

## Quarterly Update

For the Quarter Ended 31 March 2025

- Marketplace subscription growth continuing
- R&D efforts focused on initiatives most impactful to OEM & large Dealer Group sales
- All reported figures are unaudited and in USD, unless otherwise stated
- Q3 Revenue of \$2.8m → +1% over prior quarter
- Q3 Gross Profit of \$1.9m → -1% over prior quarter
- Q3 Diluted Earnings Per Share ("EPS") of 0.068 US cents → -12% over prior quarter
- Q3 Net Profit Before Tax of \$0.83m → -13% over prior quarter
- Q3 Operating Cashflow of \$0.66m → +293% over prior quarter

Connexion Mobility Ltd ("Connexion" or the "Company") is pleased to provide an update on its activities for the quarter ended 31 March 2025 ("Q3 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 Q3 FY25 consisted of:

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

Gross Profit decreased 1% quarter-on-quarter ("Q-o-Q"), to \$1.9m.

Net Profit Before Tax ("NPBT") decreased 13% Q-o-Q, to \$0.83m.

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.

Strategically, we strive to be the single platform through which our customers move people, parts and vehicles. To achieve this, we are proactively investing in our R&D, whilst deepening and expanding customer relationships.

We believe that deepening and expanding our customer relationships will ultimately lead to sales growth and improved customer stickiness.

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. With internal reinvestment fully-funded, we are actively sourcing and assessing alternative, profitable uses for Connexion’s capital, which includes potential M&A.

## 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 across, Paid Rental, Reporting & Analytics, Marketplace, DMS, Continuous Improvement, and a new integration with Modives’ license & insurance verification product.

## Sales

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

Our quarterly dealership sales traction continued, with ~30 net new subscriptions and/or trials, consistent with the prior quarter.

At the OEM level, our overall rate of interaction improved towards the end of the quarter, although without yet any notable sales. Across both General Motors and other OEMs, the breadth of our conversations is expanding. Within General Motors, this reflects an increasing awareness of opportunity outside of courtesy transportation. And within other OEMs, this reflects an acknowledgement of the long sales cycle of courtesy transportation being insufficient to support Connexion's need for near-term revenue growth.

## Commercial Partnerships

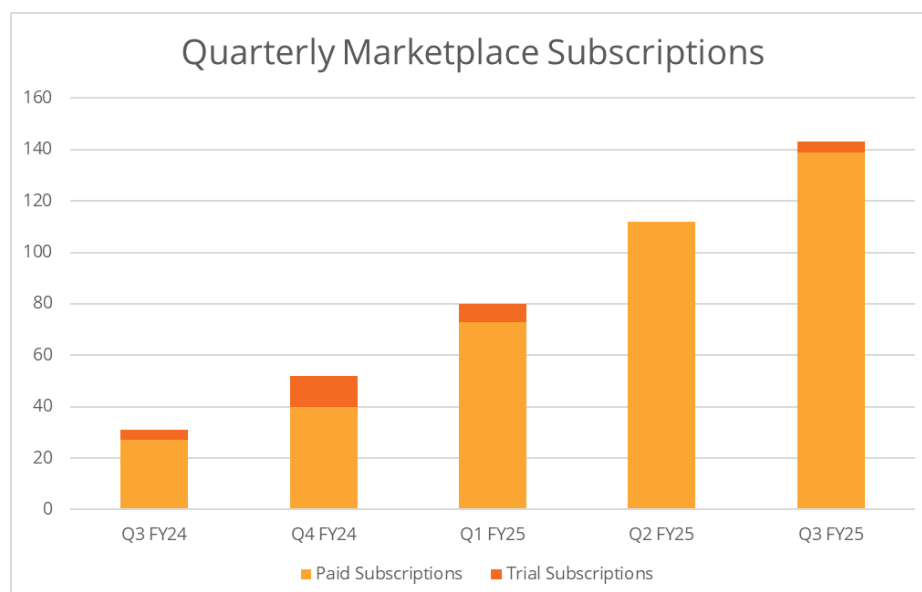
We update on our core Commercial Partnerships as follows:

- Tollaid: we ended the quarter with 80 subscriptions, from 66 in the prior quarter.
- OnDemand: we ended the quarter with 37 subscriptions, from 30 in the prior quarter.
- UVeye: Integration work continued, with beta-testing continuing at time of writing.
- Privacy4Cars: Integration work continued, with beta-testing scheduled for Q3 FY25.
- DMS: beta-testing of our new Dealertrack integration continued.
- Modives: we entered a product partnership with Modives for digital license and insurance verification. While the initial use-case is loaner fleet management, the product has applicability across paid rental and variable ops products.

