to develop and test the GM Commercial Link service, achieving a number of significant milestones during the period. Commercial Link uses embedded internet connectivity to provide real time in-vehicle data, giving fleet managers the functionality to access their vehicle information via both web and mobile products.

Subsequent to the end of the quarter, plans are underway for a full product launch by GM to its new vehicle customers in 2016. GM intends to launch the product via its US dealer network to new vehicle buyers and small fleet owners as a Software as a Service (SaaS) subscription product.

Connexion's partnership with GM represents one of the largest automotive software deals in recent Australian history and provides access to a substantial new customer base for the Company.

Further details can be found at www.gmcommerciallink.com.

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Flex trials underway with nine leading automakers and OEMs including GM Holden

Connexion's Flex technology continues to be trialled with multiple leading auto manufacturers globally. The Company commenced a trial with one further partner, GM Holden, a leading Australian automaker. This brings the total number of ongoing trials with automakers and aftermarket OEMs to nine.

Collectively these automakers produce over 13 million vehicles per year, representing over 14% of the global annual car production.

GM Holden, headquartered in Port Melbourne, Victoria Australia has commenced in-depth product testing of the Flex product for the Australian automotive market.

Trials such as this usually take place over a period of at least six months by the automaker and an outcome from the Holden trial is expected in the second half of 2016.

GM Holden is a subsidiary company of US-based General Motors and is one of only seven fully-integrated global General Motors operations that designs, builds and sells vehicles for Australia and the world. Holden sold over 100,000 vehicles in Australia in 2015, representing nearly 9% of the Australian new car market, and is supported by more than 230 dealerships nationally.

This new trial follows the successful development of GM Commercial Link, an embedded connected car product for the US small fleet market, with General Motors in the US, as announced on 8 January 2016.

Marinos Panayiotou, Director of Planning at GM Holden in Melbourne, said:

"GM Holden is currently evaluating an integrated vehicle data management system that was developed by Connexion Media. GM is committed to offering its customers the latest in smart car technologies and GM Holden shares this commitment to bringing smart technologies to our customers."

George Parthimos, CEO of Connexion Media, commented:

"Holden is truly focused on delivering brilliant products and enhancing its customers' experience, two key goals that Connexion shares with the leading Australian automaker. We believe our Flex smart car service offers something exceptional for the consumer market and are delighted to be supporting Holden with its in-depth testing of the product."

Flex iOS App launch

During the quarter, the Company launched its iOS Flex App in the Apple App Store, making it easily available for the consumer market. Consumers can now download the free App to use with their subscription service to track and monitor their vehicle's performance and location as well as driver behaviour. In Q2 2015 Android and iOS accounted for 96% of smart phone shipments globally (Source: International Data Corporation).

New corporate website launched

During the quarter, the Company also launched its new corporate website (www.connexionltd.com). The new site provides detailed information on the Connexion, its products and services, investor information, and contact details.

Offices opened in Detroit, Seattle and Kochi

As part of its global expansion plans, Connexion opened offices in Detroit USA, Seattle USA, and Kochi India, in addition to its Melbourne Australia and Cambridge UK offices. This global footprint provides a platform for the Company to expand its sales, marketing, and development services across four continents.

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Outlook

Connexion continues to make substantial progress transitioning from a technology start-up to a revenue generating and market-leading provider of smart car software and services. The Company's agreement with GM to provide the *Commercial Link* product, marks a significant juncture in Connexion's journey as well as providing strong market validation of the Company's product offering.

The Company looks forward to providing updates on the ongoing trials of its Flex technology with nine leading automakers globally.

With subscriber numbers from existing customer contracts expected to significantly increase over the coming year as products are commercially launched by our partners, Connexion remains confident that it will deliver significant revenue uplift through its Flex and miRoamer products in the coming financial years.

CEO of Connexion Media, George Parthimos commented:

"The second quarter of the 2016 financial year has been one of substantial progress for Connexion, particularly with regard to the successful commercialisation of its Flex smart car software. With Connexion's milestone agreement with General Motors now fully underway, and the initial pilot of our technology with WEX Australia expected to commence in the coming quarter, we are confident of strong revenue uplift in the years ahead."

Ends

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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.