

## Full Year Results Summary for the year ended 30 June 2020

- **Total Revenue up 131% to \$8.20m** (FY19 \$3.56m)
- **Net Profit Before Tax up 340% to \$2.05m** (FY19 \$0.47m)
- **Net Profit After Tax up 587% to \$3.20m** (FY19 \$0.47m)
- **Diluted EPS up 537% to 0.35c** (FY19 0.06c)
- **Net Cashflow up 254% to \$1.49m** (FY19 \$0.42m)
- **Working Capital up 256% to \$3.35m** (FY19 \$0.94m)
- **Tech and Support Team expanded by 33%**
- **OnTRAC CTP/CTA subscription base averaged 69k vehicles for the year**
- **COVID-19 impact on the business largely mitigated by increase in recurring revenues**
- **Significant ongoing customisation and improvements to the OnTRAC program**
- **Growth initiatives pursued into FY21**

**Melbourne Australia:** Connexion Telematics Ltd (“**CXZ**” or the “**Company**”) is pleased to provide a report on its audited financial results for the year ended 30 June 2020 (FY20).

### **Group Overview**

This year built on the positive momentum achieved in the prior year to deliver a strong set of results against a backdrop of economic uncertainty that unfolded during the latter part of the financial year, with COVID-19.

The Company continued to provide its proprietary Software as a Service (SaaS) solution, OnTRAC, for General Motors’ (**GM**) Courtesy Transportation Program (**CTP**) and Cadillac’s Courtesy Transportation Alternative (**CTA**).

OnTRAC is the only SaaS courtesy transportation program solution software used by GM, which includes Buick, GMC, Chevrolet and Cadillac dealers. OnTRAC is used on a daily basis by over 10,000 end-users at the dealership level and barriers to entry are considerable.

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Following the initial launch of the OnTRAC program, the Company worked closely with GM on various sets of customisation and feature enhancement work, aimed at optimising the current features. These include enhanced dealership analytics, reporting and various other user functions required by the large GM dealer network in the United States.

OnTRAC revenue has grown steadily from the initial 23k vehicles pre-registered to adopt CTP utilising OnTRAC. As a direct result of the various COVID-19-related lockdown measures, subscriptions decreased from 72k vehicles as at 31 March 2020 to 64k vehicles as at 30 June 2020. Over 2 million individual vehicle loan contracts were generated by OnTRAC during the year, adding to the growing dataset available to the Company for future monetisation opportunities.

During the year, the Company ceased providing usage of its Commercial Link ('CL') subscription solution to GM in the US, Canada and Mexico. The program was phased out during the 3rd quarter with the Company's focus turning to OnTRAC. In the interim period, the Company continues to explore other opportunities for this product, offsetting any reduction in future revenue.

## **COVID-19**

COVID-19 presented an unexpected and significant challenge to both the US and global economies and the Company's priority remains ensuring the safety of its staff, suppliers and supporting GM and its Dealership network.

Whilst CXZ has currently been impacted by COVID-19, those financial impacts are somewhat mitigated by the primary revenue source being based on the maximum number of courtesy vehicles managed online, and not directly linked to sales.

Despite the economic impact of COVID-19, the Company continued to perform very well with the primary revenue source being based on the maximum number of courtesy vehicles managed online, and not directly linked to sales. Furthermore, a strong pipeline of ongoing consulting work and increasing recurring revenues from GM helped to largely mitigate the impact of COVID-19.