## Marketplace

Launched in H2 FY24, we are consistently growing our Marketplace subscriptions each month. In addition to its revenue, the process of selecting, building and distributing new products & features via our Marketplace neatly organises and showcases our R&D efforts for the OEM customer.

Beyond products & features deemed as industry standard, e.g. Toll Management, our R&D efforts are focused on those most likely to be valued by OEMs and large Dealer Groups.



## Financial Position

Connexion's financial performance remained sound during the Quarter, with steady growth in subscriptions and a slight decrease in service revenue.

The Company recognised total revenue during the Quarter of \$2.83m, being a 1% increase over the prior quarter, and a record tenth consecutive quarter of increased revenue.

Subscription Revenue increased by 3% over the prior quarter. Fixed-dollar SaaS Revenue remained steady. Service Revenue decreased over the prior quarter by 9%.

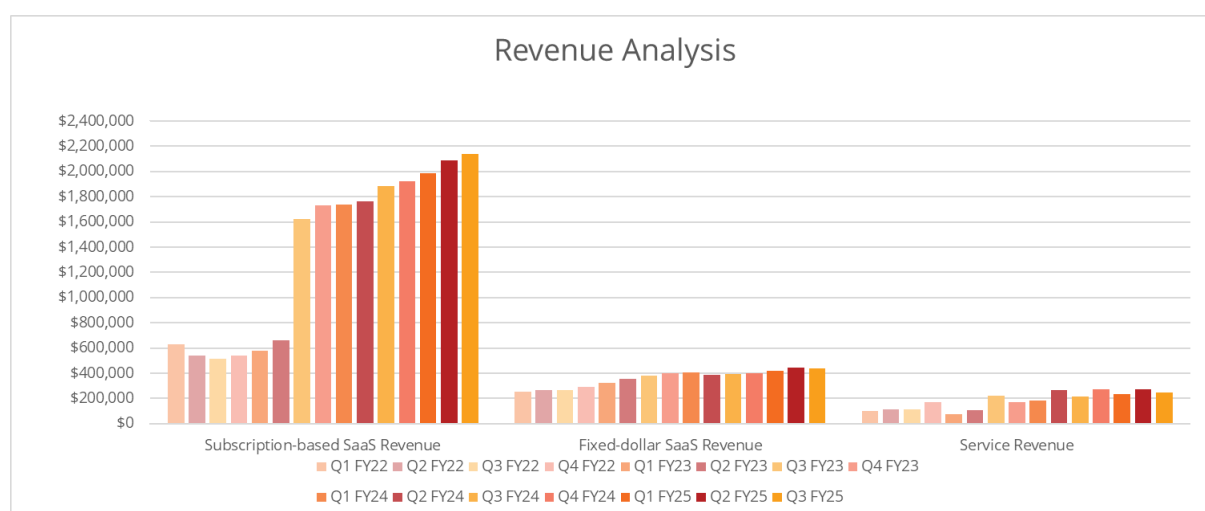
## Revenue

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.

