CONNEXION™

Mobility Platform

2023 Annual General Meeting

CONNEXION

GROUP

AGM PRESENTATION

NOVEMBER 2023

Agenda

Introduction

Connexion Telematics is an enterprise-grade software company servicing the US automotive industry.

Our proprietary OnTRAC and Connexion platforms incorporate telemetry, fleet management, contract management, data analytics, and more, to deliver mobility solutions to OEMs and dealerships.

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

What Do We Do?

CONNEXION™

Our OEM-ready mobility platform

Connexion helps OEMs and Dealerships to move people, parts and vehicles.

Starting with courtesy transportation, our customers enjoy:

- A single platform, from which they can manage all modes of ground transport
- Quick reservations and DMS integration, reducing time to rent out vehicles
- Telemetry, allowing Dealers to recoup excess fuel & toll usage from customers
- Reduced audit risk and cost
- Comprehensive reporting and analytics
- Affordability, versus comparable alternatives
- An industry-leading end-customer experience

Connexion supports Dealers' businesses further by integrating with other forward-thinking Software Vendors that enable:

- Reduced cost of doing business
- Risk management concerning Personally Identifiable Information
- Increased rental utilization
- Recovery of fleet costs such as tolling and fuel
- Repeat business through outstanding customer experience
- Accelerated inventory turnover upon loaner program exit

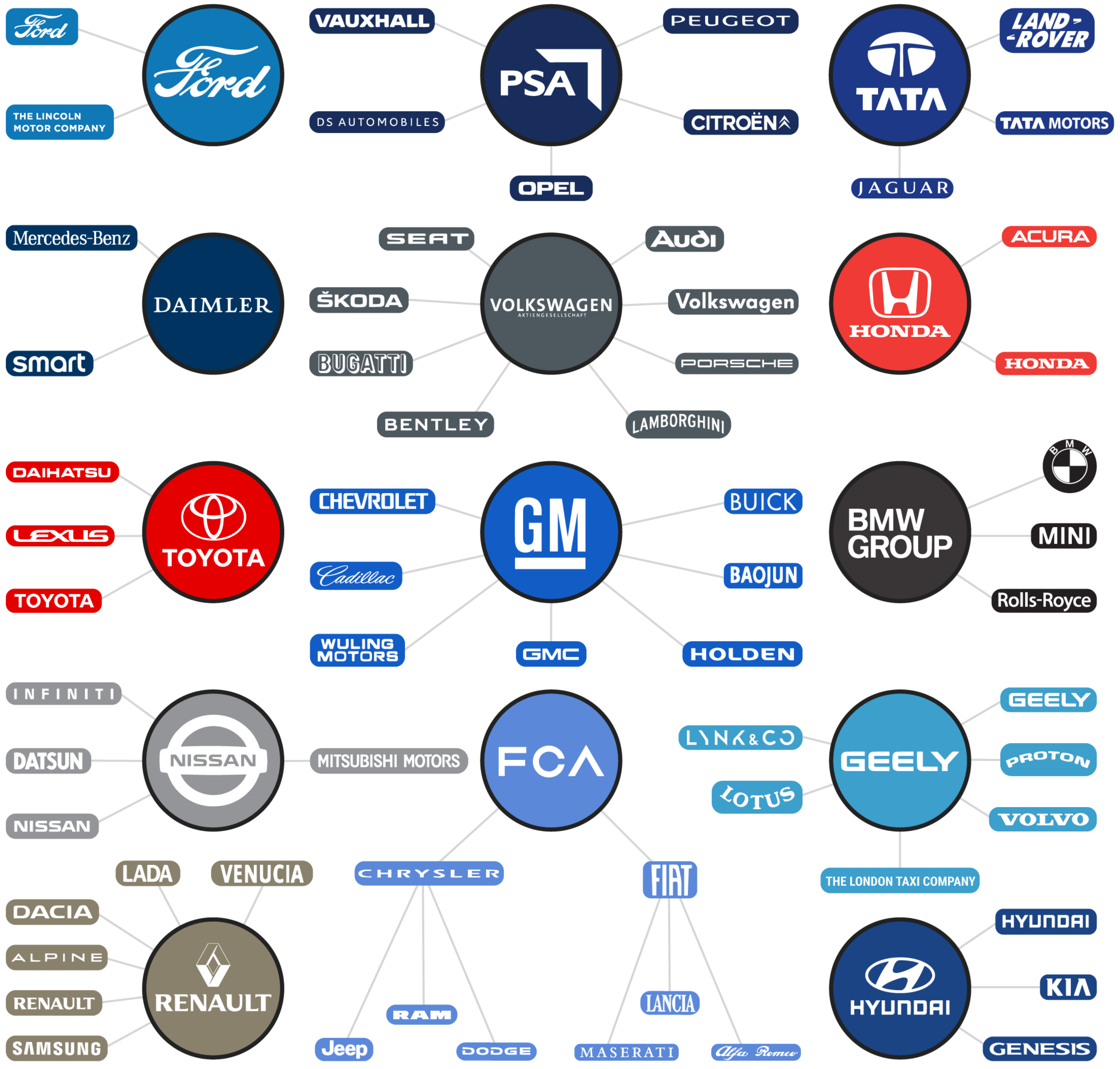
Customer Landscape

- Fleet Owners mostly operate a variety of commercial fleets
- Connexion focuses on a specific type of fleet owner, being the **Franchised Automotive Dealership** (franchisee), along with the **Manufacturer** (franchisor)
- The US is home to circa 17,000 franchised dealerships

OEM Group	US Rooftops - approx.
General Motors	4,000
Ford	3,000
Stellantis	2,500
Toyota	1,300
Nissan	1,200
Volkswagen	1,000
Honda	1,000
Hyundai	800
Daimler AG	380

- US dealership volume (approximate):
- US new car sales: ~15m p.a.
- US used car sales: ~40m p.a.
- US Warranty Repair Orders processed: ~100m p.a.

14 car companies control a combined 62 brands



Note: PSA and FCA have recently merged, forming "Stellantis"

BUSINESS INSIDER

Navigating Industry Trends

The Connexion to the Future

Connexion partners with OEMs and Dealerships to maximise the **utilisation** of their assets, the **profitability** of their business units, and to elevate the end-**customer experience**. This combination is only possible through Connexion's harnessing of useful data from disparate sources to automate workflows

Traditional Dealer Business Model

Dealers selling **products**

- Using siloed data in aftersales
- Intense focus on technical aspects of Parts and Service
- Low customer retention rates beyond warranty period
- Low margin on new cars
- Low brand equity

Industry Trends

- Connected Cars
- Electric Vehicles
- Mobility-as-a-Service
- eCommerce
- OEM-Consumer Direct Sales
- Dealership Evolution

