

Quarterly Update

For the Quarter Ended 31 December 2024

- **Marketplace subscription growth emerging**
- **OnDemand progressed from pilot to general launch**
- **Focus on User Engagement and User Insights to drive Marketplace sales**
- **All reported figures are unaudited and in USD, unless otherwise stated**
- **Q2 Revenue of \$2.8m → +6% over prior quarter**
- **Q2 Gross Profit of \$1.93m → +3% over prior quarter**
- **Q2 Diluted Earnings Per Share ("EPS") of 0.077 US cents → +71% over prior quarter**
- **Q2 Net Profit Before Tax of \$0.96m → +68% over prior quarter**
- **Q2 Operating Cashflow of \$0.17m → -62% over prior quarter**

Connexion Mobility Ltd ("Connexion" or the "Company") is pleased to provide an update on its activities for the quarter ended 31 December 2024 ("Q2 FY25" or "the Quarter").

Summary

Connexion continued to supply its mobility SaaS platforms, OnTRAC and Connexion, to US Automotive OEMs and franchised dealers, to manage their courtesy transportation activity.

Financially, Connexion's performance in Q2 FY25 consisted of:

1. Revenue growth from Connexion subscriptions
2. Revenue growth from income linked to vehicle inventories
3. Revenue growth from feature-enhancement delivery
4. Decreased Growth Spend across R&D and Sales & Marketing

Gross Profit increased 3% quarter-on-quarter ("Q-o-Q"), to \$1.93m.

Net Profit Before Tax ("NPBT") increased 68% Q-o-Q, to \$0.96m.

Connexion's top priority is growing long-term Shareholder value, being a function of the size, sustainability, and diversification of diluted earnings per share.

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This drives our mission to be the “Connexion” between Fleet Owners and the Future of Mobility.

We are starting this journey within the niche of Courtesy Transportation for Automotive Retail – a niche supplied by three main modes of transportation: the loaner car, shuttle and ridehail.

To date, we have meaningfully commercialised our loaner product, with the rest to come.

We are pursuing clear strategic and financial objectives, all of which are fully funded. While our Growth Spend has decreased in the past two quarters, we expect this to resume an upward trend, as we pursue the growth opportunity before us.

Strategically, we strive to be the single platform through which our customers move people, parts and vehicles. Achieving this means prioritising product development, whilst deepening and expanding customer relationships, rather than over-optimising for near-term financial metrics.

We believe that deepening and expanding our customer relationships will ultimately lead to sales growth via our proprietary Marketplace.

Financially, we aim to grow long-term Shareholder value, as measured by the size, sustainability, and diversification of our earnings per share. We will continue prioritising reinvestment into the business, as measured by Growth Spend, provided that we see a clear path to generating an acceptable return on such spend.

Operations

Product Enhancements

Connexion is focused on keeping its mobile and desktop platforms at the forefront of fleet, rental, and mobility management capabilities.

Some of our efforts are invoiced, contributing to either Fixed-dollar SaaS or Service Revenue, with the balance self-funded within our R&D program - forming part of our Growth Spend metric.

Each product enhancement falls into one of the three categories within Connexion’s operating model of “Embed, Integrate, Generate”.

During the Quarter, development effort was spread broadly across Marketplace, OnDemand, Paid Rental, Reporting & Analytics, Continuous Improvement, and various integrations.

Sales

Across our existing dealership customers, our internal sales traction continued to improve, albeit off a low base. During the quarter, we added ~30 unique product sales (net new subscriptions or trials), just as we did in the prior quarter.

