

Connexion Acquires Hallam Road Automotive

Melbourne, Australia: Connexion Mobility Ltd (“Connexion” or “the Company”) is pleased to advise that it has entered into a definitive agreement to acquire 100% of the assets of Hallam Road Automotive (“HRA”), a premier automotive service & repair centre located in Melbourne’s South-East (“Transaction”).

Transaction Highlights

- **Consideration:** Total potential consideration of approximately A\$5.0m (US\$3.5m), comprising an upfront cash payment of ~A\$4.0m (US\$2.8m) and a potential, performance-based earn-out of ~A\$1.0m (US\$0.7m) payable over 12 months.
- **Earnings Accretion:** The acquisition is expected to be immediately accretive to Connexion’s earnings per share (EPS), in the order of approximately 25-35%.
- **Earnings Sustainability & Diversification:** The acquisition is expected to significantly improve the sustainability and diversification of Connexion’s EPS.
- **Foreign Exchange (“FX”) Risk:** The Transaction is expected to significantly reduce Connexion’s operational FX risk exposure.
- **Management Continuity:** HRA’s founder, Mr Elie Chakkour, has committed to a 12-month, paid handover consultancy to ensure a seamless transition of operations and key commercial relationships.
- **Funding:** The Transaction will be funded from Connexion’s existing financial resources and a new A\$2.5m (US\$1.75m) amortising debt facility with National Australia Bank.

Investment Rationale

Connexion’s ultimate objective is to maximise Shareholder Value, defined as the product of the size, sustainability and diversification of its Earnings Per Share.

As reported recently in our Quarterly Report, Connexion held Net Cash & Investments (“NCI”) of US\$5.6m at the end of March 2026, and this is growing strongly.

Connexion’s NCI includes a selection of managed funds and an equity holding in Covertrue, as announced in September 2025. Excluding Covertrue, the pre-tax return from the cash & managed funds component is below the long-term rate of return that we seek to generate from deploying Connexion’s resources into operating assets.

In addition, Connexion has long been exposed to operational foreign exchange risk - specifically the AUD/USD. The AUD/USD has trended favourably for Connexion since 2021, however this may not endure. A sharp reversal could quickly and materially affect Connexion’s operating earnings. And indeed, the past twelve months has already seen the AUD/USD rise by circa 15%. For context,

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if the AUD/USD continued rising, from 70c to 80c (a level last reached in 2021 and 2018, and exceeded throughout 2004-2015), our ongoing Net Profit Before Tax would fall by circa US\$0.7m.

As such, Connexion is actively seeking M&A targets of three types – Direct Competitors, Adjacent Competitors, and Platform Companies.

Strategically, we seek companies presenting a logical industry fit within our existing portfolio. Today, this spans the intersection of the software, automotive and fleet management industries.

Hallam Road Automotive fulfills all of Connexion’s initial criteria for an attractive Platform Company, being a business that:

- We can understand
- We can add value to
- Is well-established
- Is run by capable, well-established management
- Exhibits an attractive balance of growth and profitability
- Has diverse revenue streams
- Can support organic and inorganic growth initiatives
- Has an overall risk profile that complements ours, rather than exacerbates it
- Generates AUD-denominated earnings (prioritised until our FX sensitivity is minimised)
- Can be acquired at a valuation meeting our internal Required Rate of Return

The Australian Automotive Service & Repair Industry

The Australian automotive aftermarket has demonstrated resilience through various economic cycles. As vehicle complexity increases and the average age of the Australian car parc continues to rise, the demand for high-quality, independent service and repair facilities has grown steadily.

A key subset of this industry is independent service and repair workshops – a growing market focused on the maintenance and mechanical longevity of passenger and light commercial vehicles.

- **Necessity-Driven Demand:** Automotive servicing is a non-discretionary requirement for vehicle safety, warranty compliance, and resale value.
- **Increasing Vehicle Age:** The average age of vehicles in Australia (currently ~11.6 years¹) drives higher per-vehicle spend on repairs and maintenance.
- **Technological Complexity:** Modern vehicles require sophisticated diagnostic equipment and skilled labour, creating barriers to entry for low-quality operators.
- **Fleet Synergy:** Independent workshops are increasingly preferred by small-to-mid-sized fleets for their cost-effectiveness and personalized service compared to OEM dealerships.
- **Right to Repair:** Since July 2022, Australia’s Motor Vehicle Information Scheme, a subset of Australian Consumer Law, mandates that OEMs share technical repair data with independent workshops at fair market prices. In addition:
 - Consumers are entitled to have their vehicle serviced by any qualified mechanic;
 - Consumers do not have to use “genuine” OEM parts – only parts that are fit for purpose;

¹ Bureau of Infrastructure and Transport Research Economics – Statistical Report 2025

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- A manufacturer cannot void a warranty simply because the consumer chose an independent workshop.