Emerging Dealer Business Model

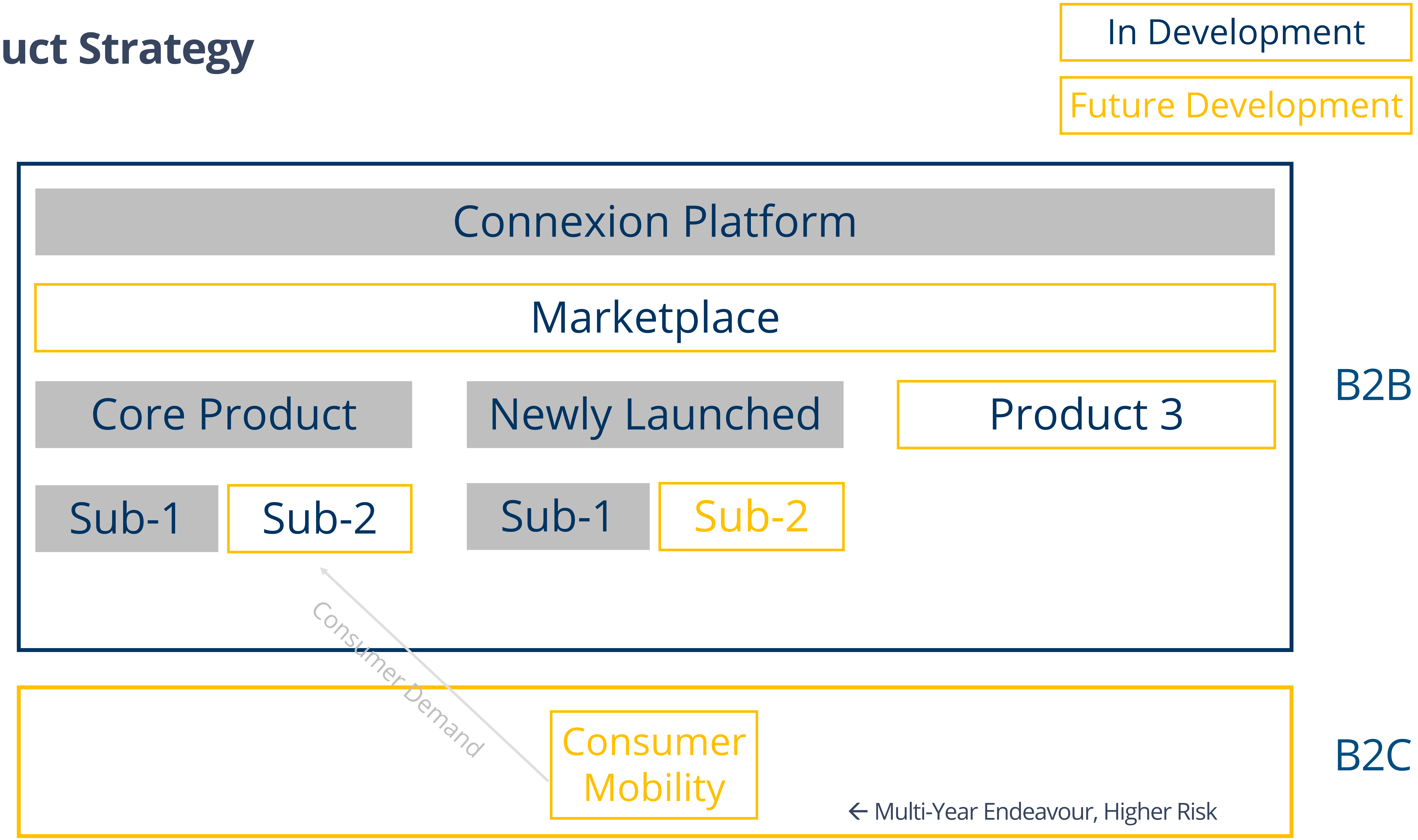
Dealers selling a **customer experience**

- Integrated data unlocks new insights
- Personalised and predictive aftersales communication
- Focus on building relationships & customer satisfaction
- Digital lifestyle convergence
- Longer customer lifetime value and loyalty
- New recurring revenues from augmented products – brand hub

Product Strategy

One Platform, Moving People, Parts, and Vehicles

Product Strategy



Sources of Growth

GM

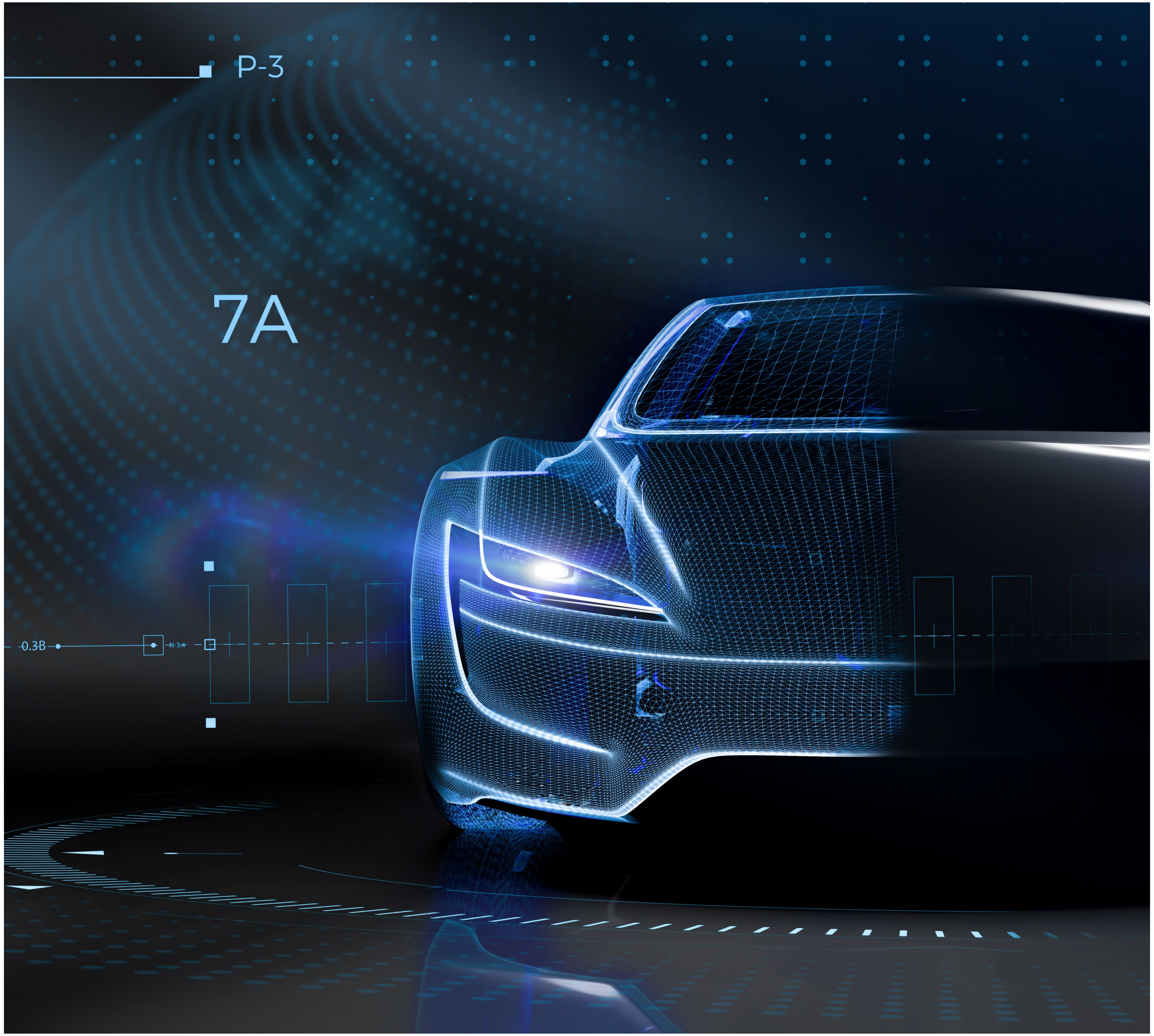
1. Deepening work with GM's CTP Team
2. Adding value to other teams within GM