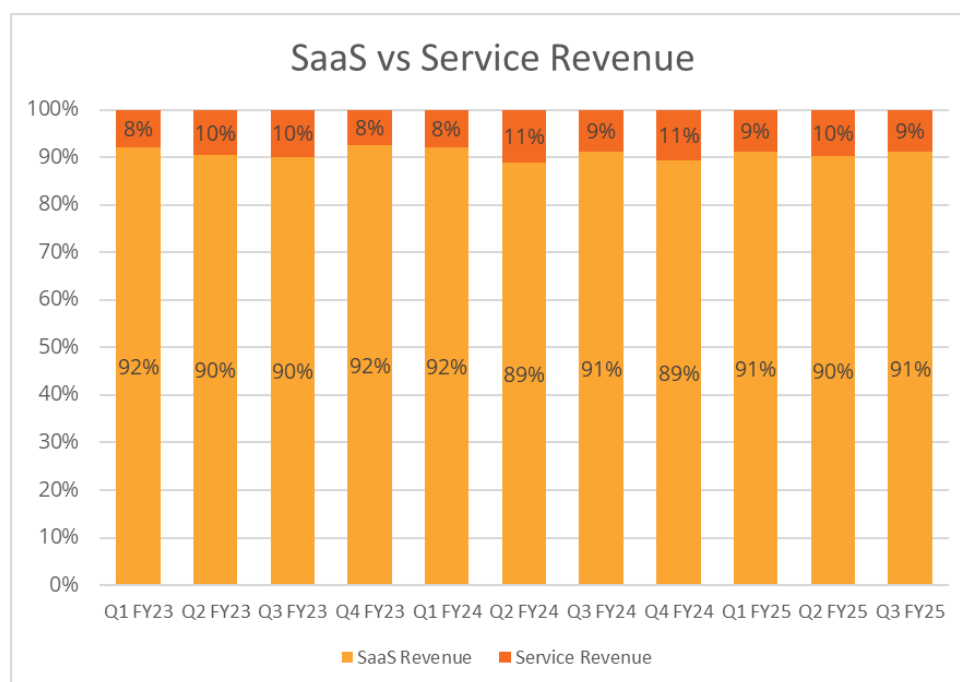


Subscription-Based Revenue increased to \$2.14m. Notably this is the twelfth consecutive quarterly increase since Q3 FY22.

Fixed-dollar SaaS Revenue stayed consistent with the prior quarter. Fixed-dollar SaaS Revenue

reflects Connexion's ongoing product enhancement work. The decrease when compared to the prior quarter reflects custom work completed in Q2, which was absent in Q3.

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



## Financial Metrics

Diluted EPS for the quarter was 0.068 US cents, down 12% when compared to Q2 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 lower due to the decreased Net Profit Before Tax, down 13%, while being slightly offset by the reduced diluted share count.

AMRR is the annualised, monthly Subscription-based SaaS Revenue and Fixed-dollar SaaS Revenue. At the end of the quarter, AMRR was 10.7% higher than in June 2024.

Customer Diversification AMRR measures Connexion's improving customer diversification, and comprises revenue unrelated to the General Motors CTP program. Customer Diversification AMRR increased 81% at the end of March 2025, when compared to June 2024.

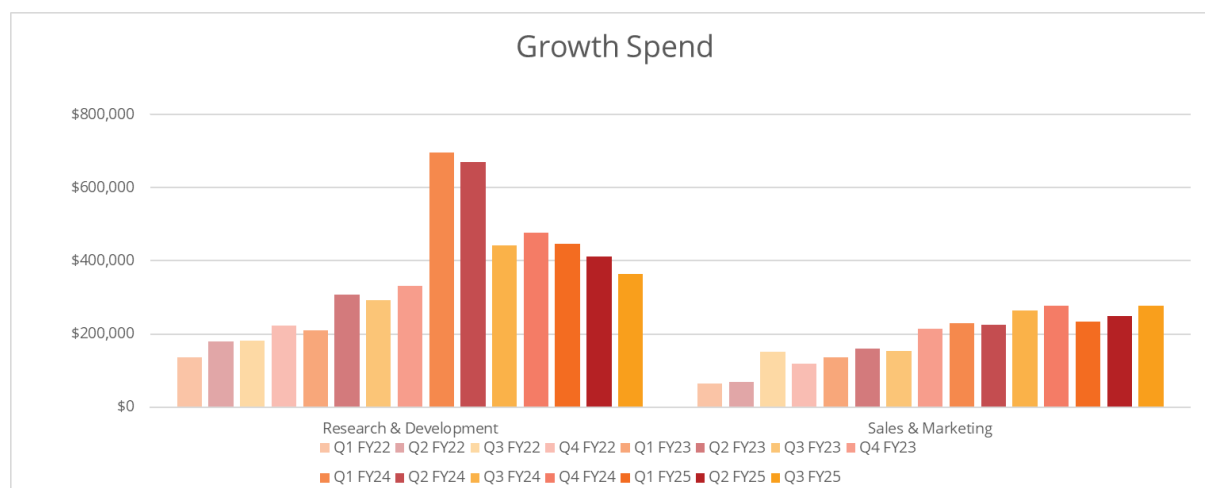
## Growth Spend

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

In Q3 FY25, our Research & Development expenditure decreased over the prior quarter by 12%, while our Sales & Marketing expenditure increased over the period by 11.7%.

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 \$0.83m, being a decrease of 13% over the prior quarter. The decline in Net Profit Before Tax compared to the prior quarter is mainly due to favourable FX movements in the previous quarter, which positively impacted P&L transactions but were not repeated this quarter. The minor increase in revenue and decrease in growth spend, is offset by an increase in cost of sales.

