

ASX Announcement

17 October 2024

2024 Annual General Meeting presentation

Melbourne Australia: Connexion Mobility Ltd (“Connexion” or “the Company”) provides the attached presentation to be delivered to shareholders at the Company’s 2024 Annual General Meeting presentation to be held at 10:00am (AEDT) today as a virtual meeting.

Ends

Issued by: 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.

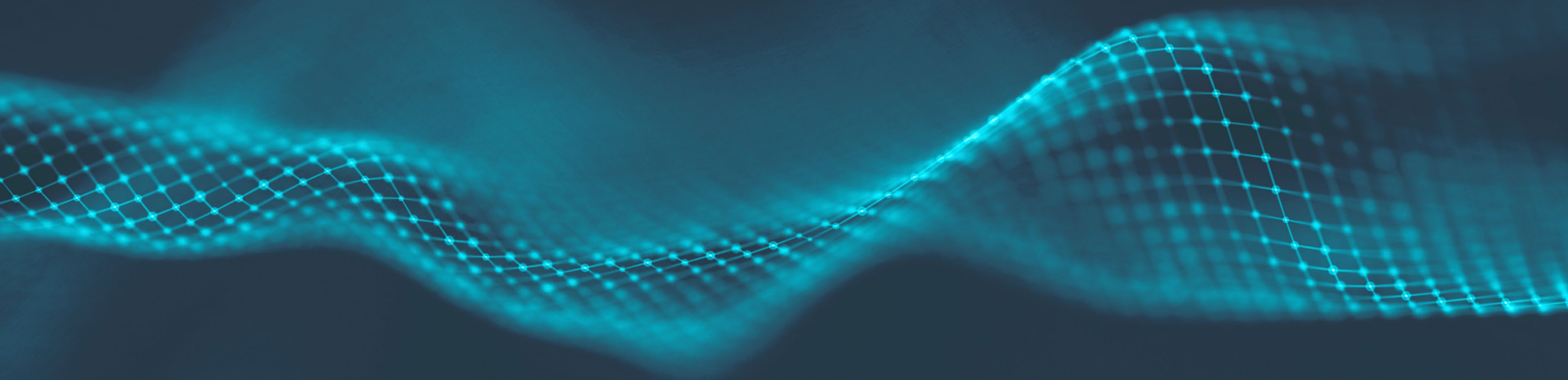
The Company’s proprietary OnTRAC and Connexion platforms incorporate embedded telemetry, fleet management, contract management and data analytics tools to help OEMs and dealerships move people, parts, and vehicles.

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.

CONNEXION™

Mobility Platform

2024 Annual General Meeting





CONNEXION

GROUP

AGM PRESENTATION

OCTOBER 2024

Agenda

- 1 Introduction
- 2 Industry
- 3 Product & Growth
- 4 FY24 Results
- 5 Outlook
- 6 Q&A

Introduction

Connexion Mobility 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 automotive OEMs and dealerships.

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

The logo for Connexion, featuring the word "CONNEXION" in a bold, sans-serif font. The letter "X" is stylized with two diagonal lines crossing at the center, colored in a gradient from orange to red. A small "TM" trademark symbol is positioned to the upper right of the final "N".

CONNEXION™

Customer Landscape

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

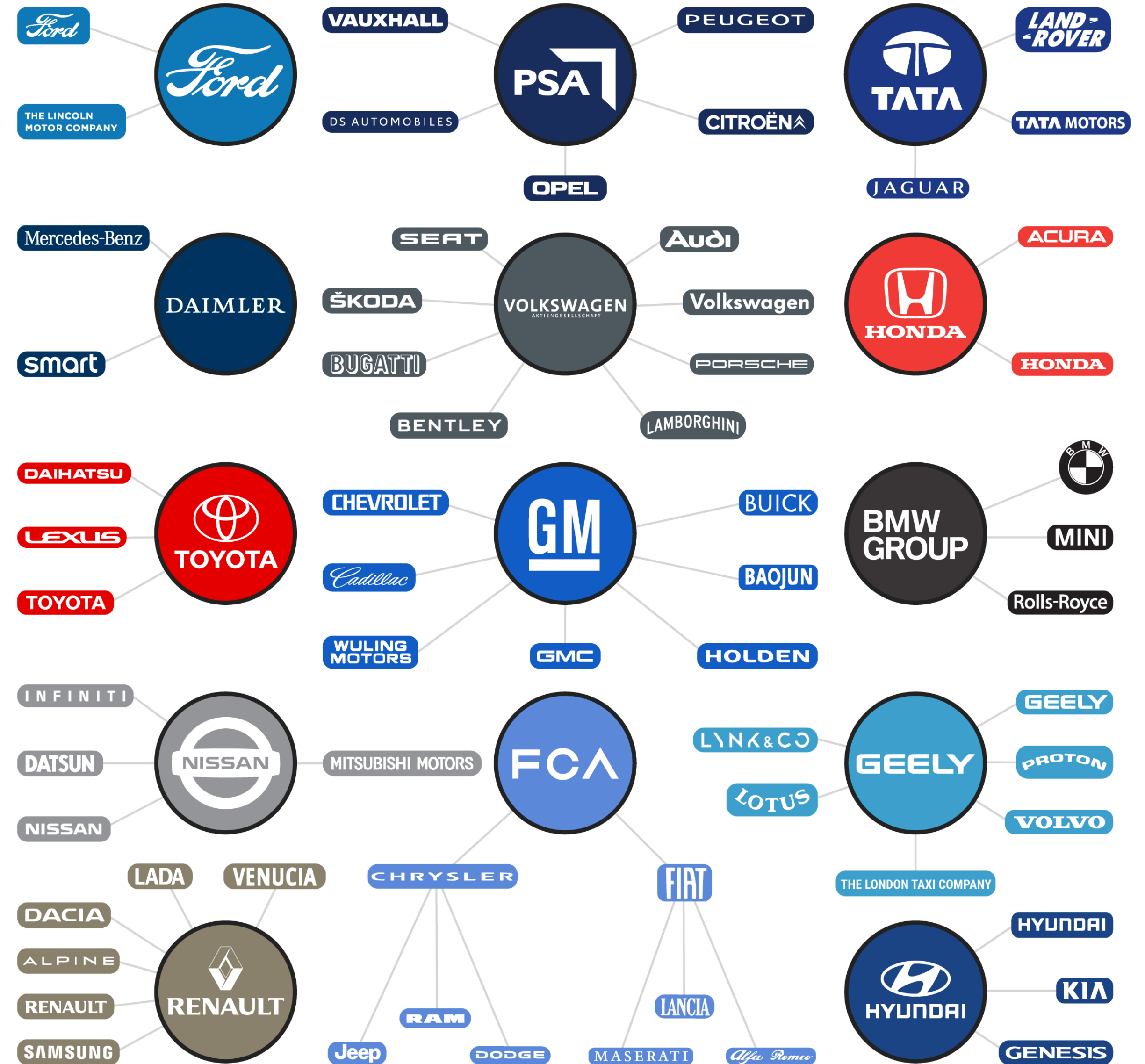
OEM Group	US Rooftops - approx.
General Motors	4,000
Ford	3,000
Stellantis	2,500
Toyota	1,300
Nissan	1,200
Volkswagen	1,000
Honda	1,000
Hyundai	900
Daimler AG	380

Each year, these dealerships process circa:

- 8m new car sales
- 6m used car sales
- 260m repair orders
- 100m warranty repair orders

Sources: IBISWorld - "NAICS New Car Dealers in the US"
NADA "2024 Mid-Year Report"

14 car companies control a combined 62 brands



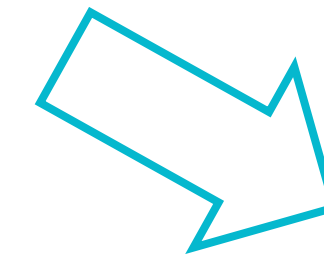
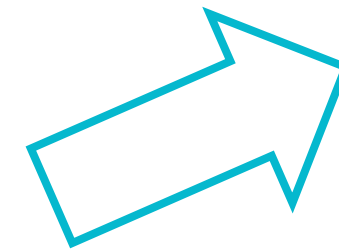
Note: PSA and FCA have since merged, forming "Stellantis"

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 Vehicles
- Electric Vehicles
- Digital Retailing
- OEM-Consumer Direct Sales
- Mobility-as-a-Service
- Dealership Digitisation
- Software Consolidation

