

Connexion Invests in Covertrue Group

Melbourne, Australia: Connexion Mobility Ltd (“Connexion” or “the Company”) is pleased to advise that it has agreed to acquire a substantial minority shareholding, along with stapled redeemable notes, in Covertrue Group Pty Ltd (“Covertrue Group” or “Covertrue”), the owner of leading Australian fleet branding business, Liberty Signs (the “Transaction”).

Transaction Highlights

The transaction consideration is A\$2,940,200, adjusted for any changes to the net working capital position on the date of settlement, and will be funded from Connexion’s existing financial resources. Covertrue is managed with financial discipline. Accounting for the commensurate reduction in its existing investment portfolio, Connexion expects the Transaction to be immediately accretive to its earnings per share.

Post completion, Connexion will seek to equity-account its holding in Covertrue. The Transaction will have no impact on the day-to-day management or operations of Covertrue.

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.

Connexion currently holds Net Cash & Investments (“NCI”) of US\$5.9m, and this is growing strongly.

Connexion’s NCI currently generates a pre-tax return of circa 7% p.a. from its passive investment portfolio. This is significantly lower than 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. For context, if the AUD/USD reversed 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\$0.95m.

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

Covertrue 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

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- Is run by capable, well-established management
- Exhibits a “rule of 40” >25
- 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

About Covertrue Group

Covertrue’s main asset is its wholly-owned, leading national fleet branding business, Liberty Signs.

Established in 1997, Liberty Signs specialises in the end-to-end design, print & mobile installation of fleet branding, delivered across over 150 locations Australia-wide.

Liberty Signs is one of Australia’s most trusted fleet branding experts, with an exceptional blue chip corporate client base of national fleets.

The Australian Fleet Branding Industry

Through an era of increasing digital saturation, out-of-home (“OoH”) advertising has demonstrated consistent effectiveness. As a result, OoH advertising spend has consistently grown above inflation for many years, averaging circa 8.00% annual growth over the past 10 years.

A subset of OoH advertising is fleet branding – a growing market focused on branding and advertising on commercial vehicles through the application of vehicle wraps or decals, whereby vinyl graphics cover a vehicle’s exterior to display branding, contact and service information.

Fleet branding is increasingly popular across large corporate and local businesses alike, as a highly cost-effective and impactful method for increasing brand visibility and recognition.

While there are numerous vehicle branding suppliers in Australia, most focus only on single-vehicle branding, from one location.

Liberty Signs

Liberty Signs specialises in servicing Australian corporate fleets. Approximately half of corporate fleet vehicles are purchased from dealerships, with the balance directly from the manufacturer or via a Fleet Management Organisation (FMO). The vehicle purchase & delivery process connects Liberty Signs, operationally, with manufacturers, dealerships and FMOs.

Liberty Signs services its blue-chip clients through its national network of 150 affiliated locations. Operationally, Liberty Signs coordinates customers, FMOs, dealerships, vehicles and installers. In many ways, this is not dissimilar to Connexion’s core business of coordinating people, parts and vehicles. Accordingly, while there is no commercial relationship between Connexion and Covertrue, areas of mutual interest between the teams include automation, digitisation, product/client integration, and more.

Following completion of Connexion’s purchase of its equity holding in Covertrue, Connexion CEO, Aaryn Nania, will be appointed to the Covertrue Board.

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Commenting on the investment, Connexion CEO Aaryn Nania said *“Covertrue is a true leader in a growing industry, whose risk-profile complements Connexion’s. The teams at both companies share a passion for improving enterprise customer experiences, and we are delighted to have the opportunity to acquire an interest in Covertrue. We look forward to being a supportive partner for many years ahead.”*

Chris Liell-Cock, Covertrue Group Chairman stated that Covertrue was pleased to have Connexion Mobility as a substantial shareholder. *“We see the link with Connexion as being very positive, and look forward to welcoming Aaryn Nania to the Board”*

Connexion does not consider that its investment in Covertrue is material, however, the direct equity investment is the first of its kind for Connexion, as it seeks to deploy its Net Cash & Investments to support growth in the size, sustainability and diversification of its earnings per share.

Completion of the Transaction is anticipated to occur in September 2025, with no further material conditions to be satisfied. 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 the US, maximising their asset utilisation and operational efficiency, whilst elevating the end-customer experience. Learn more at connexionmobility.com

About Covertrue Group

Covertrue’s main asset is its wholly-owned, leading national fleet branding business, Liberty Signs. Liberty Signs is Australia’s most trusted fleet branding experts with an exceptional blue chip corporate client base built over 25+ years.

Liberty Signs specialises in end-to-end design, print and mobile installation of fleet branding at 150+ locations Australia-wide. The Company services the best global & national branded fleets, and is in the top 20% of all rated companies worldwide by EcoVadis – the universal sustainability ratings provider.

Liberty Signs has enjoyed many industry awards, including recent major awards at the Currie Group National Sign and Graphics Awards. The industry awards are held biennially, making this the sixth consecutive gold medal win for Liberty Signs since 2014. Learn more at libertysigns.com.au

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