## **Annual Operating Result**

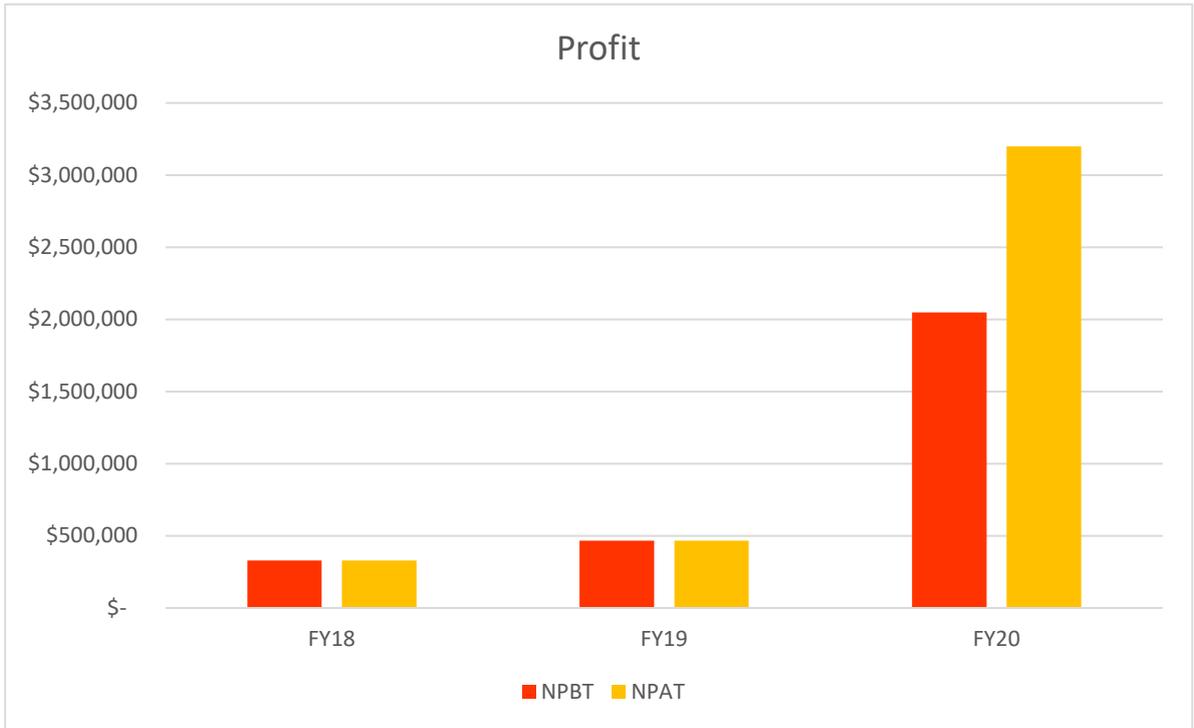
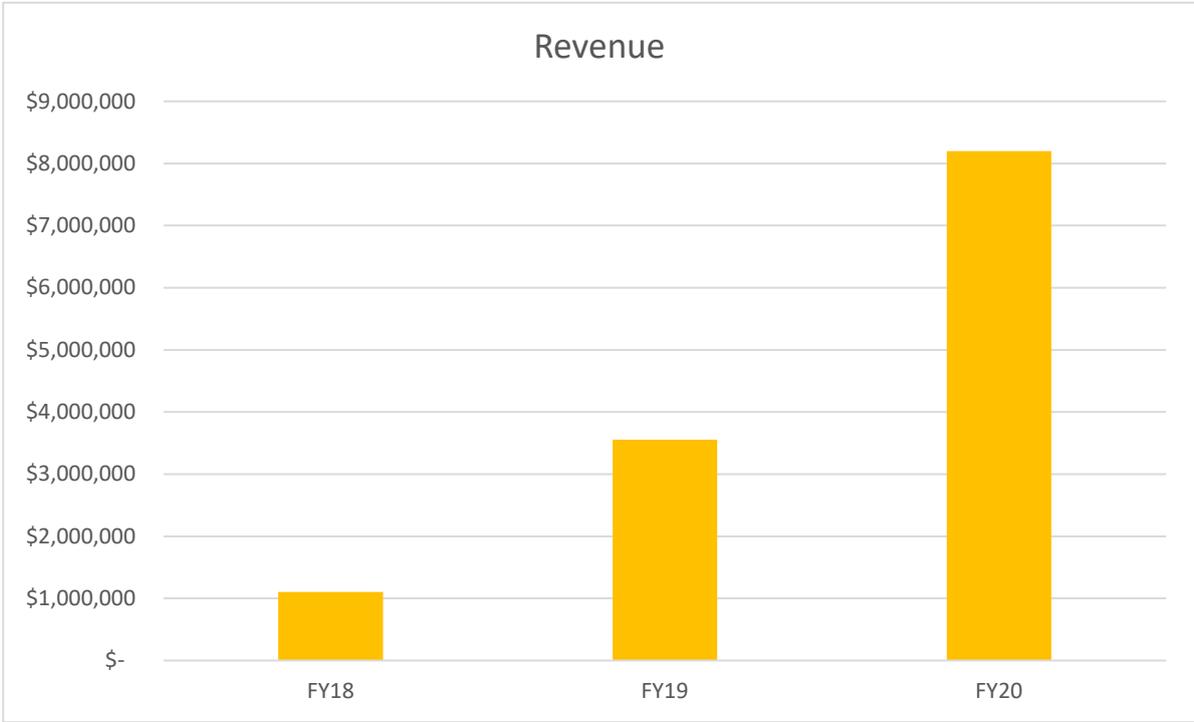
The consolidated net profit after tax for the year ended 30 June 2020, after providing for income tax benefit, was \$3,199,784 (2019 profit: \$466,034).