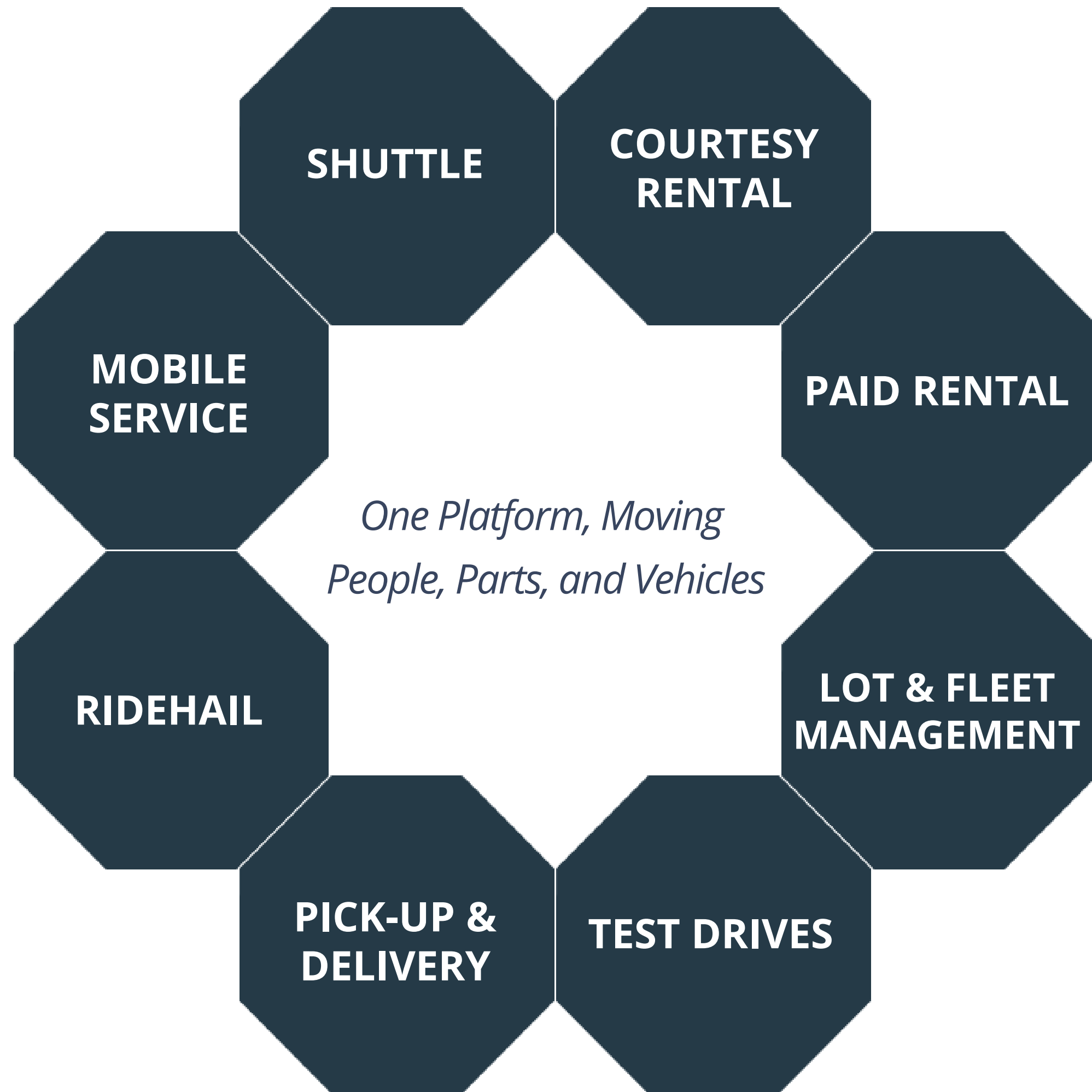
Emerging Dealer Business Model

Dealers selling a **customer experience**

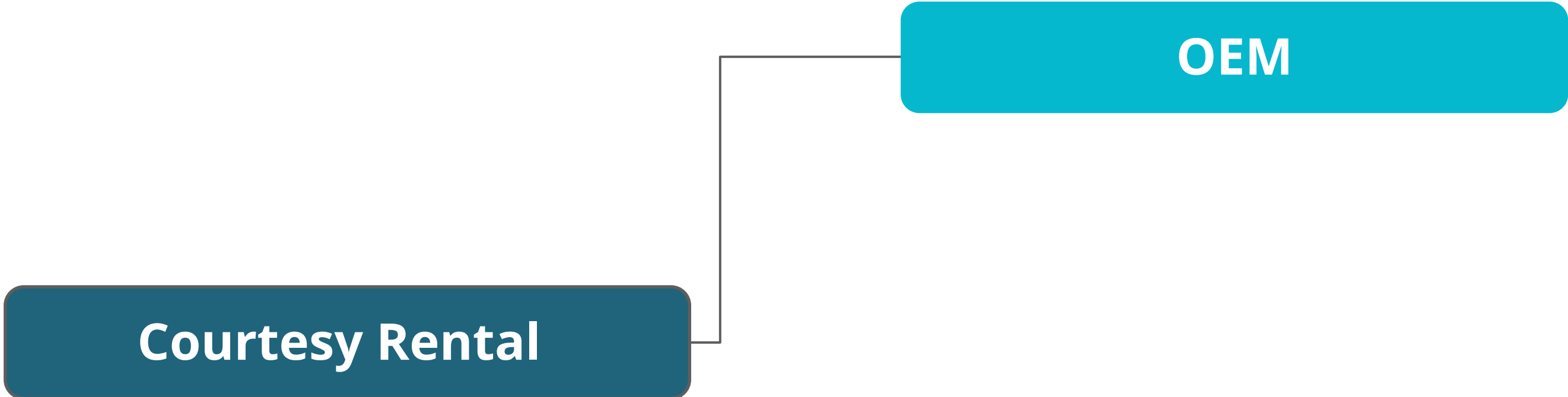
- Integrated data unlocks new insights
- Personalised and predictive aftersales communication
- Focus on building relationships & customer satisfaction
- Digital lifestyle convergence
- Longer customer lifetime value & loyalty
- New recurring revenues from augmented products → brand hubs