We continue to focus on improving our revenue diversification in five ways, by:

1. Deepening our commercial relationship with our existing OEM counterparts
2. Initiating commercial relationships within other departments of our OEM customers
3. Initiating commercial relationships with OEMs outside of our existing customers

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4. Deepening commercial relationships directly with existing dealership customers
5. Initiating commercial relationships directly with prospective franchised dealerships

Commercial Partnerships

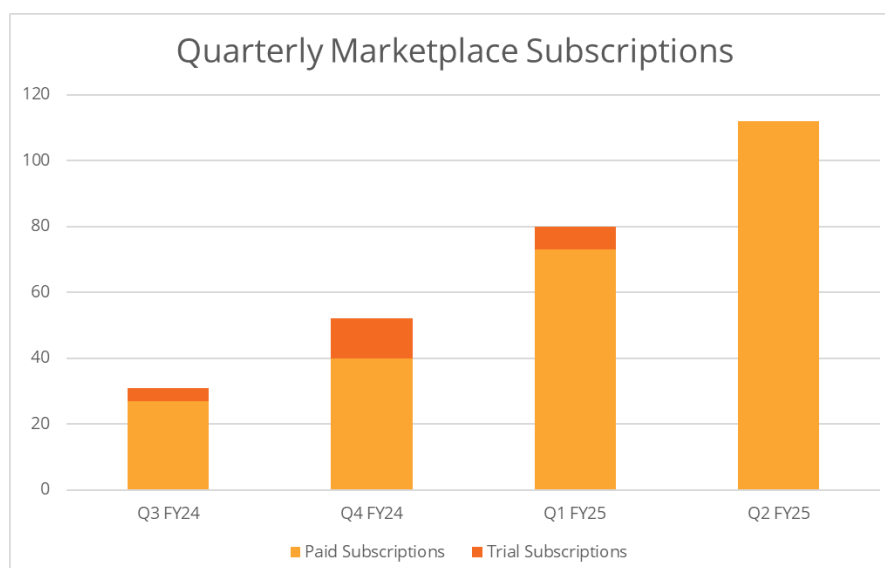
We update on our core Commercial Partnerships as follows:

- Tollaid: during the Quarter, multiple dealerships signed up to trial, from which we anticipate a strong conversion rate, as we have seen with our other trial users to date. This brings the total number of paying and trial subscriptions to 66, at quarter-end, from 46 in the previous quarter. Steady revenue growth continues.
- Quickride: subscriptions remain well below target, with the most common negative feedback being that the product is more of a “nice to have”, than an outright necessity. The stand-alone viability of this product is in question unless we can create meaningful differentiation, and we are working on ways to address this.
- UVeye: Integration work continued, with beta-testing being finalized at time of writing.
- Privacy4Cars: Integration work continued, with beta-testing scheduled for Q3 FY25.
- OnDemand: we progressed to general launch with our commercial partner, Uber for Business, ending the quarter with 30 subscriptions.

Marketplace

Launched in H2 FY24, we are growing our Marketplace subscriptions each month, with improving performance. Internal dealer sales holds the largest opportunity for near-term improvement, given our already large userbase, and our small share of their software budget.

FY24 Sales & Marketing efforts highlighted a greater need for User-Product engagement, User insights, and new communication channels. In FY25, we are addressing this with our R&D spend, to drive sales.



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Financial Position

Connexion's financial performance continued strongly during the Quarter, with steady growth in all revenue sources.

The Company recognised total revenue during the Quarter of \$2.8m, being a 6% increase over the prior quarter. A record quarter for the company, with the ninth consecutive quarter of increased revenue.

Subscription and Fixed-dollar SaaS Revenue increased by 5%, each, over the prior quarter, with both Revenue streams again reaching all-time highs. Service Revenue had an increase over the prior quarter by 15%.