Direct-to-Dealer

3. Delivering proprietary and 3rd party solutions directly to Dealerships

New OEMs & Dealers

4. Selling the Connexion Platform directly to new OEMs and Dealer Groups



FY23 Results

FY23 Operational Performance

Positives

1. Significantly expanded team with minimal productivity disruption
2. Navigated severe tech wage inflation ahead of budget, and with zero staff turnover
3. Significantly enhanced features of both core platforms
4. Identified, scoped and developed new products
5. Significantly expanded GM CTP contract, including operational execution thereof
6. Expanded relationships elsewhere within GM
7. Onboarded Connexion's first non-GM dealerships
8. Expanded 3rd party integration work
9. Increased direct-to-dealership engagement
10. Achieved multiple, record, quarterly gross and net profit results
11. Repurchased meaningful share volume at attractive prices

Negatives

1. Trailing internal targets for OEM and Dealer expansion

Lessons & Next Steps

1. Sales & Marketing efforts highlighted the need for greater product differentiation
2. GM contract expansion and other product initiatives highlighted excessive internal dependencies → delayed functionality critical for non-GM sales

Throughout FY23 and beyond, we have prioritised:

1. Reorganising our Product & Engineering teams to reduce interdependence
2. Delivering our expanded Product strategy for greater competitive differentiation

Key Trends

Financially, four key trends drove our FY23 results:

1. Revenue growth from larger new vehicle inventories
2. Revenue growth from Connexion subscriptions
3. Revenue growth from feature delivery
4. Expenditure growth from reinvestment into our Team and Products

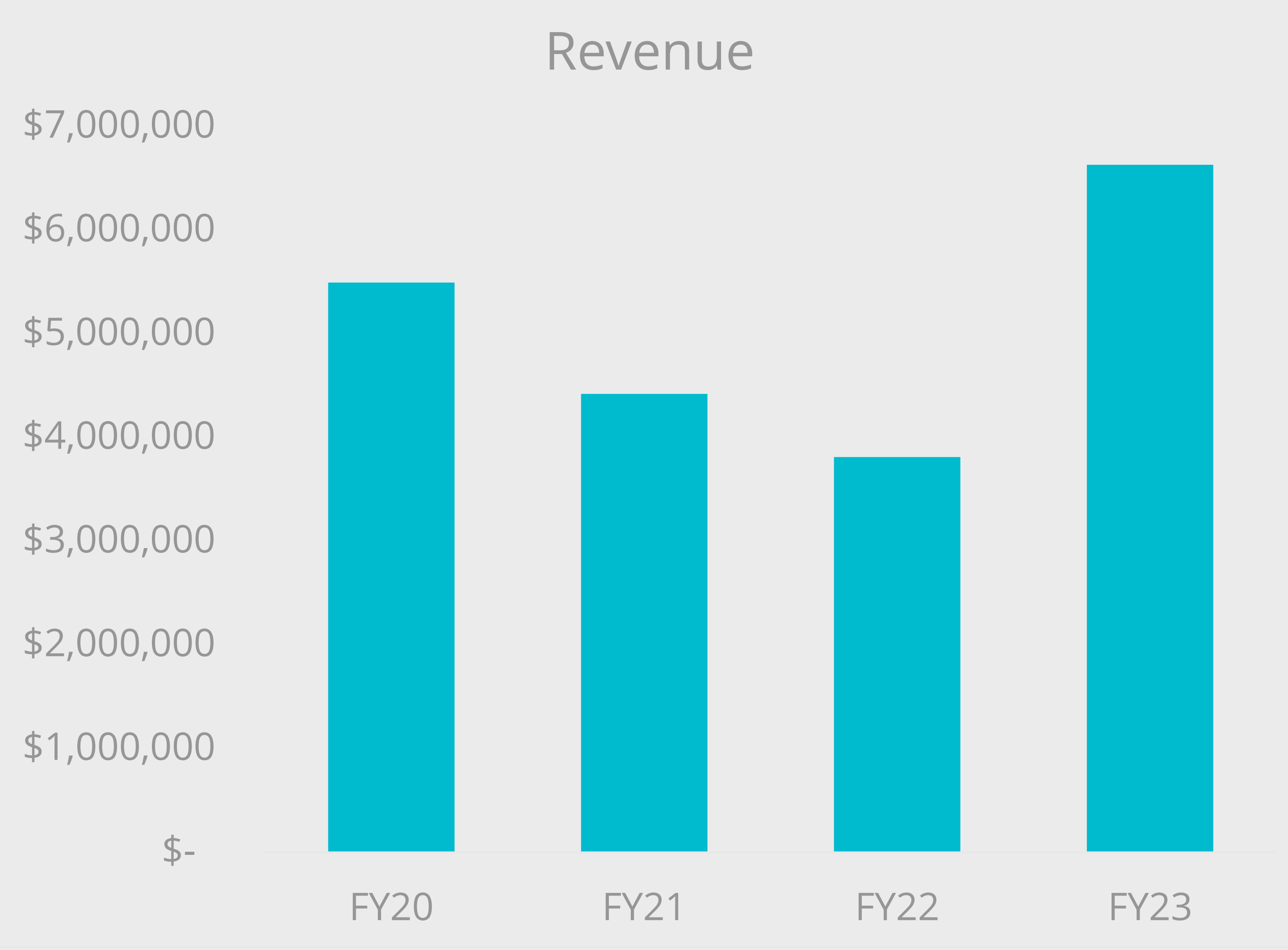
FY23 Highlights

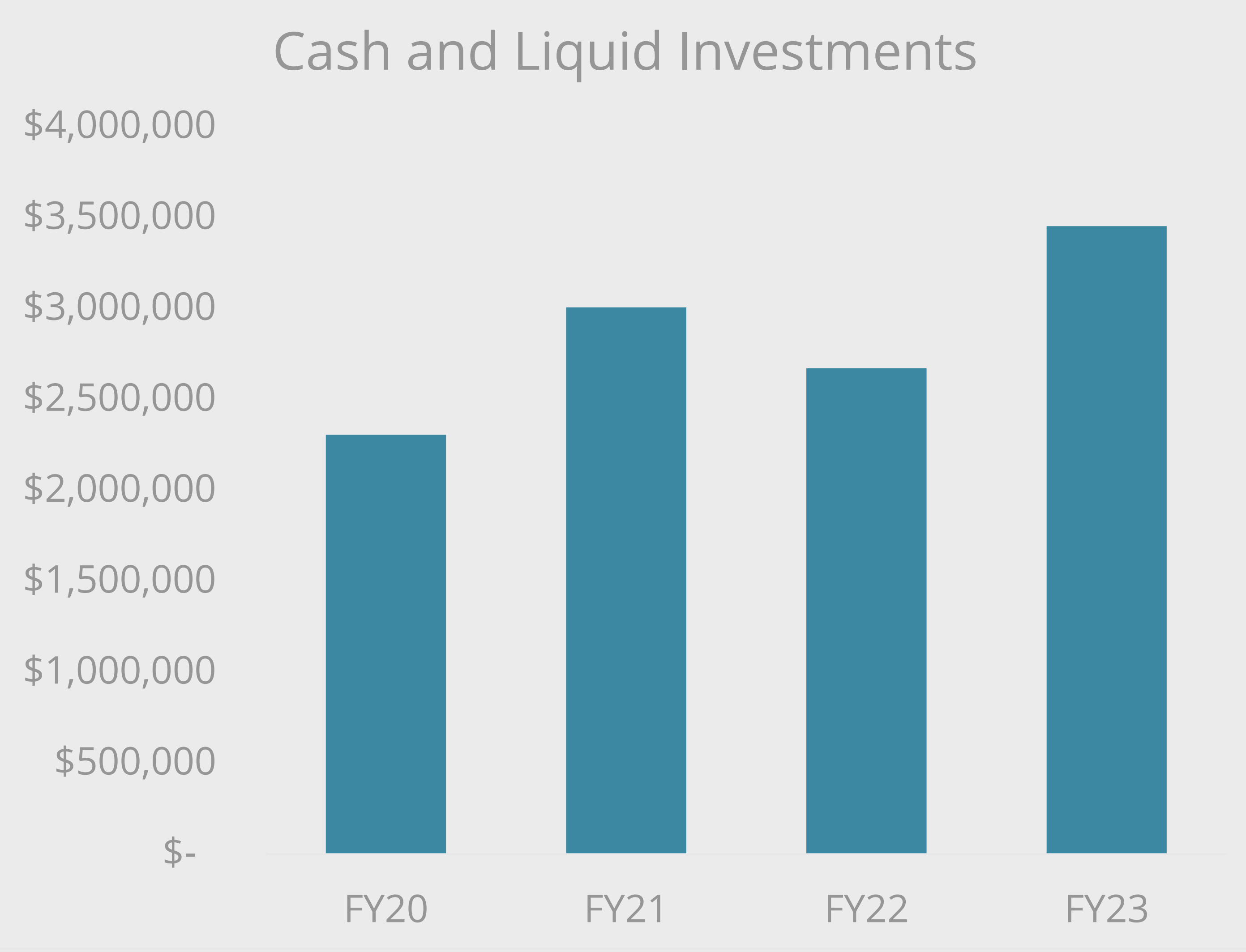
Our P&L exhibits a high degree of operating leverage typical of a SaaS company at an early stage of profitability.