The Scheme appears to be working and attracted further, non-monetary, Federal Government support in February this year². Opening access to connected car data is also on the agenda³.

Hallam Road Automotive

Hallam Road Automotive is considered a premier independent workshop in the Hallam region, known for technical excellence, reliability, customer service and convenience.

The core of HRA's operational success is skilled labour management and parts procurement.

- **Labour Management:** Operations rely on HRA being an employer of choice, providing consistent workflow and professional development to technicians. HRA maintains a total team of eleven individuals.
- **Parts Sourcing:**
 - Key suppliers include major national distributors (e.g. Burson, Repco).
 - HRA executes most of its purchasing through the Capricorn co-operative.
 - Where possible, HRA leverages volume discounts to maintain a cost advantage over smaller, local peers.
- **Service Suite:**
 - **General/Logbook:** Routine maintenance, fluid changes, and safety inspections.
 - **Major Repairs:** Engine/transmission overhauls, brake and suspension, specialized work.
 - **Diagnostics:** Advanced electronic scanning for late-model vehicles specialising in European makes.
- **Workflow:** The quality of HRA's workshop management, specifically its ability to maintain efficient "flow" between customers, labour, parts and administration, is a source of competitive advantage.

HRA's client base has a circa 60/40 commercial/retail split.

- Commercial customers include local, franchised dealerships and small commercial fleets.
- Retail customers include families and long-standing clientele.
- The mix of commercial/retail customers allows HRA to comfortably prioritise commercial customer needs with more flexible retail customer needs.

What signals HRA's positive standing?

Reputation for Quality: HRA enjoys a dominant local standing, focusing on high-quality parts, transparent quoting, and reliable project delivery.

² Australian Automotive Aftermarket Association - Right to Repair Just Proved its Value: \$2.4 Billion

³ Australian Automotive Aftermarket Association - Government Strengthens Australia's World-Leading Right To Repair Law

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Scale and Presence: With a large nine-bay facility in an elevated position on Hallam Road, the business has the physical capacity to handle both high-volume rapid servicing and complex repairs. In addition, its size allows it to cost-effectively provide the convenience of courtesy vehicles and vehicle pick-up/delivery services to its key customers.

Longevity: Over 22 years, HRA has built a "sticky" customer base, driving repeat business.

Technical Certifications: Adherence to VACC standards and authorization to perform logbook servicing without voiding new-car warranties, along with Roadworthy Certificate issuance ability, authorised by Transport Victoria.

What does this mean for Connexion?

Barriers to Entry: While low for basic workshops, the "barriers to succeed" are high due to the requirement for expensive diagnostic hardware and the nationwide shortage of skilled technicians.

Competitive Advantage: Similar to Connexion's investee, Covertrue, HRA's advantage lies in its ongoing transition from a "tradesperson service" to a professionalized "corporate interface," offering superior consistency for fleet managers compared to disjointed local peers.

Market Dynamics: Smaller, local competitors tend to be owned by older individuals facing succession challenges. This may present Connexion with a significant opportunity to capture market share as these operators transition to retirement or fail to invest in technology.

Financials

HRA has demonstrated strong Australian dollar earnings over many years, with an estimated FY19-27 growth rate in Revenue of 15% and Net Profit Before Tax of 24%.

Upon acquisition, HRA's full profit & loss will be combined with Connexion's, after converting to US dollars. Note: this differs from the method used for our minority holding in Covertrue, which is simply an associated share of profit, recognised under "Other Income".

Based on the current performance of both operating businesses, the acquisition is expected to be EPS accretive in the order of 25-35%. The earnings per share base is USD 0.30 cents from our 2025 Annual Report, and the movement percentage is based on our projections.

The Transaction will be funded with a combination of internal cash and a A\$2.5m (US\$1.75m) amortising debt facility with our current bank, National Australia Bank. This approach ensures that Connexion retains substantial, liquid assets post financial-close.

