

ASX Announcement

Strategic Review of Company Completed & \$1m Capital Raising

- Completion of Company-wide strategic review:
 - Revised strategy to focus on embedded, strategic relationship with global automotive company GM and larger North American telematics market to drive sales from existing addressable market and expand into Europe
 - Sales and marketing efforts to originate from Detroit in the US, a key automotive hotspot, headquarters of GM
 - Adaptation of CXZ Telematics platform to cater for larger fleets of 1,000+ vehicles
 - Cash outflows to be reduced further through cost savings initiatives
 - Significant Board changes announced separately today, with appointment of Executive Chairman and US-based CEO
- Successful fund raise, with \$1 million from sophisticated and professional Australian and international investors with funds to be used for sales and marketing initiatives
- Connexion is in continued advanced discussions with potential global automaker partners from US and Europe, with 5 RFQ's currently being processed

3 April 2017, Melbourne Australia: Connexion Media Limited (ASX: CXZ), an innovator in the connected car market, is pleased to confirm that it has completed a strategic review of its operations and strategy and will be reinforcing its efforts to drive its telematics sales in the US market. To facilitate this revised focus, the Company will build on its US operations and has made several Board and management changes, announced separately today. It has also completed a successful Placement to raise \$1 million before costs.

US Focused Strategy Targeting Broader Market

Following a strategic review of its operations and growth strategy, Connexion Media has resolved to focus its operations on its telematics sales opportunity, primarily in the US market while further developing opportunities from the embedded, strategic relationship with Connexion Media's automotive partner, General Motors (GM). Consistent with this focus, the Company has promoted its Head of USA Operations and Chief Marketing Officer, Mr Junior Barrett, as Chief Executive Officer (see announcement today). Mr Barrett will be based in Detroit, USA.

In addition, the Company's sales and marketing efforts will now be driven primarily out of Detroit, a key automotive hotspot and the headquarters of Connexion Media's automotive partner, GM. Connexion Media will retain its Melbourne office as its headquarters, where all software development, product innovation, operations and finances will be facilitated. The Melbourne office will be led by newly appointed Executive Chairman, George Parthimos.

From its Detroit office, the Company's sales and marketing team will be bolstered to broaden the section of the fleet vehicle market that it will target, aiming to sign up fleet managers with 1,000+ vehicles, in addition to its original focus on fleet customers with up to 15 vehicles. By adapting its telematics platform to host larger fleets, the Company will expand the number of vehicles it can target by an additional 1.75 million vehicles that can be accessed via a concentrated customer base of fleets across the US.

As part of the strategic review, the Company has identified further net cost savings from across the business that can be achieved through a reduction in head office costs and other corporate overheads.

Connexion Media can confirm that its advanced discussions with future potential partners is ongoing, with 5 major request for quotations lodged with global automakers based in the US and Europe. The Company will update the market once any negotiations are finalised and a purchase order is received.

Outline of Board and Management Changes

Connexion Media's long-term shareholder, Mr Mark Caruso, has joined the Board as Non-Executive Director. In addition, the Company has promoted CEO George Parthimos to the role of Executive Chairman.

At the same time the Company has streamlined its Board to 4 directors. Non-Executive Chairman John Conomos, and Non-Executive Director, John Dimitropoulos have both voluntarily step down from the Board to enable the new streamlined strategy.

As part of the Company's succession plan, it will now be led by CEO Junior Barrett, who has stepped into the management role having already spent two years establishing the Company's US presence as Chief Marketing Officer and Head of USA Operations.

All Board and management changes will take place with immediate effect and have been announced in further detail in a separate release today.

Successful Capital Raise

The Company has been successful in raising \$1 million via a placement of 13.8 million new fully paid ordinary shares at an issue price of 7.2c to Australian and international sophisticated and professional investors under the 15% placement capacity. Westar Capital acted as Lead Manager for the offer which received strong support from several long-term strategic investors in the Company, including newly appointed Non-Executive Director and entrepreneur, Mark Caruso.

The funds will be used for ongoing sales and marketing initiatives, as well as for working capital purposes. The Company will also leverage the funds to build its sales and marketing function in its priority US market through the addition of sales and marketing headcount in the US.

Junior Barrett, newly appointed CEO of Connexion Media, said:

"With Connexion's main development initiatives now completed and our telematics platform easily adaptable for larger fleets, the Company can now focus on ramping up its sales and marketing efforts particularly in the key US market. By making minor adaptations to our telematics platform to facilitate the management of larger fleets, we can significantly expand our potential customers and capture more vehicles for each customer that signs on, through a more concentrated target customer base.

"With a strengthened US-based sales and marketing team and the strong support we have received for our Placement, we will be able to build on the very strong reputation Connexion has established in the automotive industry to increase our sales."

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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 and Detroit.

Connexion has two core products in commercialisation, CXZ Telematics and miRoamer. CXZ Telematics 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. CXZ Telematics 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.