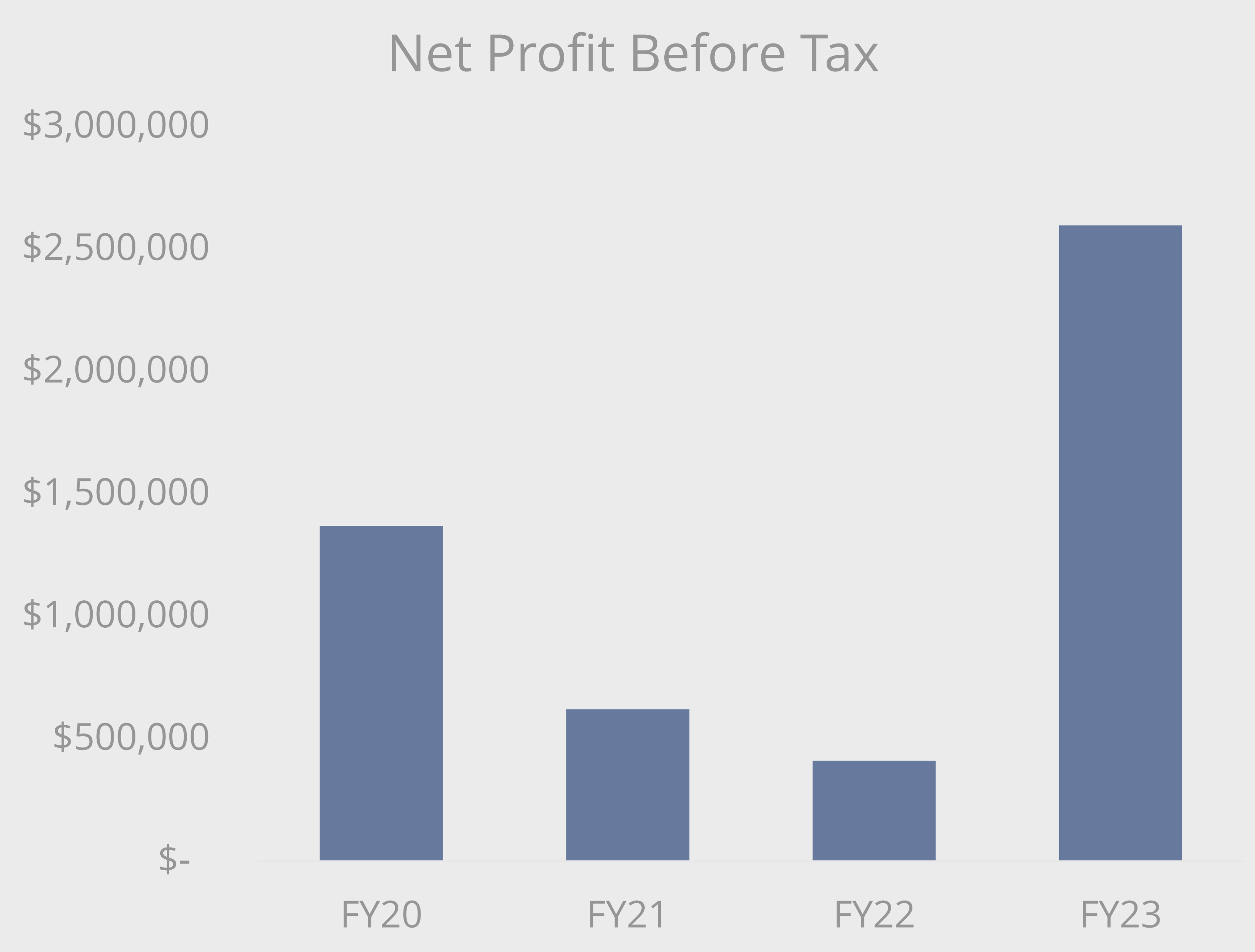
The balance sheet remains strong, with no debt, and benefits from strong free cashflow conversion.