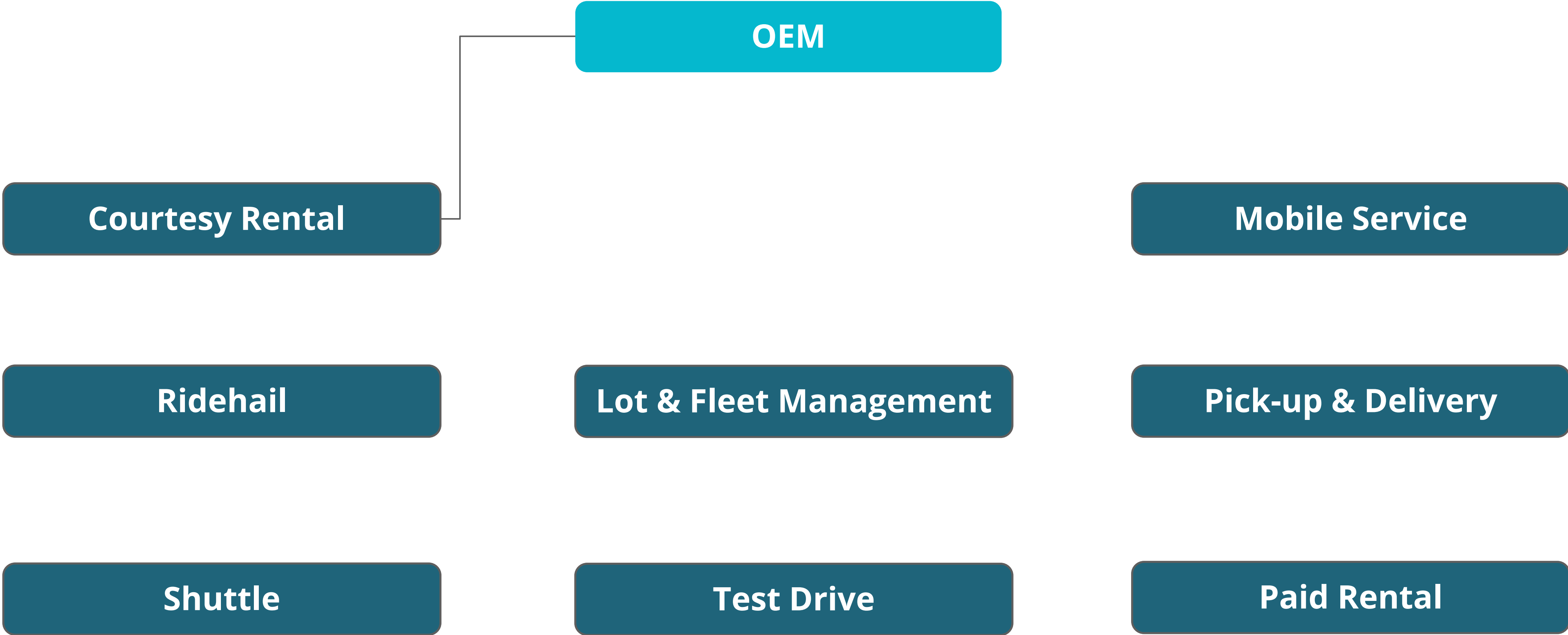
Product Portfolio



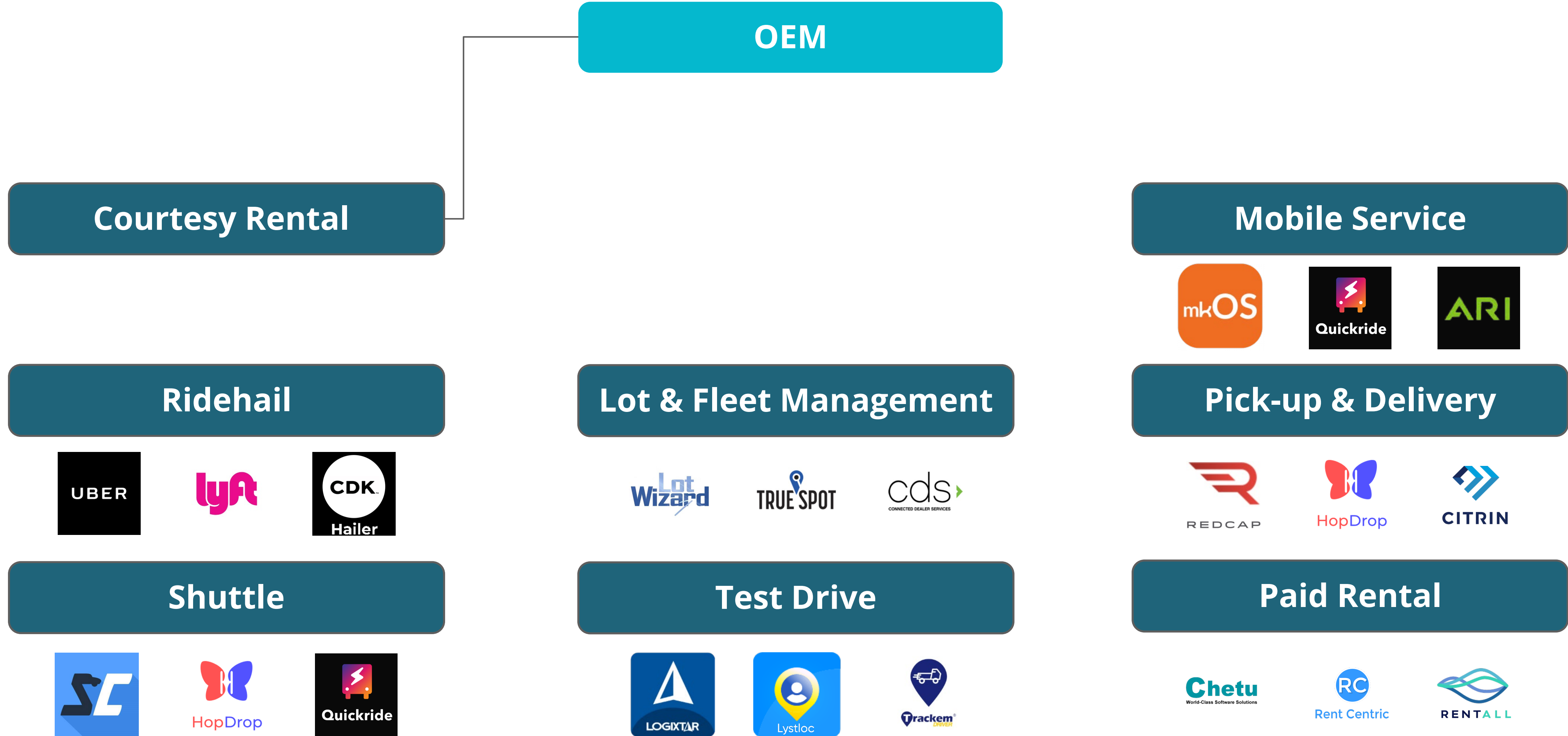
Current State For OEMs



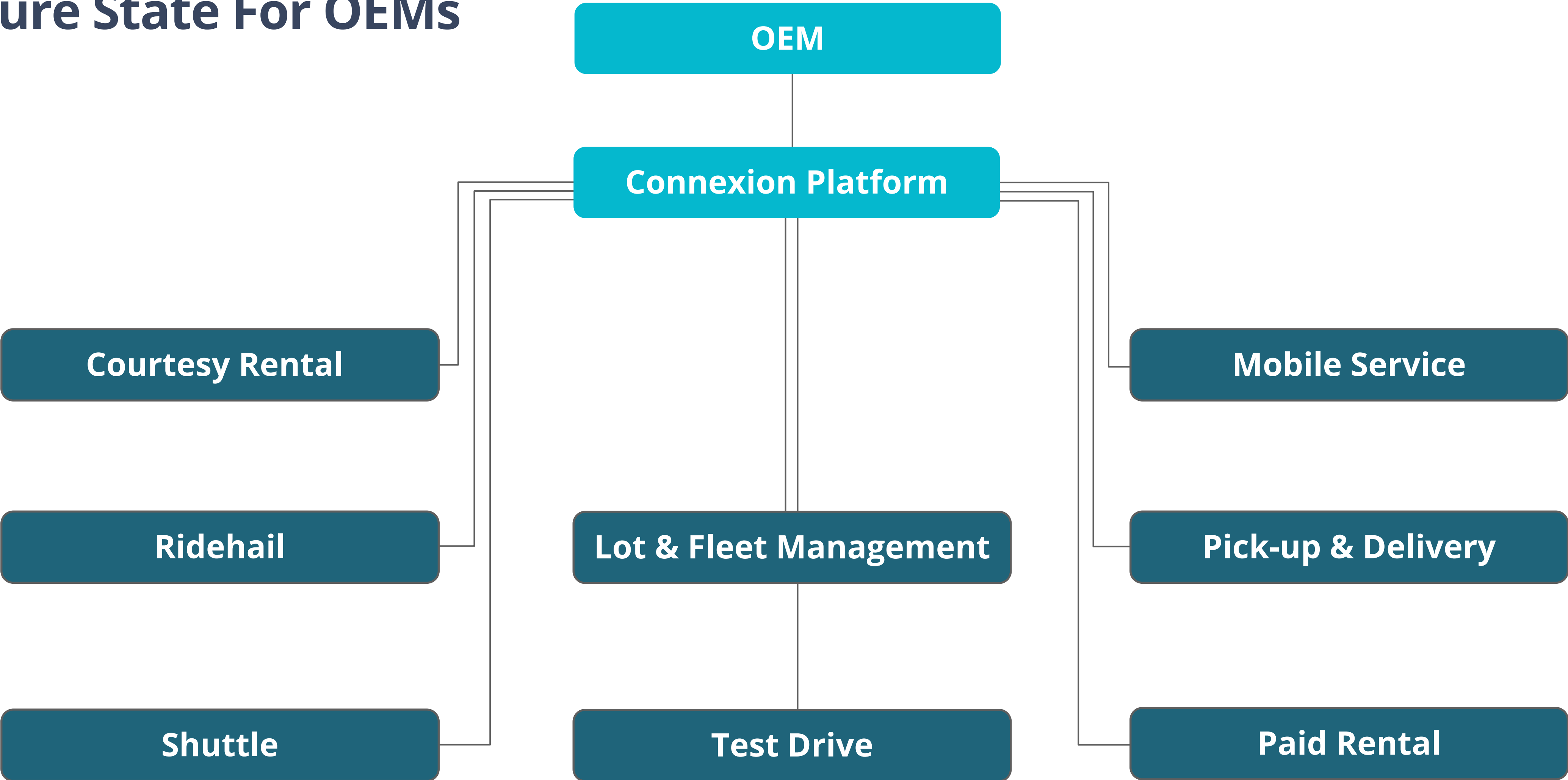
Current State For OEMs



Current State For OEMs



Future State For OEMs



Future State For OEMs

FLEXIBILITY

Innovate

Rapidly iterate on new features and products

Customise

Dedicated Engineering & Operational Team enables OEM & Group-level customisations

Gain Insight

Customised reporting, analytics, and simplified integration with open APIs



Future State For OEMs

Connexion empowers OEMs to...

Consolidate

Reduce management & reporting friction via a single platform for all modes of transportation

Simplify Audits

Significantly reduce audit costs for loaner program compliance

Observe

Gain visibility into Dealer & End-Customer activities that are currently blind spots

Gain Insight

Comprehensive reporting & analytics across fleet utilisation, volumes, cost recovery, and more

Brand Consistently

Maintain the integrity of the OEM name and reputation with their Dealers and End-Customers

Integrate

Integrate with captive/finance to reduce lot audit costs and test proprietary F&I products in-situ

Future State For Dealers

MARKETPLACE

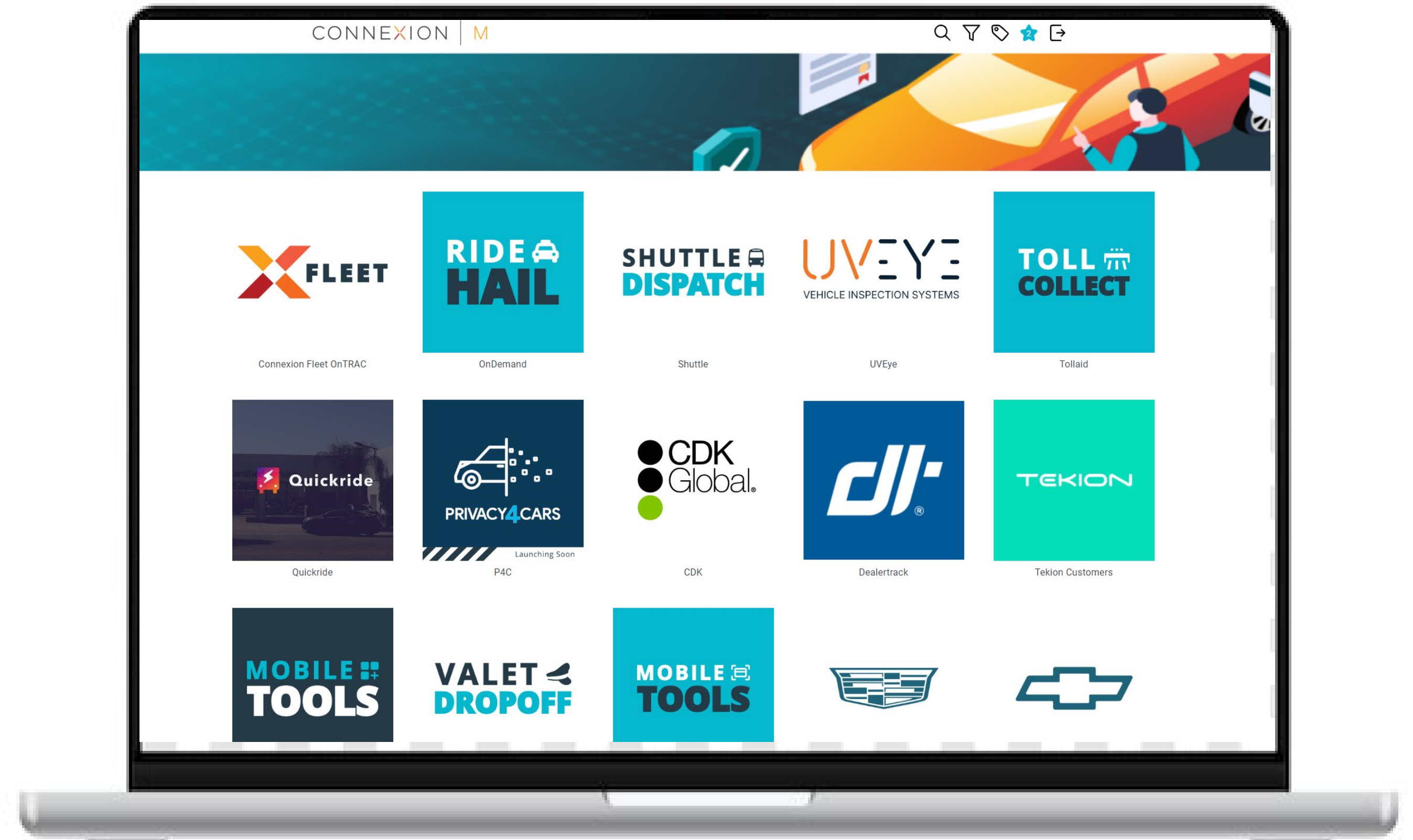
Upgrade

Instant integration with leading solutions, including DMS, schedulers, OTAs, payments & much more

