
Market Update

Melbourne Australia: Connexion Telematics Ltd (“CXZ”, “Connexion” or “the Company”) refers to the Renewed Agreement (“Agreement”) referenced in the ASX announcement dated 20 June 2021 titled “Connexion Telematics OnTRAC Renewal with General Motors”.

Connexion is pleased to advise that its cornerstone OEM customer (“Customer”) has agreed to extend the supply of the Connexion Platform (originally branded CXZTRAC) to all its Courtesy Transportation Program (“CTP”) participating dealerships as part of an “All in One” version of the OnTRAC platform. The extension takes effect from January 2023, and is expected to be formalised in due course via an Extended Agreement. The Company expects a subsequent uplift in monthly subscription revenue of approximately US\$250k.

In 2018, the Customer executed a Software-as-a-Service purchasing agreement with Connexion for supply of the original OnTRAC platform. The Customer and its broad network of dealerships in the United States use OnTRAC exclusively to manage the core operation of their official CTP.

In recent years, the Customer has purchased from Connexion access to certain “premium” features, along with the more newly-built Connexion Platform – both designed to complement larger, more sophisticated dealerships, including those supplementing their CTP fleets with used vehicles, following new vehicle inventory shortages.

Most recently, and as part of its continued investment into its CTP, the Customer has agreed to now extend the above to all its CTP-participating dealerships via an upgraded, “All in One” version of OnTRAC, supplied by Connexion.

Connexion Platform subscription revenue is expected to rise commensurate with the increase in the number of dealerships subscribed to the Connexion Platform. In turn, this is likely to materially increase Connexion’s total revenue.

In future Quarterly Updates, Shareholders will find any such uplift in subscription revenue within the “Subscription-based SaaS Revenue” component of the Revenue Analysis chart.

Any further material changes to the commercial terms of the final, negotiated Extended Agreement will be released to the market upon execution of such Extended Agreement. The Company notes that the Extended Agreement remains subject to the internal review, procedures and documentation from the Customer’s dedicated Purchasing Team.

The guidance above is provided by the Company to satisfy its Continuous Disclosure obligations.

Ends

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About Connexion Telematics

Connexion Telematics Ltd is a developer and owner of Software as a Service (SaaS) solutions for the global Automotive industry, notably its proprietary OnTRAC and Connexion platforms. OnTRAC is used by General Motors (GM) to exclusively manage the largest Courtesy Transportation Program (CTP) in the US, whilst the Connexion platform is built with OEM-agnostic functionality.

Connexion continues to expand its proprietary SaaS solutions. With its software used by over 1 in 5 Franchised Light-Vehicle Dealerships in the US, Connexion holds a strong strategic position from which to grow its industry-leading B2B software platform.

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