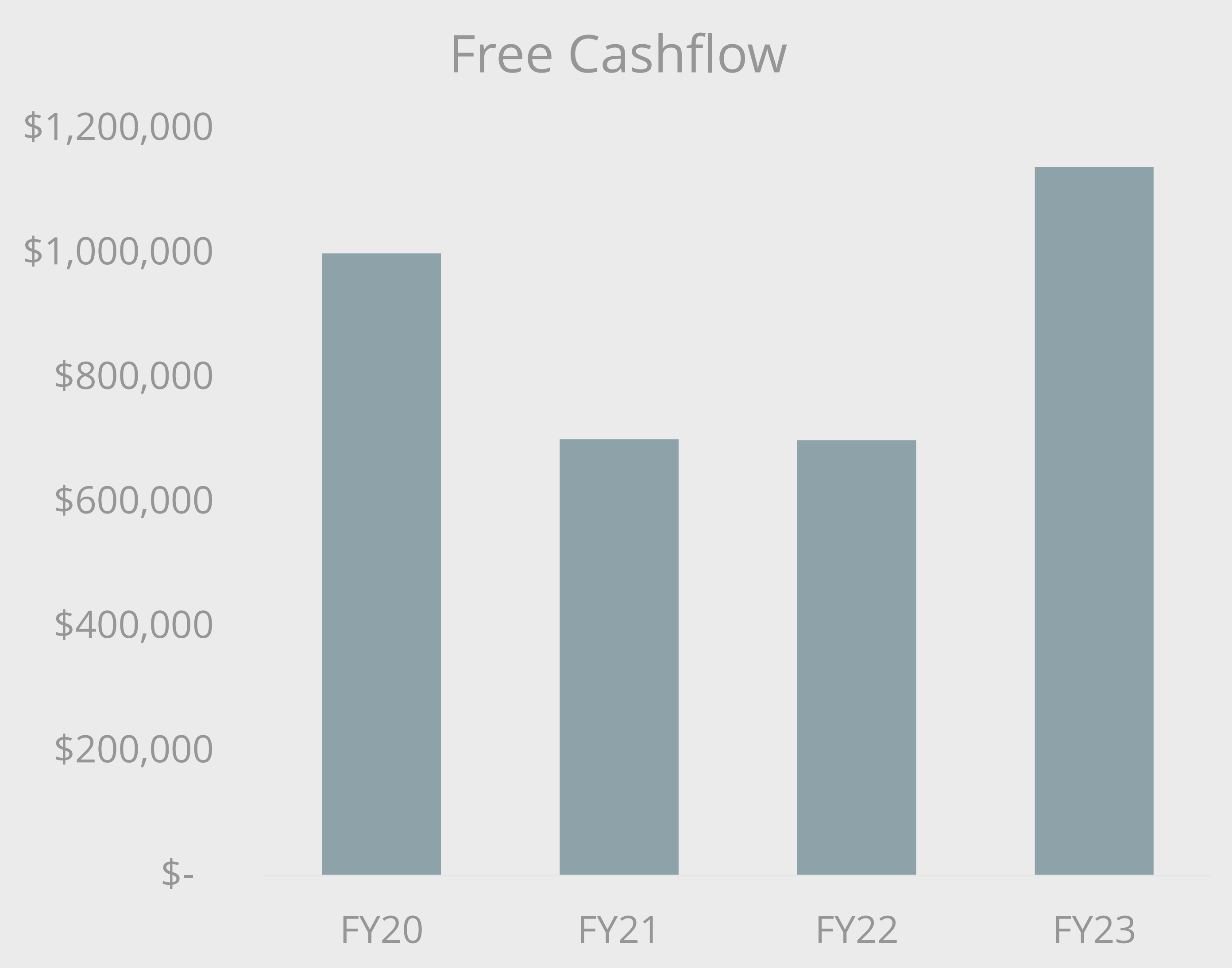
Our Excess Liquidity offers both optionality and defensive characteristics.

During FY23 we continued our on-market Share Buyback program, repurchasing a further 55.8m shares at an average price of 0.0115$/share, on behalf of all Shareholders.



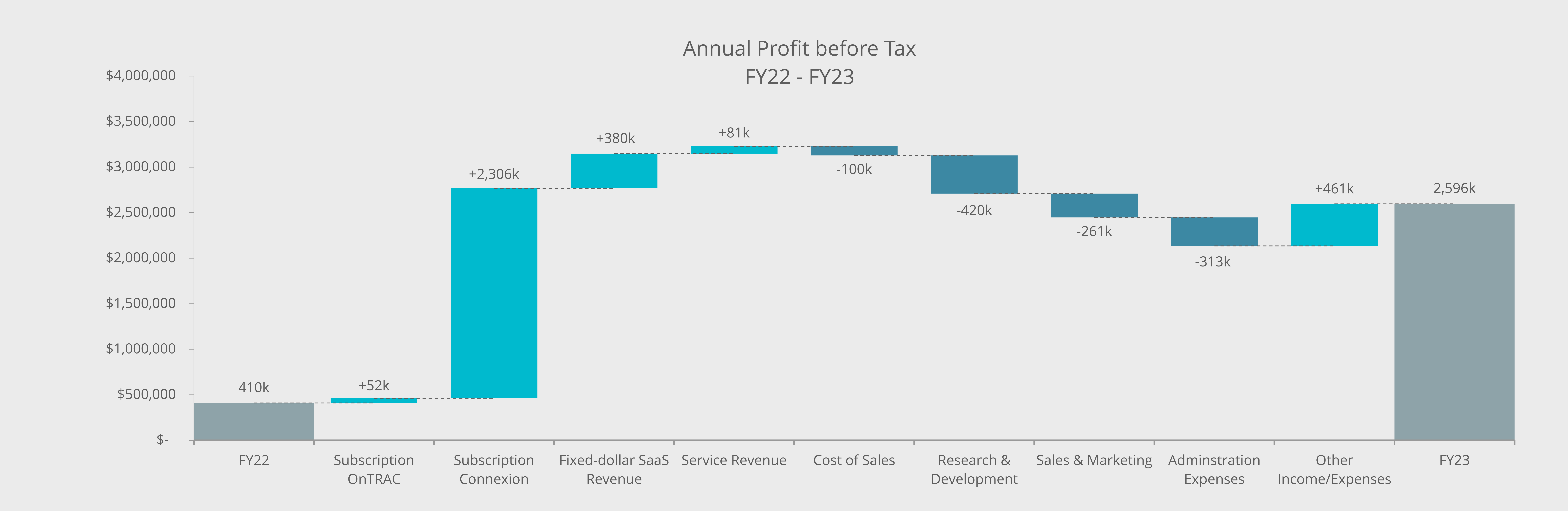






*Free Cashflow of the operating business, excluding financial investments

Net Profit Before Tax



- FY23 total revenue increased by $2,818k, driven by a large increase to Connexion platform revenue and increased Fixed Dollar SaaS Revenue.
- FY23 Gross Profit grew by $2,719k, resulting from the increased Revenue and a marginal change to Cost of Sales.
- FY23 results also show increased Research & Development and Sales & Marketing investment, referred to as Growth Expenditure of $681k. With continued discipline of General & Administration expenses, increasing by $313k.

DMEPS and Gross Profit

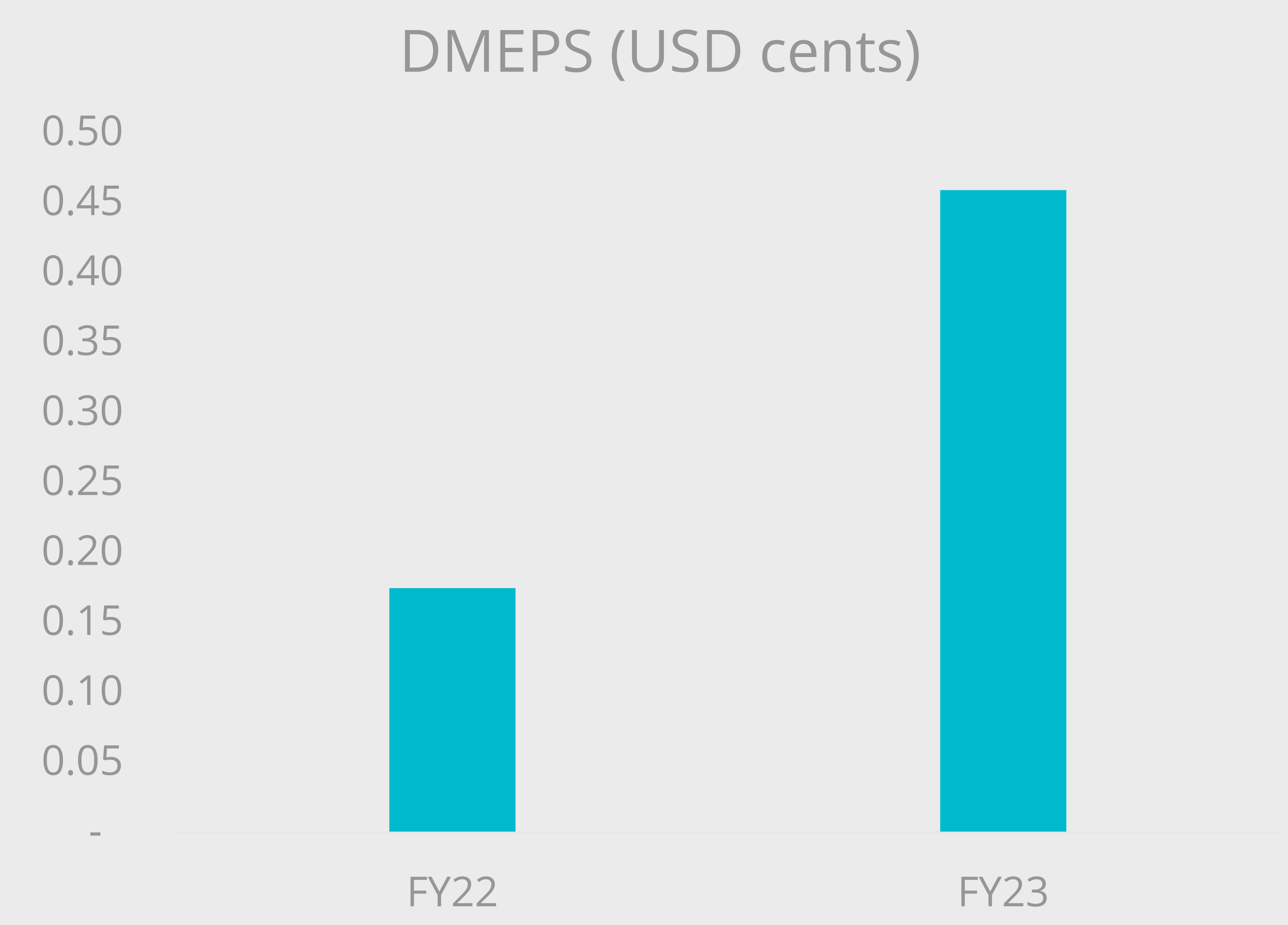
As announced to the ASX on 16 October 2023, Management will now present Diluted Maintainable Earnings Per Share (‘DMEPS’) as a core metric.