Total revenues from ordinary activities for the FY20 financial year were \$8,201,207, a 131% increase compared with \$3,555,221 for the year ended 30 June 2019. In addition to total revenues, the Group also recognised gross receipts of \$180,212 relating to Research and Development ('R&D') tax incentives (2019: \$406,948).

Consolidated total assets have increased from \$3,355,291 as at 30 June 2019, to \$5,746,264 as at 30 June 2020. Consolidated net assets increased from \$1,741,894 as at the prior year end, to \$4,812,972 as at 30 June 2020. The continued improvement in the positive net asset position was a result of operational performance, strong cash management and the elimination of all corporate debt.

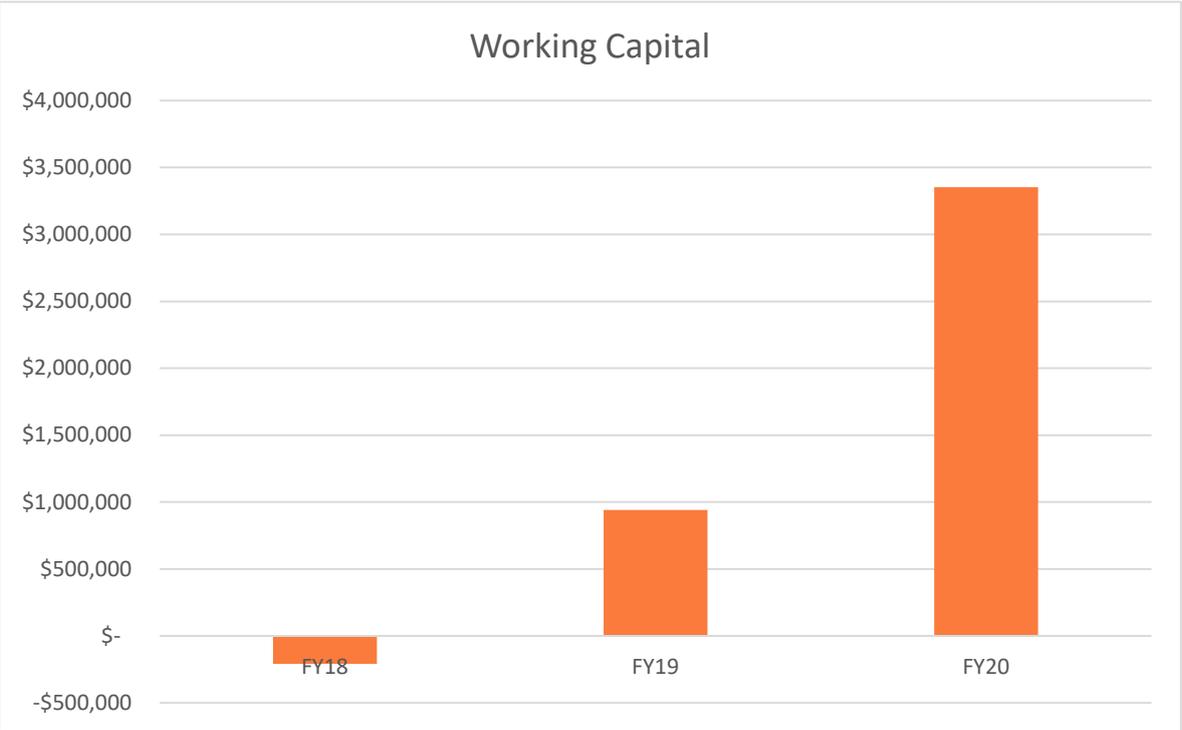
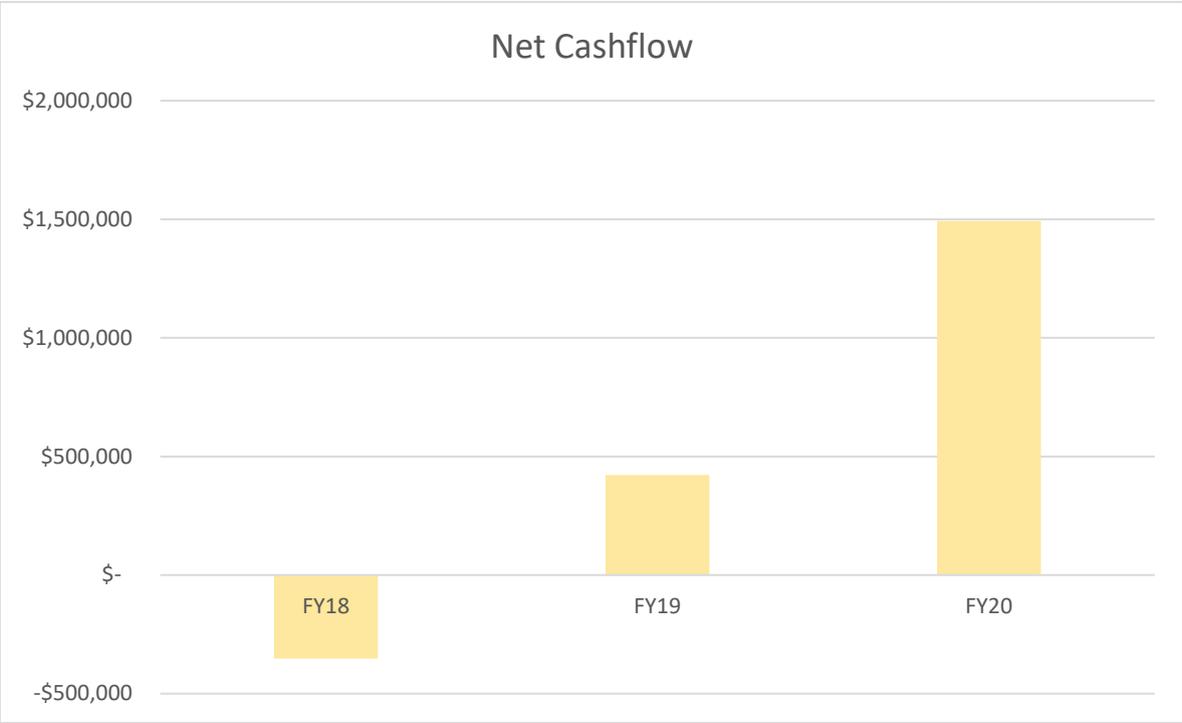
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## **Corporate**