Explore

Discover the latest Automotive Retail technology

Improve process, save time and increase CSI for little or even no cost



Future State For Dealers

Connexion empowers Dealers to...

Consolidate

Reduce management & reporting friction via a single platform for all modes of transportation

Focus

Boost front-line Staff efficiency and engagement with fewer systems

Observe

Gain visibility into End-Customer activities that are currently blind spots

Reduce Cost

Save on both software & transportation costs, via Connexion's Smart Dispatch Engine

Brand Consistently

Maintain the integrity of the Dealer's name and experience throughout the customer journey

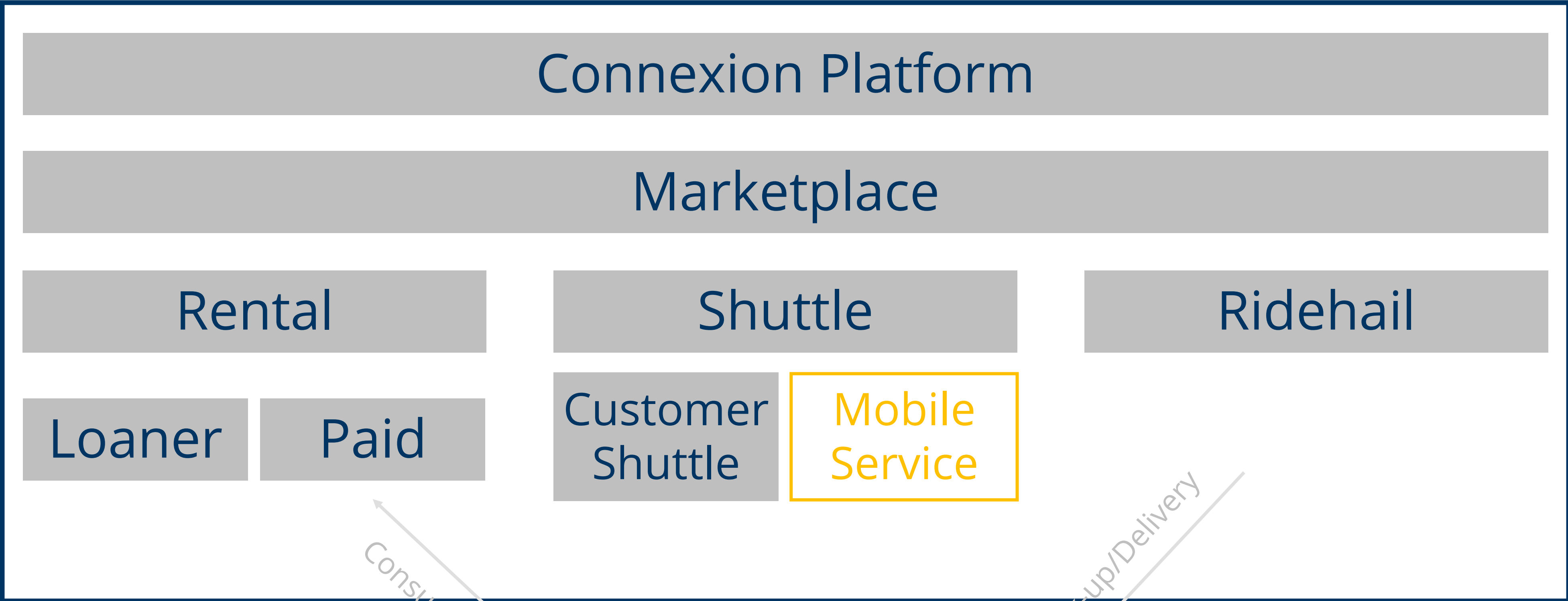
Train Effectively

Train Staff more effectively with the availability & consistency of a single Partner

Product Strategy

In Development

Future Development



B2B



B2C

← Multi-Year Endeavour, Higher Risk

Consumer Demand

Rental Pick-up/Delivery

Marketplace

By building the **largest set** of dealership customers, we become **increasingly attractive** to other automotive software vendors wishing to gain access to this potential customer base.

The increased **potential scale** of each partnership also means greater incentive to build **more value** into an **Integrated Product**, whilst keeping **pricing low**.

In turn, this becomes **increasingly attractive** to dealerships, as they extract **greater value** through the Marketplace than they otherwise would independently.

Marketplace products must be **complementary** to the core Connexion platform.

Examples of this include: DMS, Telematics Hardware, Toll Mgmt, Shuttle Mgmt, Ridehail Mgmt, Damage Detection, Privacy Mgmt, Rental Car Aggregators, etc.

Marketplaces are a game of **scale**, and Connexion has **scale of userbase**.



Marketplace

Marketplace economics will be a key driver of long-term financial performance

	Product									
	1	2	3	4	5	6	7	8	9	10
Integrated Product price										
% revenue share to Connexion										
Number of eligible Customers										
% capture of eligible Customers										
Gross Profit to Connexion										
% reduction in churn										
% increase in network effect										
Total Value to Connexion										

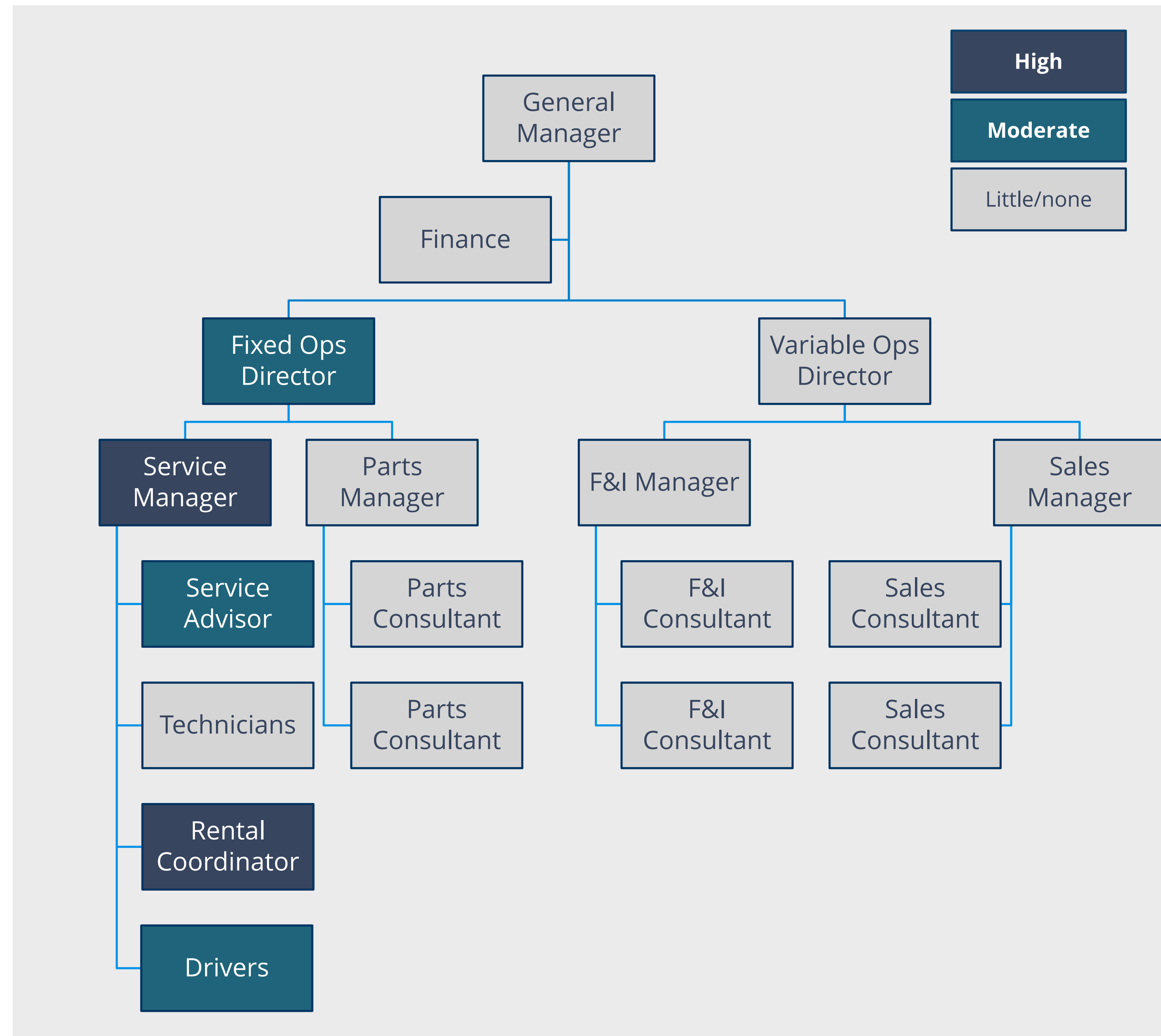
User Engagement

Today, Connexion has >13,000 Monthly Active Users across the Fixed Ops (“Service”) side of ~4,000 dealerships.