Revenue

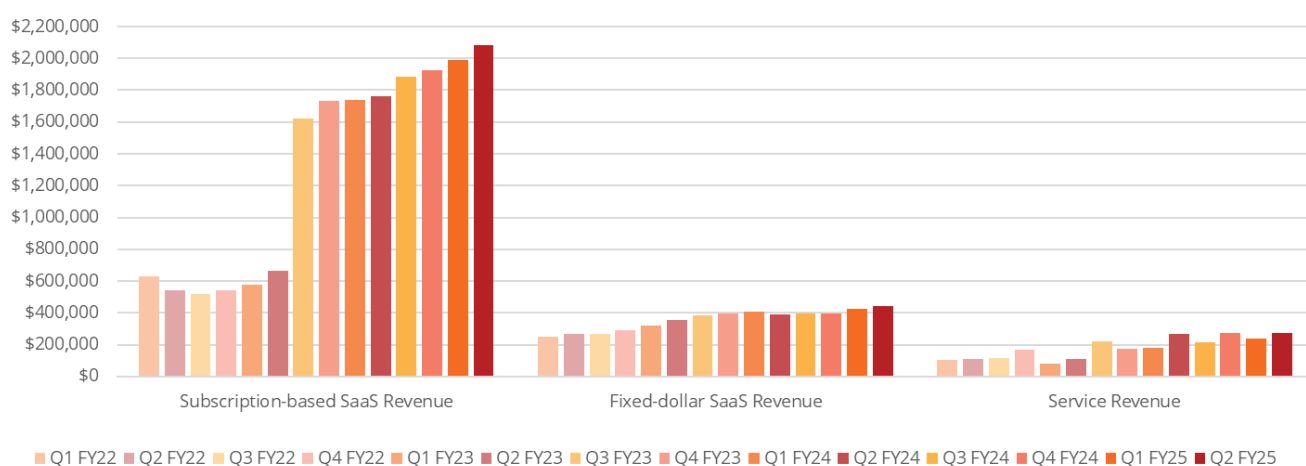
Connexion's three main revenue sources are:

1. **Subscription-based SaaS Revenue** – includes the OnTRAC and Connexion Subscription Bases. Both OnTRAC and Connexion generate revenue which is linked to the maximum number of vehicles on the platform each month. In addition, the Connexion Platform generates a monthly fee per dealership. Each revenue stream has its own cost structure.
2. **Fixed-dollar SaaS Revenue** – typically linked to the maintenance of previously performed customisation work, including analytics, and some APIs.
3. **Service Revenue** – typically linked to one-off software customisation work and customer reimbursement for certain service staff.

All commercial revenue is USD-denominated. Notably, the second and third revenue categories above are fixed fees (both recurring and one-off, respectively), and not directly linked to any variable Subscription Base. As such, they serve to dampen some of the volatility caused by a fluctuating Subscription Base. Each revenue category has its own cost structure.

Below, we present the revenue categories from FY22 onwards.

Revenue Analysis



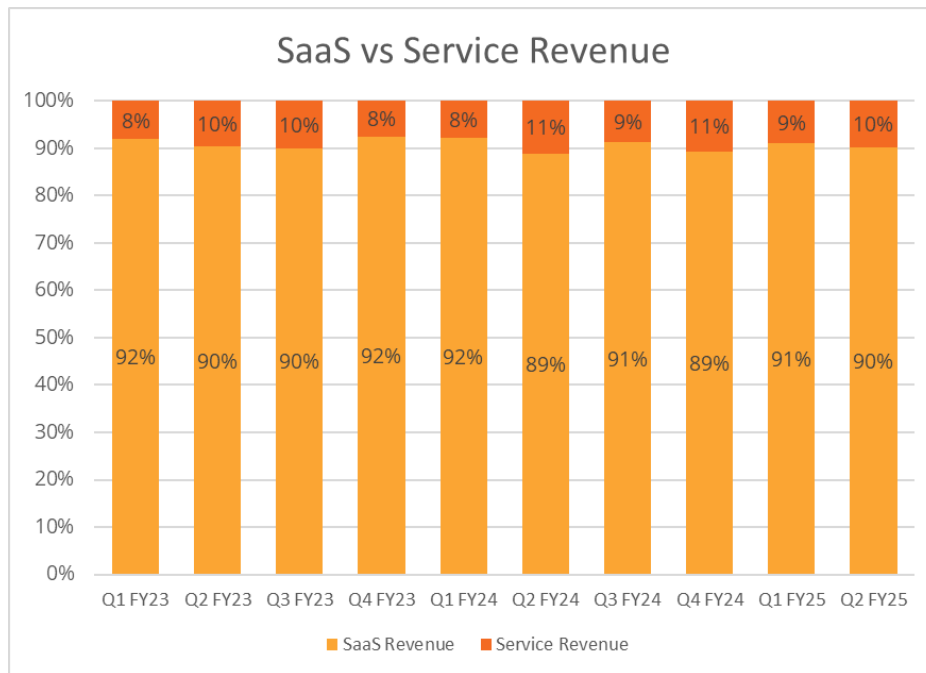
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Subscription-Based Revenue increased to \$2.09m. Notably this is the eleventh consecutive quarterly increase since Q3 FY22.

