

**ASX Announcement**

**By e-lodgement**

**ASX Code: CXZ**

**26 August 2014**

**Updated statement of financial position**

Attached is an updated statement of financial position based on the actual amount of funds raised pursuant to the offer under the replacement prospectus dated 2 June 2014, the first supplementary prospectus dated 3 July 2014 and the second supplementary prospectus dated 21 July 2014 (**Replacement Prospectus**).

For further information please contact 0421 086 550.

## Historical and Pro-Forma Financial Information

### Statements of financial position

	Notes	Audited Actual Connexion Media Limited [30 June 2014]	Audited Actual MiRoamer Pty Ltd [30 June 2014]	Pro-Forma Consolidated
<b>Current Assets</b>				
Cash and cash equivalents	3	-	-	2,858,052
<b>Total Assets</b>		-	-	<b>2,858,052</b>
<b>Current Liabilities</b>				
Trade and other payables		181,544	2,763	184,307
Secured loan		313,631	-	313,631
Non-secured loan owing to Mi Media Holdings Limited		235,667	-	235,667
<b>Total Liabilities</b>		<b>730,842</b>	<b>2,763</b>	<b>733,605</b>
<b>Net (Deficiency of)/Assets</b>		<b>(730,842)</b>	<b>(2,763)</b>	<b>2,124,447</b>
<b>Equity</b>				
Issued capital	4	93,857,774	1	6,127,938
Costs of issuing equity	5	-	-	(1,988,812)
Accumulated losses		(94,588,616)	(2,764)	(2,014,679)
<b>Total Equity</b>		<b>(730,842)</b>	<b>(2,763)</b>	<b>2,124,447</b>

*These statements should be read in conjunction with the accompanying notes*

## **Historical and Pro-Forma Financial Information Annexure**

### **Notes to the Financial Information**

#### **1. Summary of Significant Accounting Policies**

##### **Basis of preparation**

The financial information included in this Annexure relates to the historical information of Connexion Media Limited and MiRoamer Pty Ltd (MiRoameer), and of the Pro-Forma transactions set out in Note 2. For the purposes of the preparation of the Pro-Forma financial information, the entity to which that consolidated information applies shall be referred to as “Connexion Media” or the “group”.

The financial information included in this Annexure has been prepared in accordance with the measurement and recognition criteria of applicable Australian Accounting Standards, mandatory professional reporting requirements, the specific accounting policies detailed in this Note 1 and the adjustments and assumptions detailed in Note 2.

Certain disclosure requirements under the *Corporations Act 2001* and applicable Australian Accounting Standards have not been included where the information which would be disclosed is not considered material or relevant to potential investors.

Both companies adopted the accrual basis of accounting, which includes the historical cost convention and the going concern assumption. All amounts have been presented in Australian dollars, which are the companies’ functional and presentation currency. The significant accounting policies which have been adopted in the preparation of the historical and Pro-Forma historical financial information (collectively referred to as the “financial statements”) are:

##### **Principles of consolidation**

A controlled entity is any entity controlled by an accounting acquirer. Control exists where an entity has the capacity and power to govern the decision-making in relation to the financial and operating policies of an investee and also participate in the variable returns of that investee.

All inter-group balances and transactions between entities in the group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities have been changed where necessary to ensure consistencies with those policies adopted by the parent entity.

##### **Reverse acquisitions of entities that are not businesses**

When an entity (the accounting acquirer) obtains control over another entity and that entity is not a business, the accounting acquirer applies the group’s accounting policy for consolidations. Assets and liabilities consolidated into the group are recorded at their book values. Any excess of the fair value of the consideration paid in-respect of acquiring control over that entity in-excess of the book values of that entity’s assets and liabilities is expensed to the profit and loss. Where consideration for the acquisition involves the issue of equity by the accounting acquirer, such equity is measured at its grant date fair value.

## **Historical and Pro-Forma Financial Information Annexure**

### **Notes to the Financial Information**

#### **1. Summary of Significant Accounting Policies** *(continued)*

For this transaction, the Directors have assessed that Connexion Media Limited as a stand-alone entity does not meet the definition of a business, as defined in Australian Accounting Standards and, alternately, that MiRoamer satisfies the definition of an accounting acquirer.

