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> Connexion Media Limited. ABN 68 004 240 313

ASX Announcement
4 April 2018

Completion of Initial R&D Activities with Deakin University

Melbourne Australia: Connexion Media Limited ("CXZ") is pleased to announce the completion of the initial research and development activities with Deakin University Software and Technology Innovation Laboratory.

As noted in the September 2017 Quarterly Update, the Company is pleased to be working with Deakin University Software and Technology Innovation Laboratory with the aim of tightening the development processes for large project work. Deakin University R&D team carries contemporary skill sets in a range of disciplines relevant to CXZ's connected car platforms including data scientists, machine learning and telemetry practitioners as well as full stack development professionals.

The initial project undertaken with Deakin involved redesign of the Flex product, the core technology that has been implemented into CXZ's client contracts. Since the initial development of Flex, and subsequent re-investment cycles, the programming techniques and platform architecture options available in the market has meant there are more efficient and scalable approaches to delivering connected car solutions.

The deliverables were received in full and met the initially documented requirements; the results are material to the cost models and progress of the company.

The strategic rationale for the initial consultancy was as follows:

- The current connected car platform design, underlying technology platform selection and ongoing running costs are non-economic at current volumes.
- The current systems architecture relies on third parties for key components which the Board seeks to bring in house and incorporate into the Company's portfolio of wholly owned technologies.
- The turnover of key technology leadership and staff potentially presents a risk around clear title between client and internal technology ownership in the medium term.

The engineering consultancy outputs were as follows:

- The deliverables were developed independently and under laboratory conditions. The phases of work included an initial hypothesis and documentation, development of fit for purpose architecture and prototyping of architecture to develop a proven scalability model which can be summarised into a normalised performance metric for commercial estimates;
- The artefacts generated include design rational and architecture overview, UML component diagrams, deployment diagrams, sequencing diagrams (dataflow), normalised performance benchmark and prototype programs; and
- The key artefacts and prototype technology will be held in escrow and added too as the company continues to invest in the development of the technologies. The company will license these technologies to its subsidiaries as the new architecture is implemented into current contracts

Key commercial outputs:

- The prototype architecture reduces the operating costs by more than 50%, and further cost reductions are anticipated in the next phases of work. Increased volumes of vehicles onto the prototype platform showed that the resource profile required plateaus at low volumes and only increases when the deployment of the architecture seeks to achieve goals of redundancy, availability or jurisdictionally mandatory requirements; and
- All Intellectual Property for the components developed will be transferred to CXZ under the terms of the agreement.

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David Connolly, Executive Director of CXZ said "CXZ will continue to work with Deakin University Software and Technology Innovation Laboratory on a project basis and for specific component development to support new client requirements. The partnership enables CXZ to access highly skilled staff on a project basis, improving project profitability and internal return on investment"

Professor Kon Mouzakis, Director Deakin Software and Technology Innovation Lab said "Deakin Software and Technology Innovation Lab is very proud to be working on innovative products with Connexion Media which will be made available in Australia and throughout the world."

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 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.