XPON
TECHNOLOGIES GROUP

XPON Technologies Group

IPO Investor Presentation

DECEMBER 2021
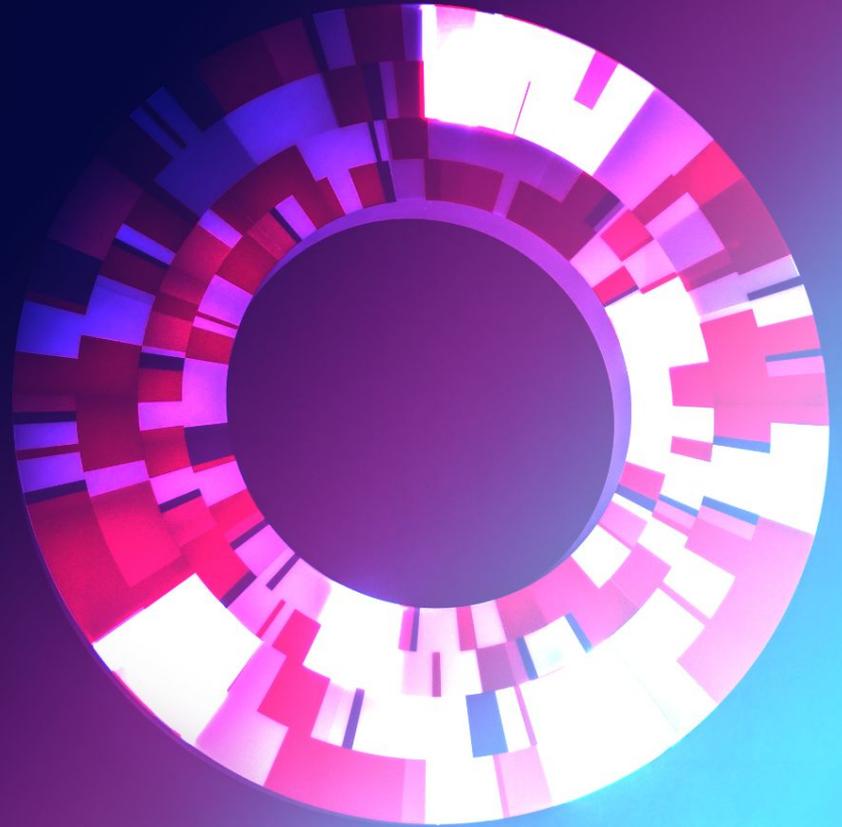
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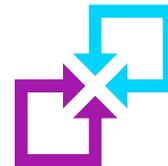
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XPON is a Cloud and MarTech Company

Data privacy is of concern globally.

Third-party cookies are being phased out.

Companies are shifting to the cloud at rapid pace and COVID has accelerated a digital first approach.

XPON helps customers better leverage their First-Party data to unlock exponential growth.

What XPON does
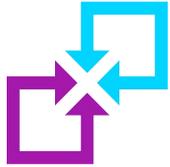
CUSTOMER PROBLEM: How do I accelerate my digital modernisation to combat the shift in market dynamics and consumer expectations?

XPON SOLUTION: Incrementally deploy the XPON Marketing & CX Technology stack.

XPON Lands
Digital maturity assessment, audit and roadmap of data, technology and strategic objectives.

XPON Expands
Lay the cloud infrastructure foundations.

Marketing and customer analytics and ensure all required data is being collected.

Ownership of advertising data and deployment of AdTech (Google Marketing Platform).

Cloud modernisation of customer applications and digital products.

UTILISING THE WONDARIS CDP
A centralised single view of customer.

Drives customer intelligence and automated digital ad activation across global digital channels.

ML and AI automation of sophisticated customer segmentation and personalisation.

Delivers ease of use by frontline marketing teams to activate First-Party Data in realtime and a mechanism to assist with compliance of privacy regulations globally.

wondaris

NEXT-GENERATION IMMERSIVE XR EXPERIENCES
Immersive XR digital experiences.

Capture and hold the attention of consumers at double the industry average at 9:35 mins.

Privacy compliant and deeply personalised experiences that capture behavioural and First-Party data.

Synchronizes with Wondaris to enrich data for analysis and activation.

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holoscribe

XPON MARKETING & CX STACK

DATA		AI & ML
	DIGITAL EXPERIENCES	
	DIGITAL APPS & PRODUCTS	
	ADTECH	
	MARTECH / DATATECH	
	CLOUD INFRASTRUCTURE	
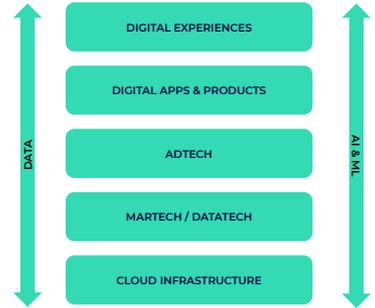
Delivering **two symbiotic offerings** to customers

XPON
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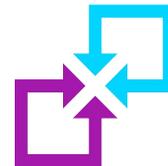
Corporate Services

People & Culture
Brand & Marketing

Finance
Governance
Legal

XPON
TECHNOLOGIES

XPON
PLATFORMS

Operating in Australia & New Zealand, United Kingdom, and Europe, with an engineering hub in Vietnam XPON Technologies helps its customers modernise their marketing and customer experience (CX) technologies through:

- Big Data Analytics (BDA), Machine Learning (ML) and Artificial Intelligence (AI);
- Supporting cloud infrastructure and technologies;
- Deployment and management of marketing technologies (MarTech) and advertising technologies (adtech); and
- Consumer facing applications (apps) and digital products;

wondaris

XPON's proprietary Customer Data Platform (CDP) that centralises customer and marketing data, leveraging AI for automated activation.