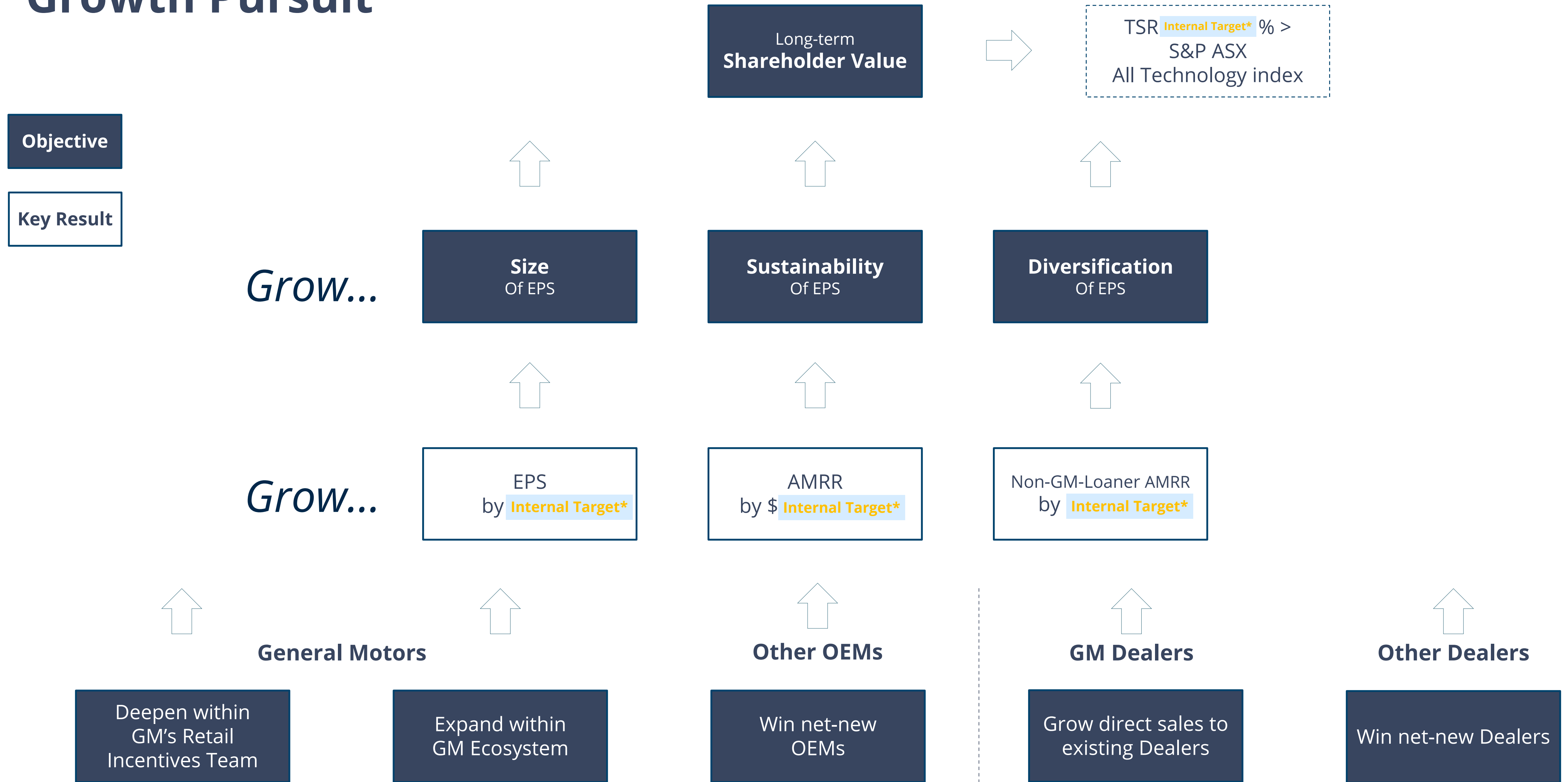
Our opportunity is large, with these dealerships currently spending ~1%* of their annual software budget with us.

As a priority, to realise our objective of directly servicing and billing thousands of dealerships, we are creating a userbase that:

1. Is more engaged with our platform
2. We understand more deeply
3. We market to in a personalised, automated manner, based on in-app behaviours
4. And with whom we can communicate more effectively from directly within our app, including in-app chat.



Growth Pursuit



Note: Management remuneration is tied to the Internal Targets

FY24 Operational Performance

Achievements

1. Significantly expanded Engineering & Product teams with minimal productivity disruption or turnover
2. Significantly enhanced features of both core platforms
3. Identified, scoped and developed new products
4. Executed against an expanded GM CTP contract
5. Won two new, non-CTP purchase orders from other teams within GM
6. Activated Ford Pro telemetry and onboarded Connexion's first Ford dealership
7. Expanded suite of integrations, supporting future sales
8. Built, launched and commercialised our OnDemand product, in partnership with one of the world's leading ridehail providers
9. Significantly increased direct-to-dealership engagement
10. Achieved multiple, record, quarterly gross and net profit results
11. Repurchased ~10% of shares on issue at attractive prices

Challenges

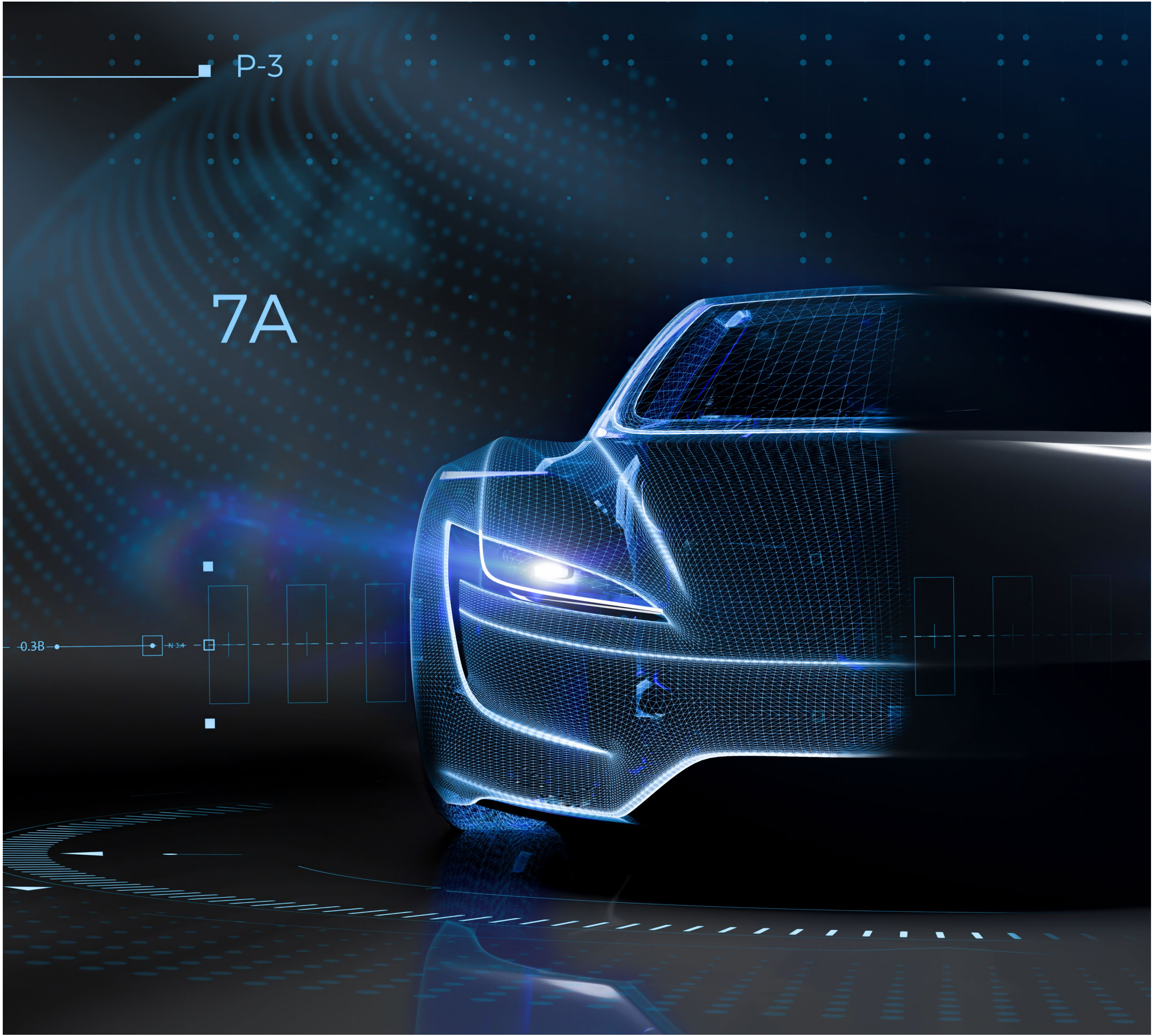
1. Trailing internal targets for external OEM and Dealer sales
2. Trailing internal targets for internal Dealer sales