The AUD:USD exchange rate remained consistent during the Quarter, ending 0.5 cents higher.

Generally speaking, an increase in the AUD:USD has the following impact on Connexion:

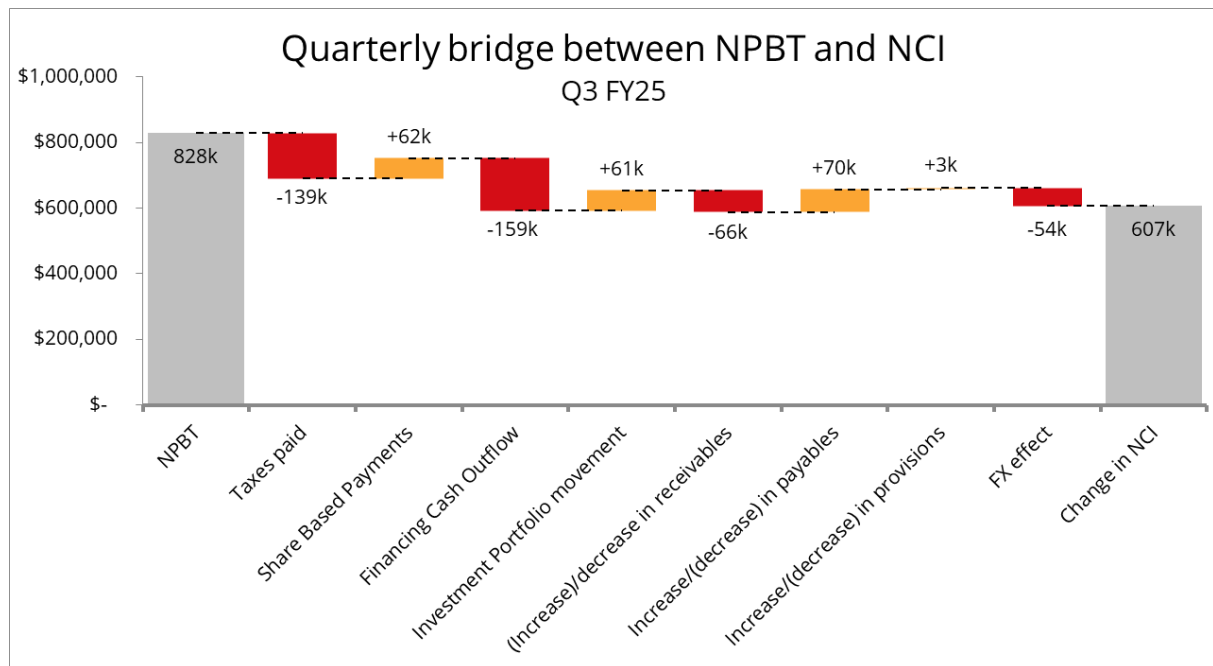
1. An immediate positive impact to our P&L via an increase in the USD value of our AUD-oriented balance sheet.<sup>1</sup>
2. A sustained negative impact to our P&L via decreased Operating Cashflow over time.

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.