Fixed-dollar SaaS Revenue increased 5% compared with the prior quarter, from an annualised run rate of \$1.69m in Q1 FY25 to \$1.78m in Q2 FY25. Fixed-dollar SaaS Revenue reflects Connexion's ongoing product enhancement work.

Below, we present the split between SaaS and Service revenue.



Financial Metrics

Diluted EPS for the quarter was 0.077 US cents, up 71% when compared to Q1 FY25. Diluted EPS is determined by our quarterly Net Profit before Tax, applying an assumed effective tax rate to calculate an estimated Net Profit after Tax, which is then divided by the diluted share count for the financial year. Diluted EPS is higher due to the increased Net Profit Before Tax, up 68%, while being magnified by the reduced diluted share count.

AMRR is the Subscription-based SaaS Revenue and Fixed-dollar SaaS Revenue for the month ending, annualised, then compared to June 2024. AMRR has increased 8.8% at the end of December 2024.

The best metric with which to measure Connexion's improving customer diversification is Customer Diversification AMRR, comprising revenue unrelated to the General Motors CTP program. Customer Diversification AMRR increased 96% at the end of December 2024, when compared to June 2024.

Growth Spend

Connexion's Growth Spend consists of discretionary Research & Development plus Sales & Marketing expenditure, and is generally expensed as incurred.

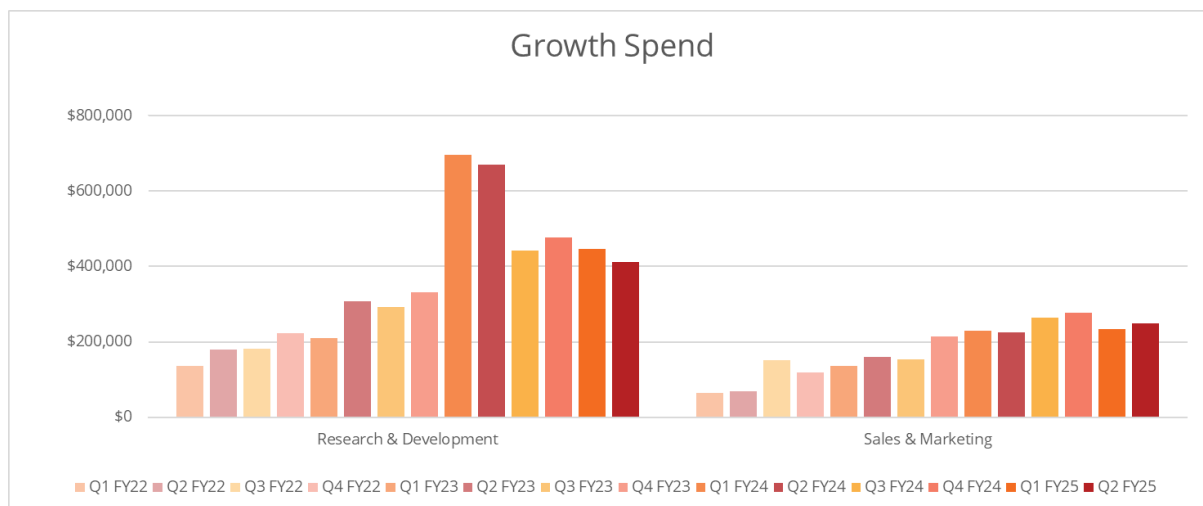
In Q2 FY25, our Research & Development expenditure decreased over the prior quarter by 7.4%,

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while our Sales & Marketing expenditure increased over the period by 6.6%.