Lessons & Next Steps

1. For internal dealer sales, we have found an opportunity for greater user engagement and insight, to support Sales & Marketing effectiveness

In FY25, we are prioritising:

1. User engagement & insights, for marketing effectiveness
2. User communication channels, such as in-app chat, and automated, in-app behaviour-based flows, for sales effectiveness
3. The release of differentiating products and features to support an OEM switch within Courtesy Transportation



FY24 Results

Key Trends

Financially, four key trends drove our FY24 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



FY24 Highlights

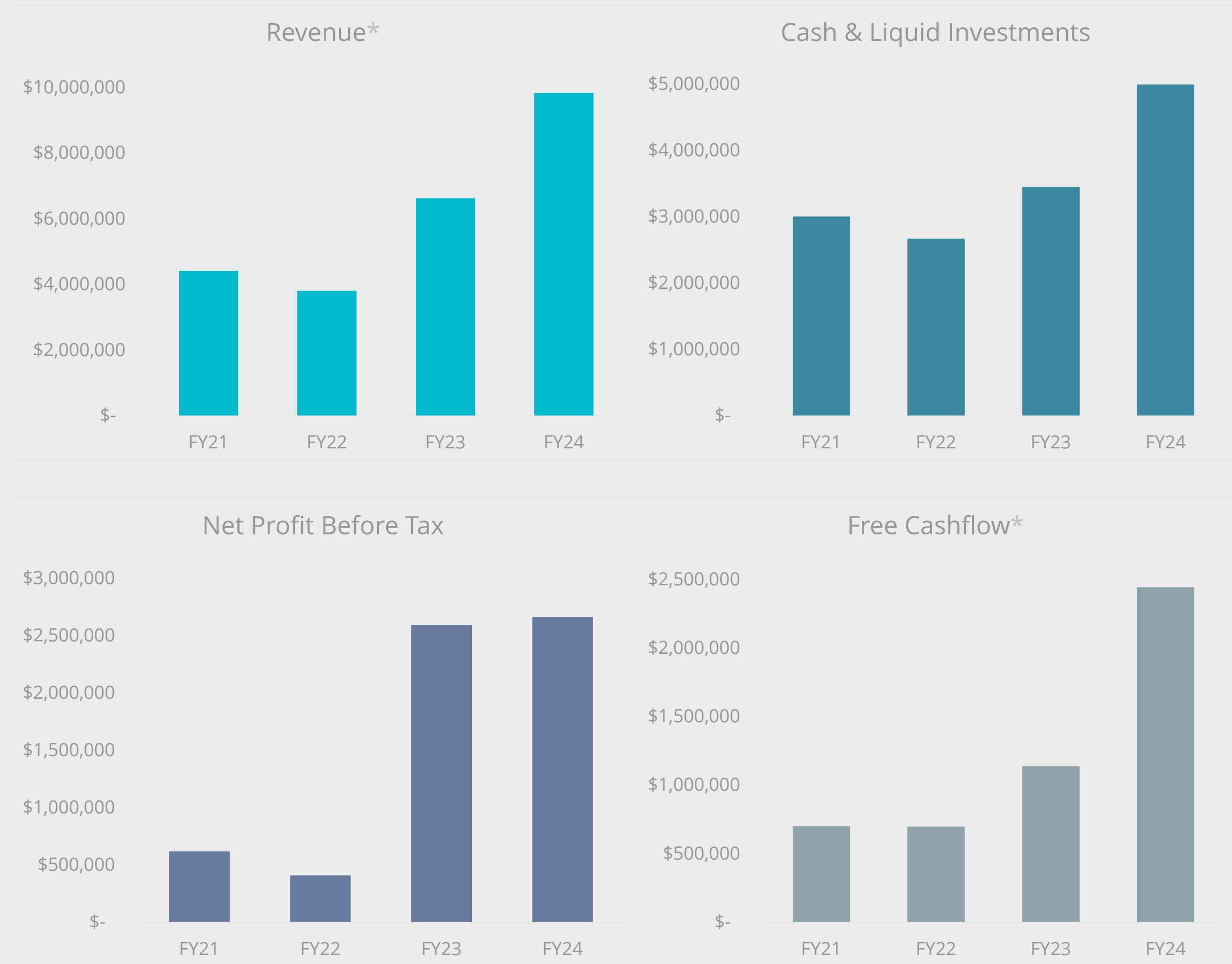
Our P&L exhibits the strong operating leverage typical of an early-stage SaaS company, offset by growing re-investment into the business.

Our balance sheet remains strong, with no debt, and enjoys strong free cashflow conversion.

Our Excess Liquidity offers both optionality and defensive characteristics.

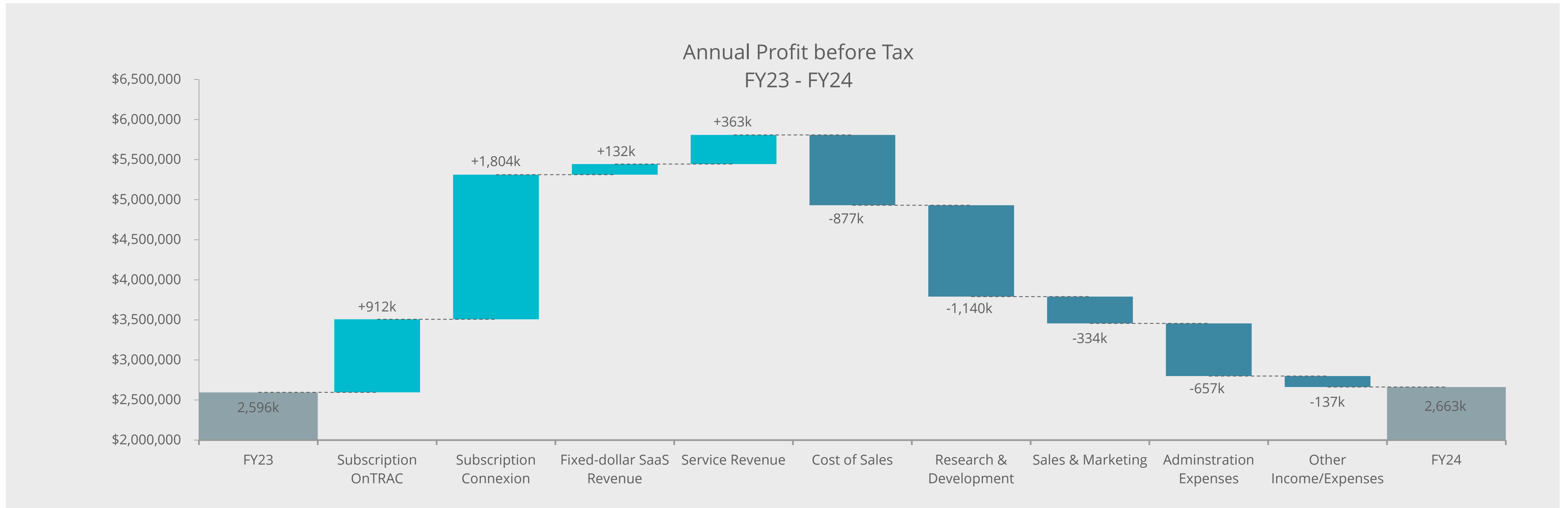
During FY24 we continued our on-market Share Buyback program, repurchasing a further 81.5m shares at an average share price of A\$0.0231, on behalf of all Shareholders

Note: unless otherwise specified, all figures are presented in US\$.



*Revenue and Free Cashflow of the operating business, excluding investment income

Net Profit Before Tax



- FY24 total revenue increased by \$3,212k, driven by a significant increase to OnTRAC subscriptions and a full year of increased Connexion platform subscriptions.
- FY24 Gross Profit grew by \$2,335k, resulting from the increased Revenue and offset by the increased Cost of Sales.
- FY24 Growth Expense (consisting of Research & Development and Sales & Marketing) investment increased by \$1,474k. For reference, the increase in FY23 was \$794k.