#### **Financial Instruments and Convertible Notes**

Financial instruments include trade and other receivables, trade and other payables and convertible notes. Financial instruments are recognised when an entity becomes party to the contractual provisions of the instrument. When financial liabilities have equity conversion features that are based upon a fixed number of shares, on initial recognition fair value is attributed firstly to the debt portion of the instrument with the residual reallocated to equity. On initial recognition, financial instruments are originally measured at fair value plus transaction costs by applying trade date accounting.

##### *Subsequent measurement*

All financial instruments thereafter are subsequently measured at amortised cost, using the effective interest rate method. Amortised cost is calculated as a) the amount at which the financial liability is measured at initial recognition; b) less principal repayments; c) plus or minus the cumulative amortisation of the difference, if any, between the amounts initially recognised and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability.

## Historical and Pro-Forma Financial Information Annexure

### Notes to the Financial Information

#### 2. Assumptions Applied in Preparing the Financial Information

The Pro-Forma financial information has been included for illustrative purposes to reflect the position of both transacting entities on the assumption that the following transactions had occurred as at 30 June 2014:

##### *Transactions that form part of this Replacement Prospectus*

- (a) Connexion Media Limited will allot and issue 15,734,320 ordinary fully paid ordinary shares at an issue price of 20 cents per share to raise \$3,146,864;
- (b) Connexion Media Limited will allot and issue to Mi Media Holdings Limited 45,000,000 fully paid ordinary shares at a price of \$0.20 per share to legally acquire (as part of a reverse acquisition) 100% of the shares in MiRoamer Pty Ltd. This transaction will represent (on a pre-fundraising basis) approximately an 11.60% cost of equity to the shareholders of Mi Media Holdings Limited in-respect of the reverse acquisition of MiRoamer Pty Ltd of Connexion Media Limited;
- (c) Connexion Media Limited will allot and issue 7,500,000 shares at nil consideration to promoters as a cost of the acquisition;
- (d) Connexion Media Limited will allot and issue 500,000 ordinary shares at nil consideration to its lead broker, and in-addition Connexion Media Limited will pay in cash to its broker a total of 6% of the total funds raised from the Replacement Prospectus; and
- (e) The group will incur capital raising costs in-respect of the shares issued under this Replacement Prospectus. Costs for legal and professional fees connected with this Replacement Prospectus are anticipated to be \$200,000.

## Historical and Pro-Forma Financial Information Annexure

### Notes to the Financial Information

#### 3. Cash and cash equivalents

	Note	Pro-Forma Consolidated as at 30 June 2014 \$
Cash at bank – Connexion Media Limited		-
Issue of shares under the Replacement Prospectus	2a)	3,246,864
Costs of capital raising	2d); 2e)	(388,812)
		<b>2,858,052</b>

#### 4. Issued capital

	Note	Pro-Forma Consolidated as at 30 June 2014 \$\$
Issued capital - MiRoamer Pty Ltd		1
Issue of 45m shares by Connexion Media Limited to acquire MiRoamer, accounted for a reverse acquisition and a dilution in the market capitalisation equity interest of MiRoamer of 11.60% (before Replacement Prospectus transactions)	2b)	1,281,073
Issue of shares under the Replacement Prospectus	2a)	3,246,864
Shares issued to promoters and brokers	2c); 2d)	1,600,000
		<b>6,127,938</b>

For details of changes to the capital structure, including the consolidation of ordinary shares in Connexion Media Limited and the issue of shares for the acquisition of MiRoamer, refer to section 1 of the Replacement Prospectus.

## Historical and Pro-Forma Financial Information Annexure

### Notes to the Financial Information

#### 5. Costs of issuing equity

	<i>Note</i>	<i>Pro-Forma Consolidated as at 30 June 2014 \$</i>
Shares issued to promoters and brokers	2c); 2d)	1,600,000
Costs of capital paid in cash to professional advisers	2e)	388,812
		<b>1,988,812</b>

#### 6. Contingent Liabilities and Commitments

For details concerning significant and material contracts that either represent contingent liabilities or legal commitments, refer to section 7 of the Replacement Prospectus.

#### 7. Related party transactions

For information concerning related party transactions that are relevant to this Annexure, refer to sections 3 and 7 the Replacement Prospectus.