Our growth spend reflects our investment into product-based growth initiatives.

Below, we present the Growth Spend categories from FY22 onwards:



Net Profit Before Tax

Connexion recorded a quarterly, unaudited Net Profit Before Tax of \$0.96m, being an increase of 68% over the prior quarter. This does not include the movement in our FX reserve, which is primarily driven by the FX impact on the value of our balance sheet, and recognised as Other Comprehensive Income and Expenses (OCI) in our Interim and Annual Report. The increase in Net Profit Before Tax over the prior quarter reflects an increase in revenue, and a significant, positive FX impact on P&L transactions. The revenue increase comprises \$117k of recurring revenue, and \$36k of one-off Service revenue.

The AUD:USD exchange rate decreased 11% over the Quarter, ending 7.5 cents lower.

Generally speaking, a decrease in the AUD:USD has the following impact on Connexion:

1. An immediate negative impact to our P&L via a decrease in the USD value of our AUD-oriented balance sheet.¹
2. A sustained positive impact to our P&L via increased Operating Cashflow over time.

¹FX movements in balance sheet accounts are recognised through an FX reserve account. FX reserve gains and losses are not considered core operating activities, and as such, are reported as Other Comprehensive Income in our Interim and Annual Report.

Both Board and Management continue to maintain a disciplined approach to costs, whilst reinvesting a large portion of Maintainable Earnings back into the pursuit of long-term growth.

Net Cash and Investments decreased by \$0.63m, bringing total Net Cash and Investments to \$4.5m at the end of the Quarter. This was driven by Financing Cash Outflow of \$0.37m and movement in FX, offset by Operating Cash Inflow of \$0.17m. The falling share count increases the intrinsic value of each share, while our balance sheet remains strong.

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Below features a summary of our key financial metrics.



Capital Management

During the Quarter, Connexion repurchased 22.2m shares at an average price of A\$0.026 per share. Across all its buyback initiatives, Connexion has repurchased approximately 209m shares between A\$0.01-0.028 per share.

During the Quarter, Connexion's investment portfolio delivered a net return of +1.94%.

Importantly, our capital management initiatives are designed to not constrain our organic investment initiatives. It is only after our projected internal growth initiatives are fully funded that we turn to alternative uses for any excess capital, such as dividends, buybacks, M&A, and so on.

Outlook

Connexion's mission is to be the "Connexion" between Fleet Owners and the Future of Mobility.

We are starting this journey within the niche of Courtesy Transportation for Automotive Retail – a niche supplied by three main modes of transportation: the loaner, shuttle and ridehail.

To date, we have meaningfully commercialised our loaner product, with the rest to come.

We see OEMs and dealerships increasingly adopting software to:

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1. Improve their customers' experience
2. Drive operational efficiency
3. Reduce risk

Connexion's software:

1. Delivers on each of the above, today
2. Has a large Userbase within which to iterate its product, and grow its market presence
3. Has only a small share of dealerships' total software spend, providing ample scope to grow

Connexion intends to continue growing its SaaS revenue streams via:

1. Proprietary features valued by its existing Userbase of franchised dealerships
2. Commercial Partnerships bringing complementary functionality to this existing Userbase
3. Expansion of the Userbase itself to new OEMs and franchised dealerships

All numbers in this release are preliminary and unaudited. This announcement has been authorised for release to the ASX by the Board of Directors.

Ends

Issued by: Connexion Mobility Ltd
Authorised by: The Board of Connexion Mobility Ltd

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About Connexion Mobility

Connexion is a public, enterprise-grade, mobility software company servicing the global Automotive Retail industry. Its mission is to be the Connexion between Fleet Owners and the Future of Mobility, starting with courtesy transportation.

The Company's proprietary OnTRAC and Connexion platforms incorporate embedded telemetry, fleet management, contract management and data analytics tools to help OEMs and dealerships move people, parts, and vehicles.

Connexion powers courtesy transportation for thousands of dealerships across the US, maximising their asset utilisation and increasing operational efficiency, whilst elevating the end-customer experience.

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