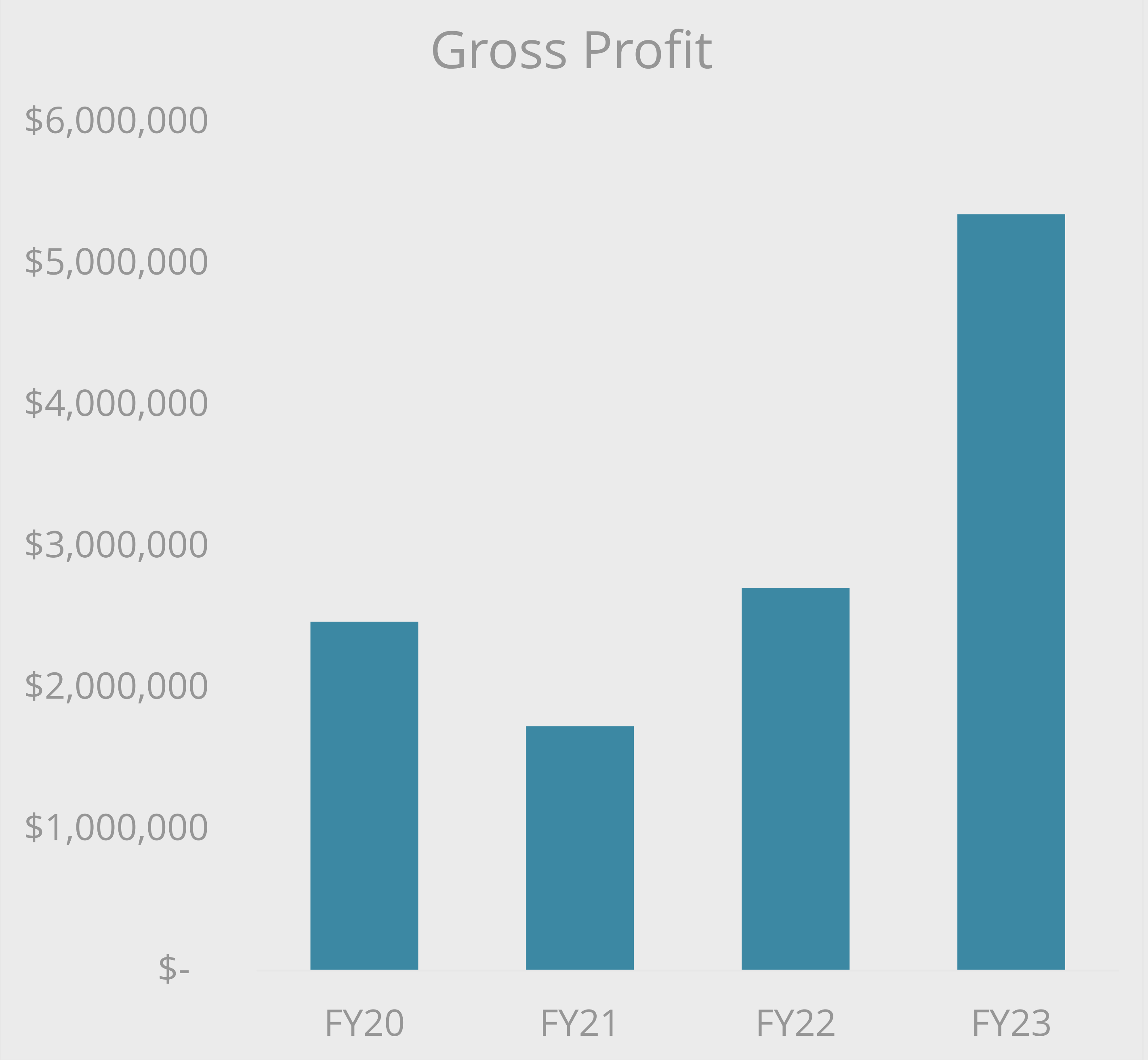
To best measure return on investment over time, we track DMEPS and Gross Profit. Both metrics are valuable, with DMEPS preferred to Gross Profit as it captures the full P&L whilst excluding Growth Spend. Growth Spend consists of discretionary R&D plus Sales & Marketing expenditure, and expensed M&A costs.

Without a long history of comparable DMEPS, we present both graphs, for the time being.

DMEPS increased from 0.17c in FY22 to 0.46c in FY23.

Connexion’s Gross Profitability grew each quarter throughout FY23, culminating in an all-time company record $1.91m GP in the final quarter.