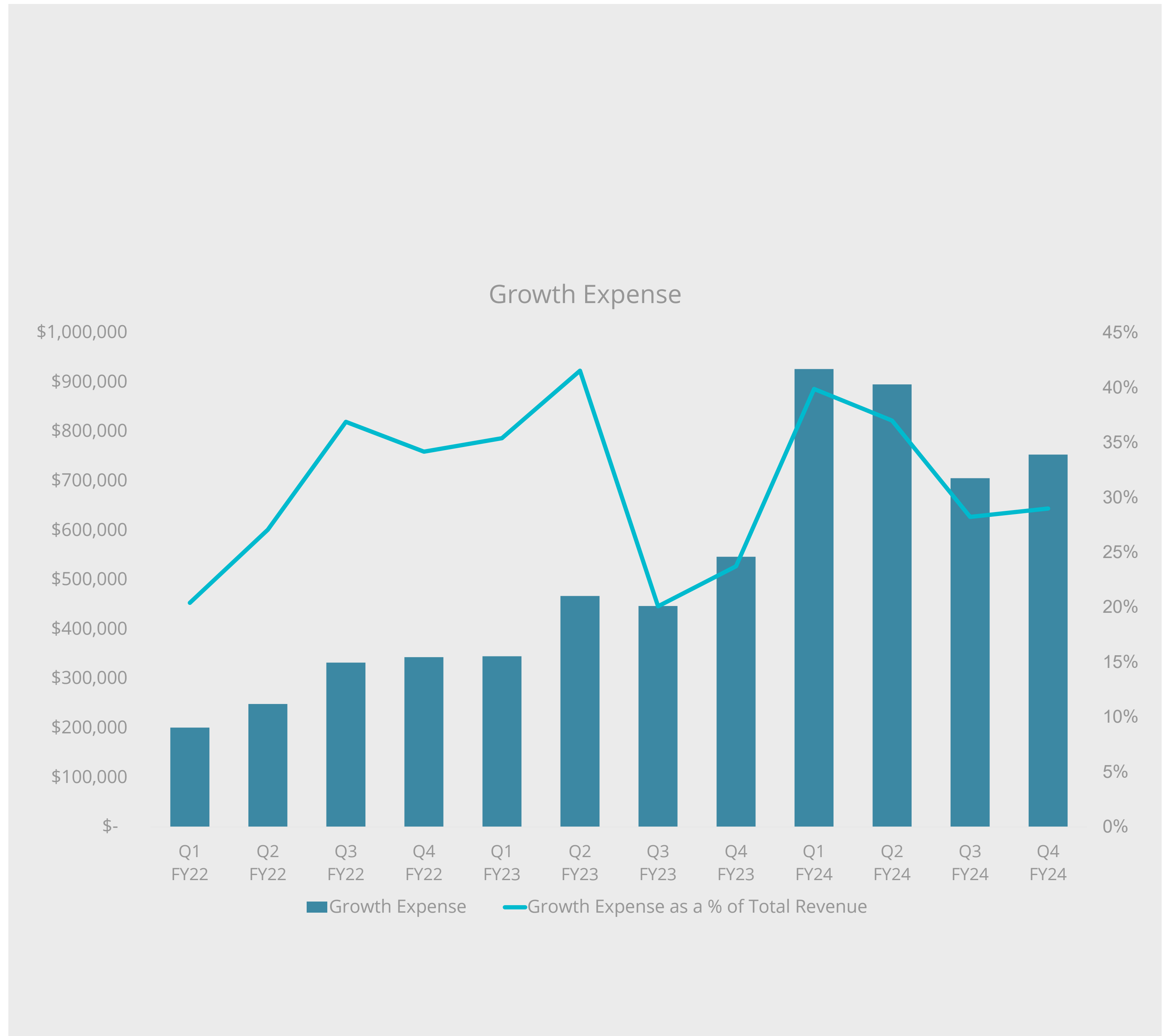
Investment Initiatives

Connexion is investing meaningfully into both R&D and Sales & Marketing, whilst closely monitoring the return on this spend.

In FY24, total Growth Expense was \$3,281k, an 81.6% increase on FY23. In FY23, total Growth Expense was \$1,807k, a 60.5% increase on FY22.

Over the past three financial years, Growth Expense has averaged 31% of Total Revenue.

Successful deployment of Growth Expense should fuel a “flywheel”, as increased earnings are reinvested into further growth initiatives.

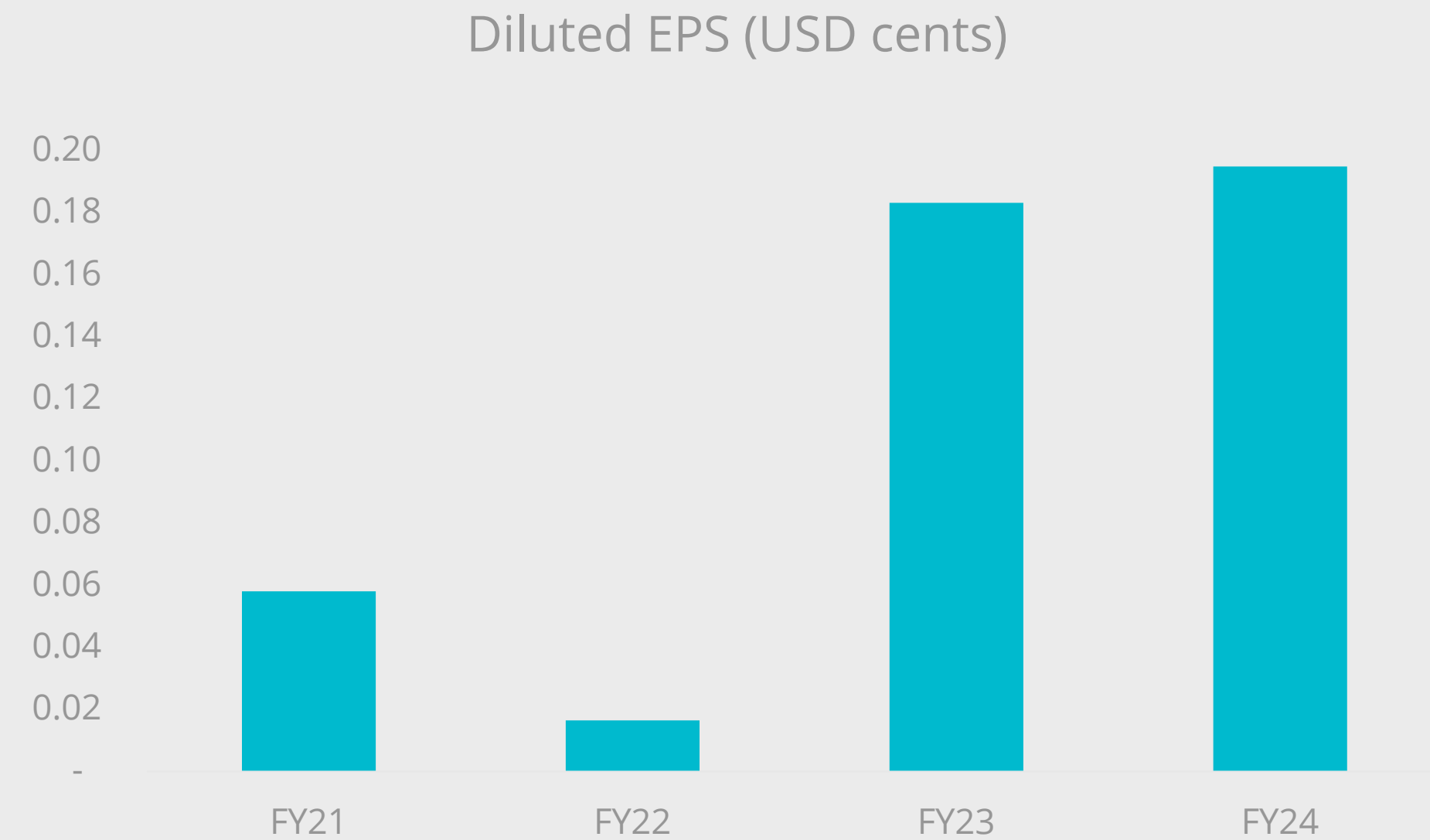


Diluted EPS and Gross Profit

Following Shareholder feedback, and as announced to the ASX on 19 July 2024, Management will now replace the publishing of RGS and DMEPS in favour of Diluted Earnings Per Share (EPS), as a more conventional financial metric.

In FY24, Connexion's Diluted EPS increased 6.4% to 0.19 cents, compared with 0.18 cents in FY23.

Gross Profit grew strongly in FY24, increasing by 43.9%, from \$5.34m in FY23 to an all-time company high of \$7.65m in FY24.