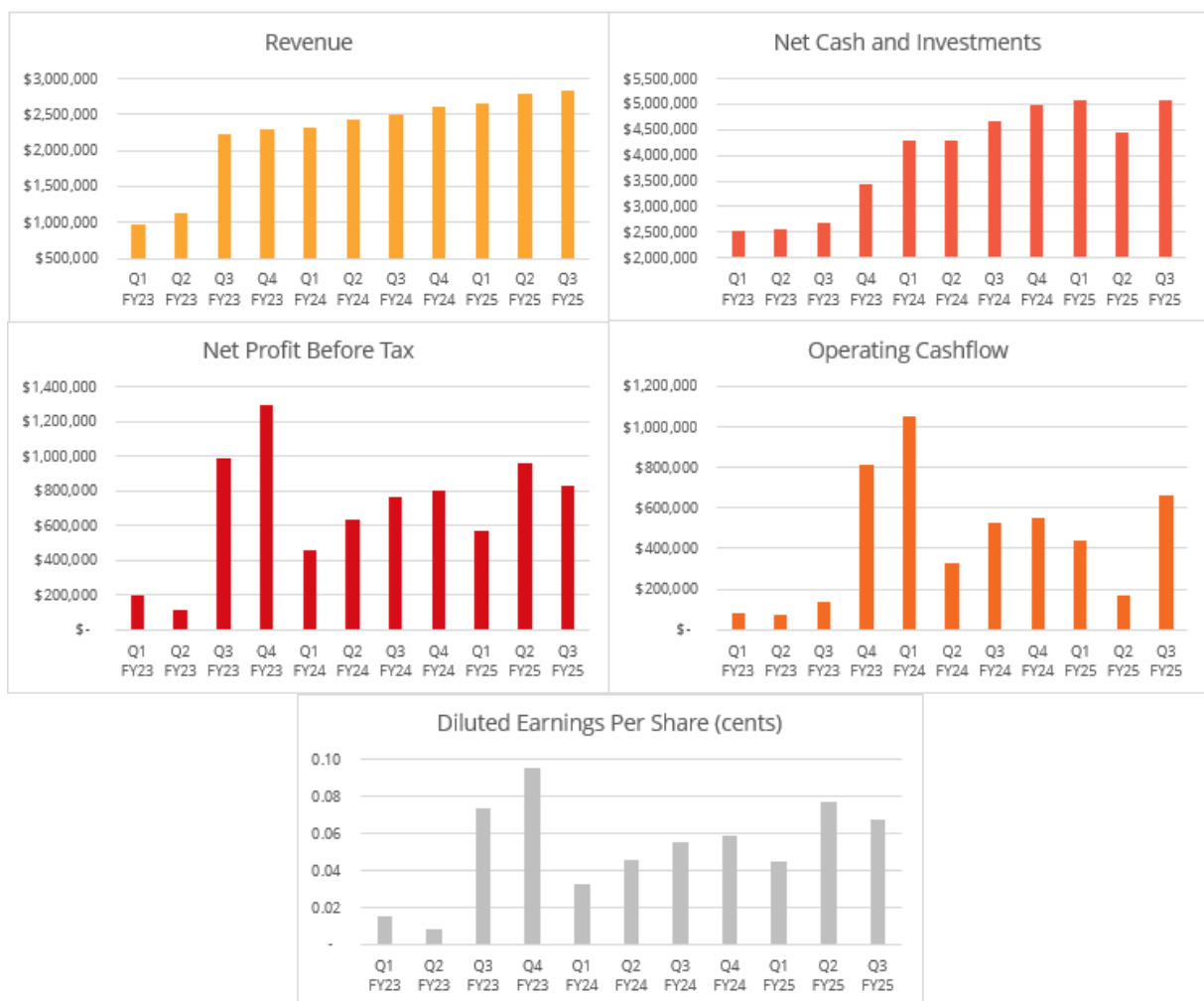
Net Cash and Investments (NCI) increased by \$0.61m, bringing total NCI to \$5.1m at the end of the Quarter. This was driven by Operating Cash Inflow of \$0.66m, offset by Financing Cash Outflow of \$0.16m, with the remaining variance due to movement in FX. The falling share count increases the intrinsic value of each share, while our balance sheet remains strong.

The movement between Q3, increase of \$0.61m, and Q2, decrease of \$0.63m, for our change in NCI is significant. The movement relates to the substantial FX movement in Q2, less shares purchased during the buyback in Q3, and a combination of positive cashflow movements – such as larger tax instalments paid in Q2 – when compared to Q3.

Below is the Q3 bridge between our unaudited Net Profit Before Tax of \$0.83m and our change in NCI of \$0.61m.



Below features a summary of our key financial metrics.



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## **Capital Management**

During the Quarter, Connexion repurchased 9.4m shares at an average price of A\$0.027 per share. Across all its buyback initiatives, Connexion has repurchased approximately 219m shares between A\$0.01-0.028 per share.

During the Quarter, Connexion's investment portfolio delivered a net return of +0.84%.

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.

## **Global Trade & Tariffs**

We note recent geopolitical developments regarding global trade and tariffs, and their potential to impact exporting businesses. At this stage, we see no clear direct nor indirect impacts on Connexion, and we have not seen any meaningful changes from our customers regarding their software purchasing. We acknowledge that automotive tariffs have the potential to meaningfully impact the automotive retail industry which may, in turn, affect the industry's software needs. We will continue to monitor the situation and update the market if and as required.

## **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 Dealer Groups increasingly adopting software to:

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 OEM & Dealer Group software spend, with 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 Dealer Groups

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



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## 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.