True SaaS

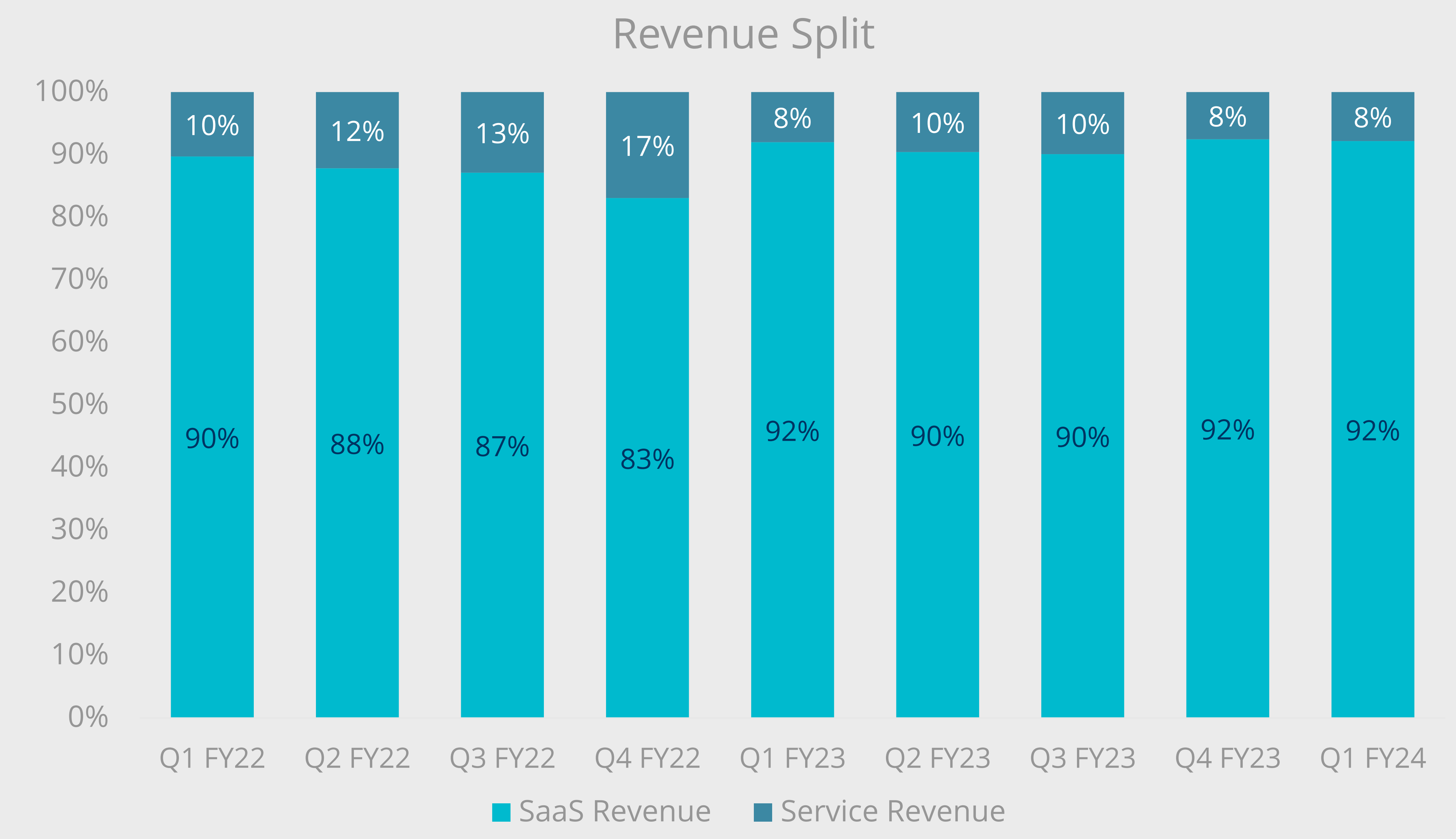
Connexion's prime focus continues to be growing its scalable, "true SaaS" business.

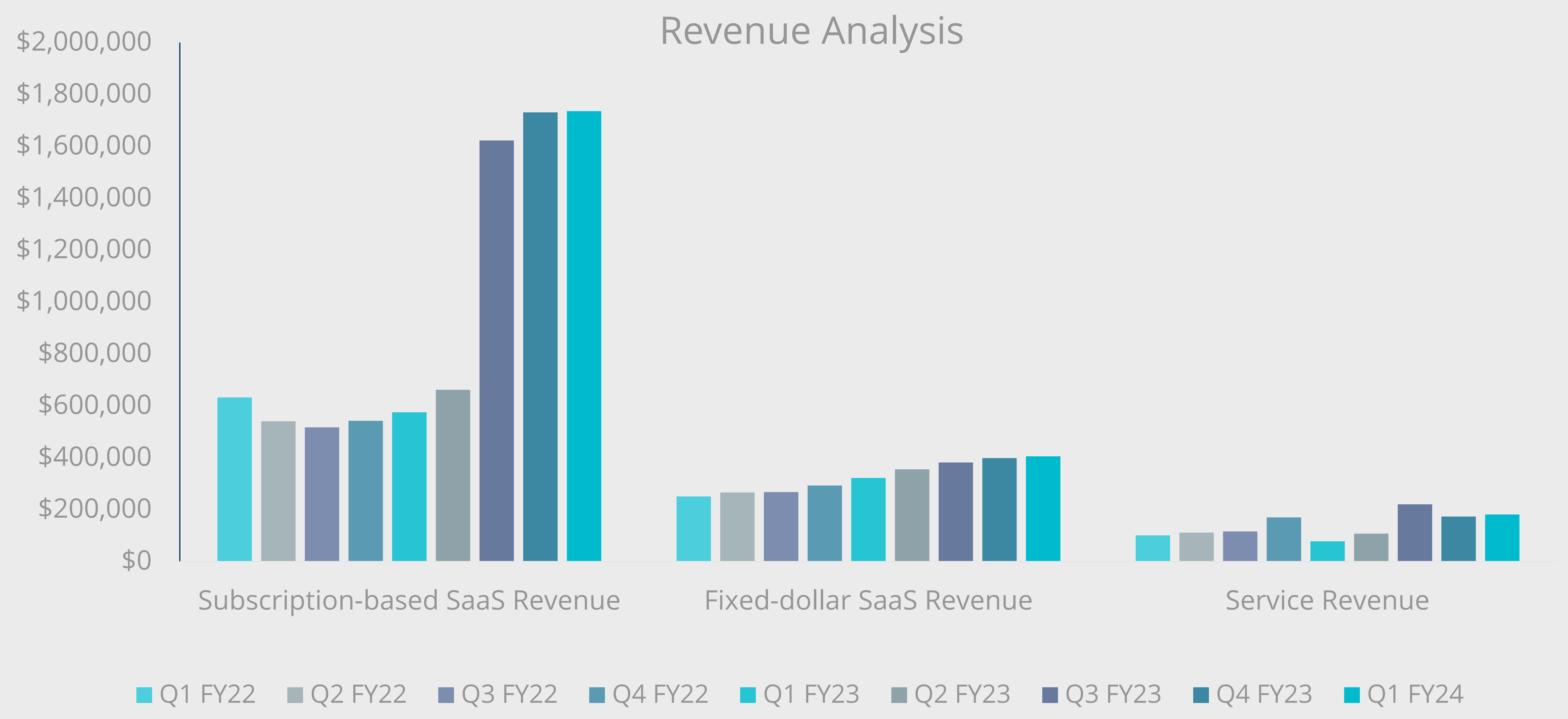
This focus is reflected in the high percentage of revenue that we derive from SaaS.

SaaS Revenue derives from our core software platform, and is generally recurring in nature. Subscription-based SaaS Revenue grew by $2,358k in FY23, whilst Fixed-dollar SaaS Revenue grew by $380k.

Services Revenue represents customer-driven work performed by our Team, typically for customisation.

Whilst generally non-recurring in nature, Services activity assists with customer satisfaction and stickiness. In FY23, Services revenue grew by $81k.