True SaaS

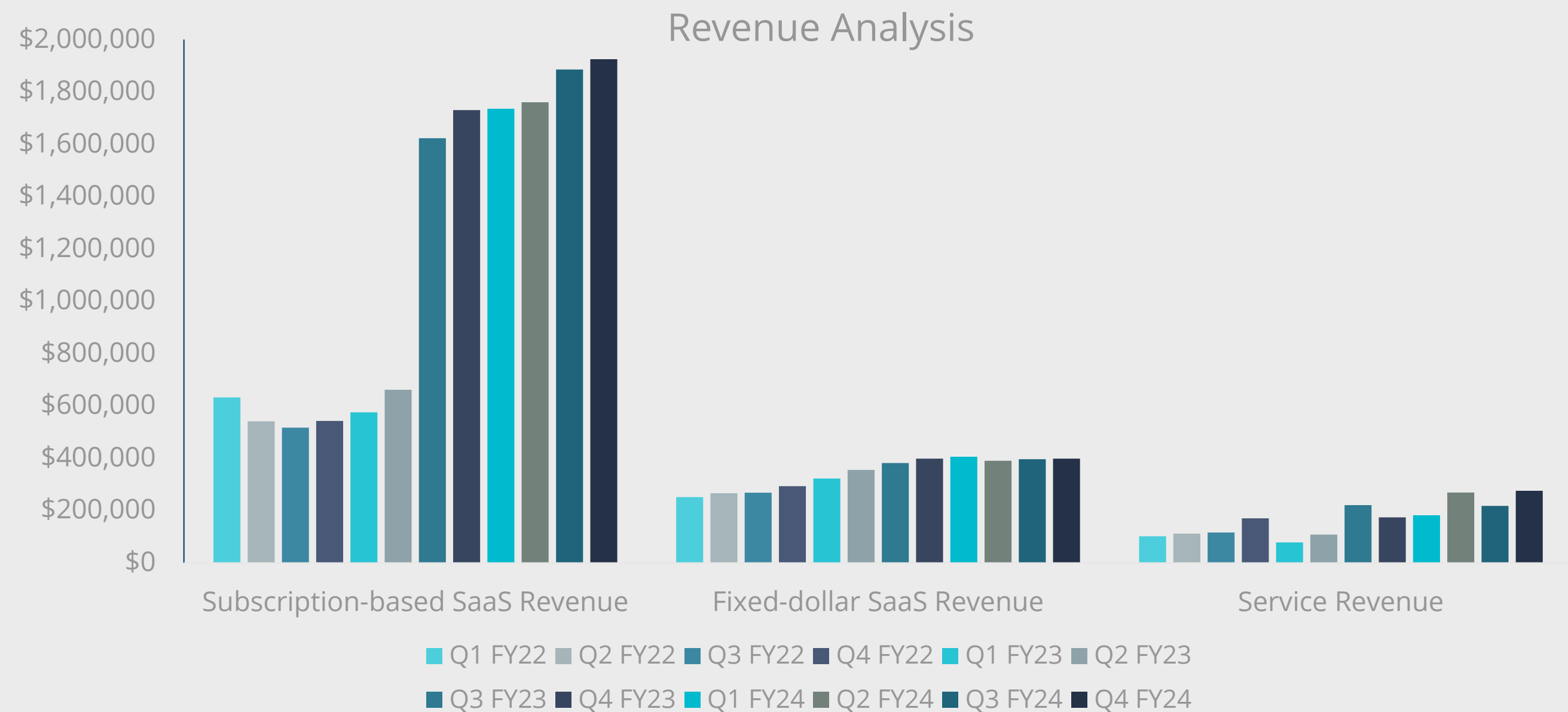
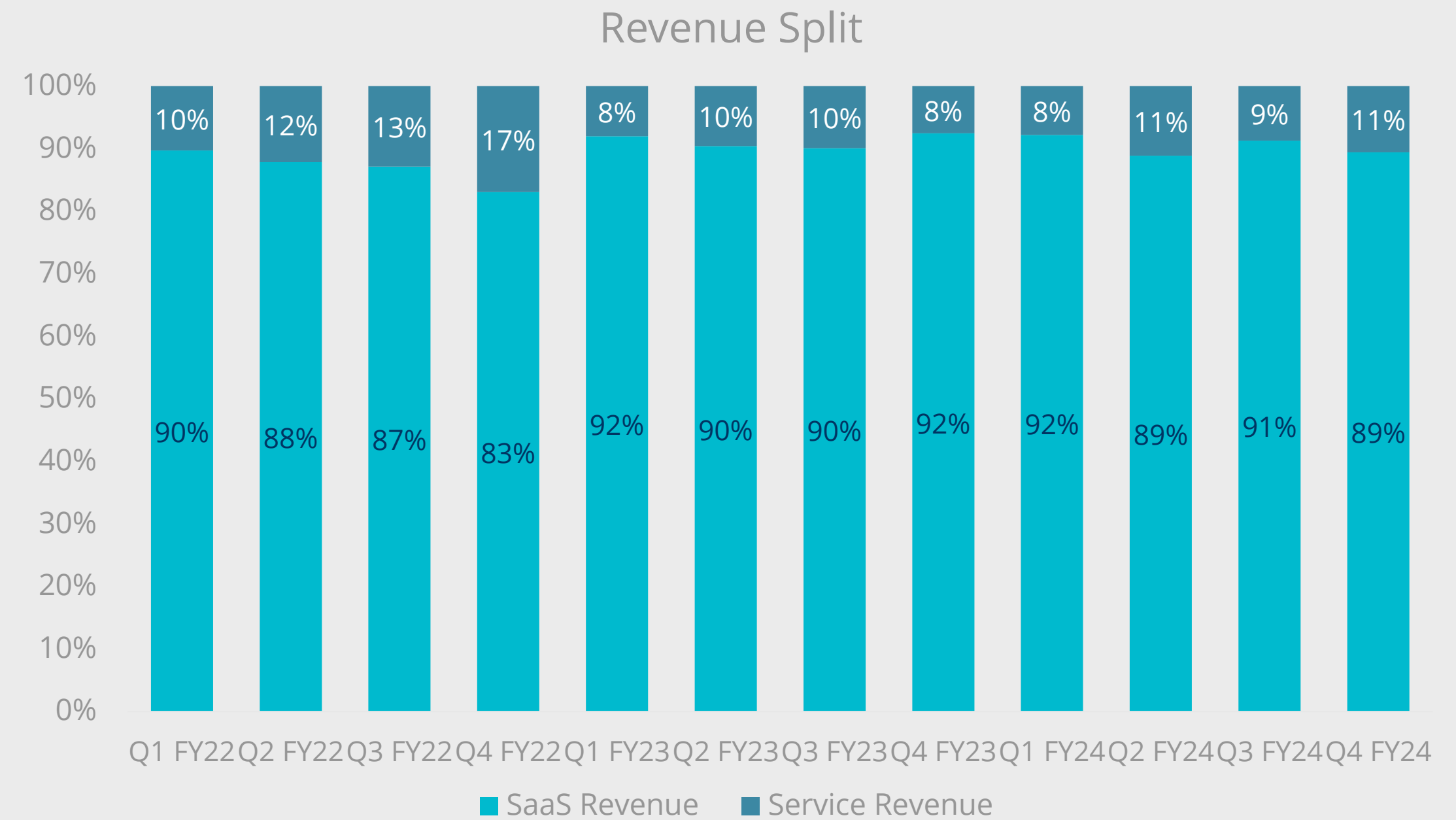
Connexion's prime focus continues to be growing the scalable, SaaS component of its business.

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

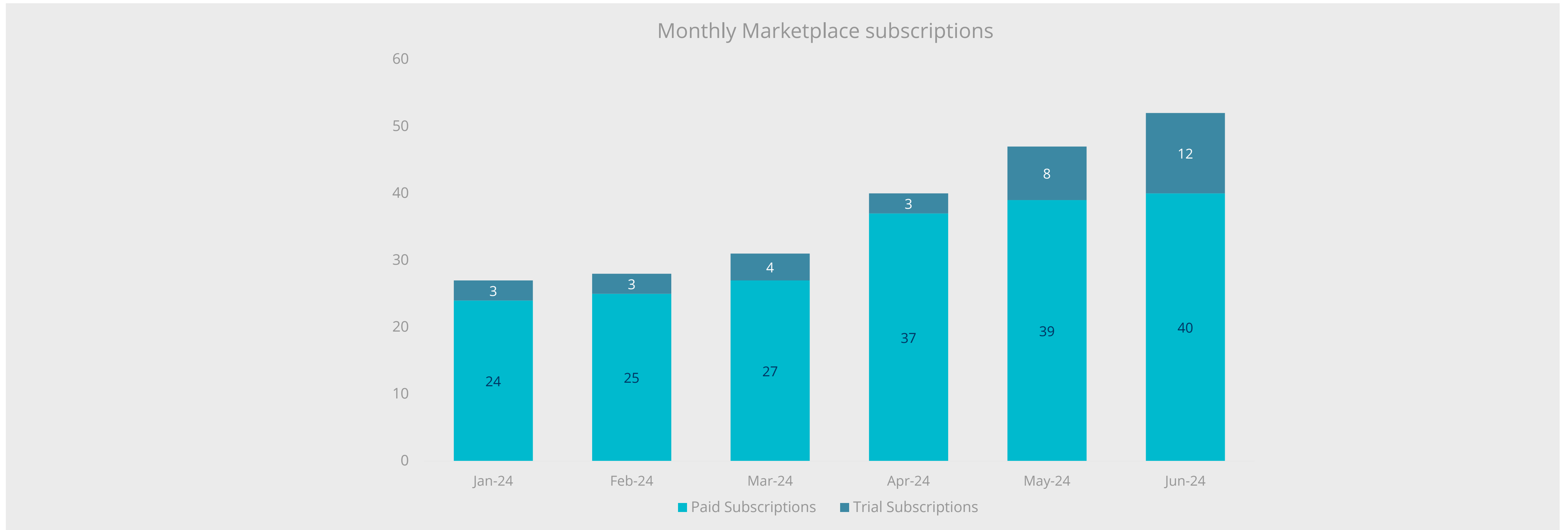
SaaS Revenue derives from our core software platform, and is generally recurring in nature. In FY24, Subscription-based SaaS Revenue grew by \$3,628k, whilst Fixed-dollar SaaS Revenue grew by \$132k.

Services Revenue represents customer-driven work performed by our Team.

Whilst generally non-recurring in nature, Services activity assists with customer satisfaction and stickiness. In FY24, Services Revenue grew by \$363k.

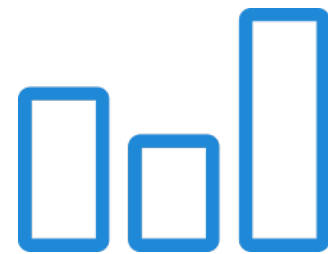


Marketplace



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

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.
- Our strong balance sheet supports a meaningful allocation to both.
- We are actively seeking M&A targets within its field of operation.
- Reliable “return on investment” attribution often takes years to develop, and is the basis for deploying large amounts of Shareholder capital effectively.
- Whilst our increased Gross Profit is increasingly correlated with our increased Growth Expense, it is too early to attribute causation over correlation.
- 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.
- During FY24, we decided to sunset all share-based payment programs and continue with our Share Buyback Program, withholding discretion around price and volume.



CONNEXION

2024 AGM

AGM PRESENTATION

OCTOBER 2024

Summary

- Seventh consecutive profitable year, with record net cash and investments on balance sheet
- Dealership vehicle inventories continued to recover throughout FY24
- All-time-high quarterly Company revenue reached in the final quarter of FY24
- High earnings quality maintained via organic, recurring revenue growth
- Increased capital allocation towards products & features scheduled for release in 2024 and 2025
- Increased capital allocation towards user engagement, insights and comms, supporting Sales & Marketing
- Marketplace sales growing steadily, with efforts underway to automate and personalise Sales & Marketing flows
- Continued, disciplined execution of share repurchases, maximising long-term shareholder value



Outlook

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

From our observations, OEMs and 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 products, valued by its existing OEM & dealership Userbase
2. Commercial Partners products, complementing the above
3. Expansion of the Userbase itself to new OEMs and franchised dealerships

CONNEXION™

Mobility Platform

Shareholder Q&A