Following completion of Connexion's acquisition of Hallam Road Automotive, the Founder and Vendor of Hallam Road Automotive, Mr Elie Chakkour, will work with Connexion for an initial period of twelve months, ensuring a smooth transition.

Commenting on the acquisition, Connexion CEO Aaryn Nania said *"Hallam Road Automotive is a high-performing operation in a growing and resilient industry, whose risk-profile complements Connexion's. The teams at both companies share a passion for improving customer experiences surrounding automotive service & repair, and we are delighted to have the opportunity to own a local, industry leader of the calibre of Hallam Road Automotive. We look forward to being a supportive operating partner for many years ahead."*

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Elie Chakkour, Founder of Hallam Road Automotive shared that *“Having built Hallam Road Automotive with my late father, George Chakkour, I am extremely proud of what our team has achieved over the past 25 years. As a family business, it was important to us that we transitioned ownership to a company that would ensure our staff, suppliers and customers were in good hands.*

We are pleased to have found a partner, in Connexion, that respects the history and values of our business. Our team of technicians and service staff have a fantastic opportunity for training and career development within the Connexion Mobility group.

I look forward to working closely with Connexion over the coming year, to continue driving the excellent service that our loyal customers enjoy at Hallam Road Automotive.”

Transaction Structure

- Connexion has incorporated a wholly owned subsidiary, Connexion Services Pty Ltd (“Connexion Services”), to undertake the acquisition of Hallam Road Automotive.
- Connexion Services has entered into an asset sale agreement with Hallam Road Automotive Pty Ltd, as trustee for the Hallam Road Automotive Unit Trust, to acquire the Hallam Road Automotive business, including all the assets comprising the business. Connexion Services will offer employment to all current HRA employees and will be responsible for all outstanding employee entitlement obligations. Other than employee entitlements, Connexion Services will not be responsible for any other debts or liabilities of the business incurred prior to completion.
- As part of the transaction, Connexion Services will enter a new long-term lease with a related party of Hallam Road Automotive Pty Ltd, with respect to the business premises.
- Completion is subject to all third-party consents and approvals, including any approvals required under the ASX Listing Rules, the execution of the property leases, execution of employment agreements with key personnel, including the founder, Mr Elie Chakkour.

Summary

- The Transaction is expected to immediately and significantly improve the size, sustainability and diversification of Connexion’s ongoing earnings per share, in the order of 25-35%.
- HRA operates in a substantial and growing addressable market, with fragmented competition.
- The base-case expectation of this acquisition is for HRA to maintain its current level of operating performance, together with inflation-linked growth, generating strong cashflow for Connexion.
- Post acquisition, there may be opportunities for:
 - Selective bolt-on acquisitions of other service & repair businesses.
 - Greater ability to identify and engage with local automotive software targets and partners.

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- Progressively relieved of day-to-day operations, an opportunity for Mr Chakkour to support HRA with more strategic, commercial sales.
- More intentional investment into HRA's digital presence, technology and strategic industry partnerships, with the support of Connexion's software resourcing.
- Leveraging HRA as a local "test-bed" for Connexion software, and training of its Product and Engineering teams.
- Connexion is currently repaying a franking credit balance deficit. At current profitability, Connexion is still 3-4 years from having distributable franking credits. The acquisition of HRA is expected to materially reduce this timeframe.
- Currently, Connexion is operationally exposed to significant AUD/USD sensitivity. The acquisition of HRA is expected to materially reduce this operational risk.
- The successful acquisition and integration of this relatively mature and stable business, in HRA, is expected to contribute positively to Connexion's financial and operational standing, supporting future M&A initiatives.

Completion of the Transaction is anticipated to occur in May 2026. There is no other material information relevant to assessing the impact of the investment on the price or value of the Company's securities.

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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 & contract management, data analytics tools, and much more, to help OEMs and Dealerships move people, parts, and vehicles.

Connexion powers courtesy transportation for thousands of Dealerships across North America, maximising their asset utilisation and operational efficiency, whilst elevating the end-customer experience. Learn more at connexionmobility.com

About Hallam Road Automotive

Hallam Road Automotive is a premier, independent automotive service & repair centre in Hallam, Victoria, Australia, known for technical excellence, reliability, customer service and convenience.

Operating for over 20 years, Hallam Road Automotive has become a leading, local supplier for commercial and retail customers alike. Learn more at hallamroadautomotive.com.au

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