Investment Initiatives

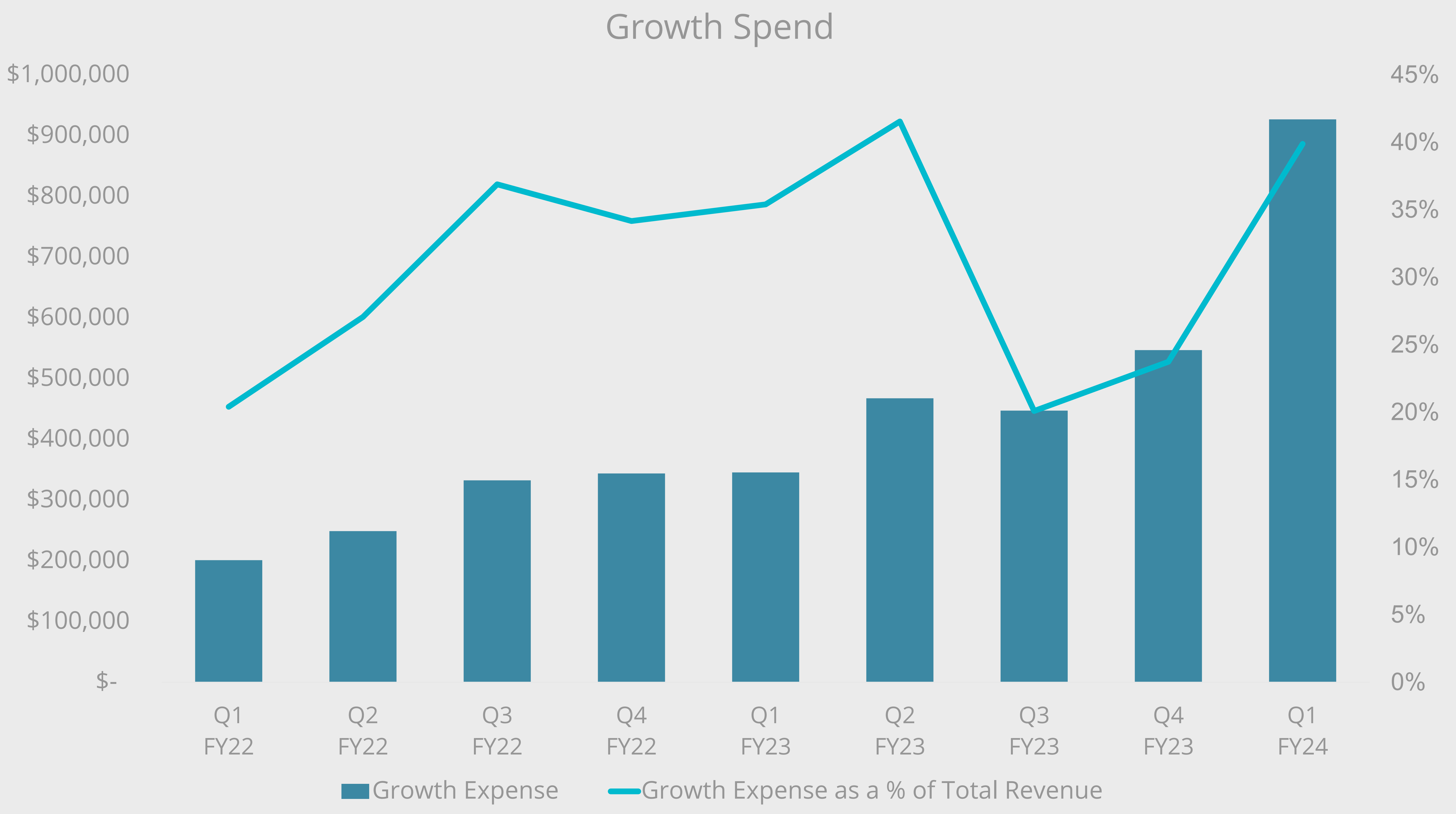
Connexion is consistently increasing its investment into both R&D and Sales & Marketing, whilst closely monitoring the return on such spend.

Complementing the previously mentioned DMEPS metric, is Return on Growth Spend (RGS). RGS is calculated as Growth in Maintainable Earnings over the Prior Year Growth Spend.

Connexion's FY23 RGS was 256%, as calculated by the increase in Maintainable Earnings from FY22 to FY23, divided by the Growth Spend in FY22.

Going forward, we anticipate RGS to decrease as the denominator of Growth Spend increases. In addition to RGS, we will continue to report on Growth Spend as a total percentage of Revenue.

Successful deployment of Growth Spend should fuel a "flywheel", as increased Maintainable Earnings are reinvested into further growth initiatives.



Capital Management

- Long-term Shareholder value is a function of:

  1. Operational Management

  2. Capital Management

- Capital can be allocated to product-based and/or share-based investments.

- A strong balance sheet can enable meaningful allocation to both.

- Reliable “return on investment” attribution often takes years to develop, and is the basis for deploying large amounts of Shareholder capital effectively.

- Whilst our DMEPS growth appears increasingly correlated with our increased Growth Expense, it is too early to attribute causation over correlation.

- History is littered with companies ramping too eagerly based on false signals, subsequently destroying Shareholder capital.

- Capital management is fundamentally more “art than science”, and always involves risk.

- For product-based investment initiatives, we continue to self-impose a “Growth Expense Budget” of that amount which, when fully expensed, reduces our P&L to approximately nil.

- For share-based investment initiatives, we continue our Share Buyback Program, withholding discretion around price and volume, and partially offset by certain share-based payments for broad Team alignment and retention.

Economic Drivers

At last year's AGM, we presented the three Economic Drivers affecting Connexion's financial performance, in order of influence.

Throughout FY23, the order did not change.

Team Performance

Subscriptions

FX

Economic Drivers

Team Performance

Team performance remains strong:

1. Significant team expansion with minimal productivity disruption. Team expansion of 40%, with new hires primarily technical in nature and performing well shortly after onboarding.

2. Navigating the global challenges of severe wage inflation ahead of budget, and with zero staff turnover during the financial year.

3. Significant feature enhancements to both core platforms.

4. Identification, scoping and development of new products underway.

Economic Drivers

Subscriptions

Subscription gross margin increased materially:

1. Significant growth in subscriptions to the Connexion Platform from H2 FY23. The Connexion Platform is priced on a per dealership basis.
2. New vehicle inventory continued to stabilize following the severe impact of the semiconductor shortage, as per previous guidance. Reduced new vehicle inventory directly impacts OnTRAC revenue.
3. Increased direct-to-dealership outreach and engagement.
4. Onboarding Connexion's first non-GM dealership customers, albeit well-below internal targets.

Economic Drivers

FX

Movement from FX sensitivity was relatively low through FY23:

1. Continued application of Connexion's FX Policy performed to expectation.
2. The policy includes a natural hedge of currency-matching assets and operating expenditure to the extent of available free cash (i.e. converting excess cash into AUD).
3. The AUD/USD spot rate declined circa 4% throughout FY23, reducing our balance sheet value, offset by increased cashflow.

CONNEXION

2023 AGM

AGM PRESENTATION

NOVEMBER 2023

Summary

- Sixth consecutive profitable year, with record net cash and investments on balance sheet
- A modest recovery of dealership vehicle inventories continued throughout FY23
- All-time high gross profitability reached in the final quarter of FY23
- High earnings quality maintained via organic recurring revenue growth
- Increased capital allocation towards growth initiatives
- Growth initiatives include new products and features scheduled for release in 2024
- Continued, disciplined execution of share repurchases
- Execution consistent with the multi-year strategy presented to Shareholders in November 2020

Outlook

We believe Connexion's outlook to be positive for the following reasons:

From our observations, dealerships are increasingly adopting software to:

1. Improve the customer 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 test its product, and grow its market presence
3. Comprises only a small share of dealerships' total software spend

Connexion intends to continue growing its SaaS revenue streams via:

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

CONNEXION™

Mobility Platform

Shareholder Q&A