Building on the positive momentum achieved during the previous year, where all external debts were eliminated and costs rationalised, the Company focussed on delivering its high level of service to GM, whilst also assessing other project opportunities and recurring revenue streams.

As announced on 18 May 2020, Guy Perkins resigned as Managing Director and CEO effective 24 June 2020. Mr Aaryn Nania, an existing director, is serving as Interim CEO. The Company is currently sourcing a suitable permanent candidate to lead the Company's growth strategy.

## **Outlook**

The Company continues to build on its flagship OnTRAC CTP/CTA SaaS solution within the GM dealership network. Ongoing optimisation and customisation work currently in hand will continue to drive increased net revenue per subscription. This work also serves to further embed the software into the daily work processes of its 10,000+ individual users, not all of whom operate exclusively for GM. Building upon its relationships with multi-brand franchises is an important stepping-stone in the Company's strategy to diversify its revenue base.

Growth opportunities are being actively pursued both within the current GM dealership network, as well as through external applications with other OEM vehicle dealerships and independent software suppliers within the US and Australia.

Finally, the Board would like to thank its committed and innovative team, led by COO Tasso Koutsovasilis, for its dedication throughout the year. These strong results are testament to the team's unrelenting commitment to progress.

## **Ends**

**Issued by:** Connexion Telematics Ltd

**Authorised by:** The Board of Connexion Telematics Ltd

## **Queries:**

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Interim CEO and Non-Executive Director

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