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XPON's proprietary Extended Reality (XR) platform for quickly and easily publishing of XR and 360 degree content in any supported channel.
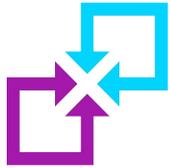
Customer snapshot

Over 190 customers globally including prominent brands such as:

sunsuper

OFX

Super Retail Group

webjet.com.au

informa

BCIC
An affiliate of VICTORIA MUTUAL

youi

Domino's

FLIGHT CENTRE

XPON provides its customers with the following benefits:

LESS COMPLEXITY

REDUCED COSTS

GREATER AUTOMATION

DATA OWNERSHIP

MORE ENGAGED & PROFITABLE CUSTOMERS

Additional customers and case studies can be found at xpon.ai

Big data, machine learning, analytics, cloud and app modernisation.
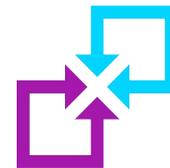
XPON
TECHNOLOGIES

A unique relationship and managed partnership is in place with Google Cloud and Google Marketing Platform to realise the value of leveraging first-party data for better marketing and customer experience outcomes for XPON's customers.

Cloud

Enterprise scale serverless data platforms, AI and machine learning tailored for marketing & CX.

Google Cloud
Partner

MarTech

Tools and platforms that unlock intelligence and enable integrated and seamless marketing and customer experiences.

Google Marketing Platform
Sales Partner

Adtech

Ad activation enablement on enterprise ad platforms, to power strategies and customer programs supercharged with data and AI.

Google Marketing Platform
Sales Partner

FACEBOOK
MARKETING PARTNER

App Modernisation

Accelerates digital transformation with rapid cloud native application modernisation that can increase ROI. Business critical customer facing applications and digital products.

Wondaris Customer Data Platform (CDP)
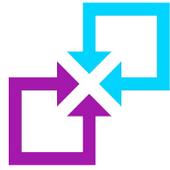
Privacy concerns globally are resulting in the removal of third-party cookies, which are relied upon heavily for targeted digital marketing[1].

XPON's **proprietary data management solution** imports its customers own customer data from multiple sources, integrates, cleans and organises the data to create a unified profile of each consumer.

XPON's ML & AI enriches the data to enable advanced customer-centric functionality that is personalised and designed for higher ad conversion.

Integrates with key digital marketing platform such as Facebook and Google Ads for **privacy compliant, simple click activation** across multiple channels and campaigns.

Key technology that **powers the experiences and analytics** delivered via XPON Technologies.

Benefits

- Unlocks value of **siloed data** for everyday use by marketers **without the need for data engineering or data science skills**.

- Enable **personalised customer experience** that drives **increased ROI** across content and media.

- Offers **unique CDP functionality** whereby the product can sit on its customers own cloud infrastructure in a platform-as-a-service (PaaS) implementation.

- Enterprise **security, governance and a privacy first approach** built in, providing IT & Data Analytics teams with **peace of mind.**

- Simplifies data use within the enterprise, **drastically reducing activation times from weeks to minutes.**

- **Open platform with native integrations** with Google Cloud and Marketing Platforms, Facebook, Salesforce and other leading vendors.

1 — Centralize the data | 2 — Improve and enrich the data | 3 — Activate the enriched the data

CRM Database
Operations Database
Point Of Sale Database
Website Analytics

wondaris

Google Cloud Partner

1 Source

Go-to-market
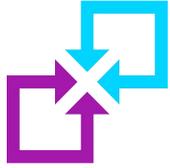
XPON's strategy is to accelerate **time-to-value** for its customers by delivering a modern cloud and analytics foundation where the customer has ownership of their first-party data. This foundation is then leveraged to power personalised and intelligent digital marketing and customer experiences.

HOW XPON LANDS

- Marketing & CX maturity assessment, audit and roadmap.
- Data collection, marketing analytics and foundational cloud infrastructure.
- First-party ownership of adtech software and data.
- Cloud data solutions and applications that deliver time-to-value.

HOW XPON EXPANDS

- Consolidation of marketing and customer data with Wondaris CDP; operationalise ML and AI.
- ML and AI automation of sophisticated customer segmentation, advertising and personalisation.
- Cloud modernisation of customer applications and digital products.
- Scaling cloud solutions, real-time data and applications and immersive XR customer experiences.

HOW XPON MAKES MONEY

Recurring

- Software Licenses
- Usage Fees
- Managed Service Subscriptions

Non Recurring

- Professional Services
- Onboarding & Implementation

HOW XPON GROWS

- Strengthen existing solutions (which may include strategic acquisitions)
- Expand uptake of solutions from existing customers
- Expand sales & marketing capacity
- Expand channel relationships
- Extend Wondaris platform ecosystem

Key Metrics

XPON is growing fast**.** Unit economics highlight the value delivered to its customers over the long-term and underpins a bright future.

Fast ARR growth
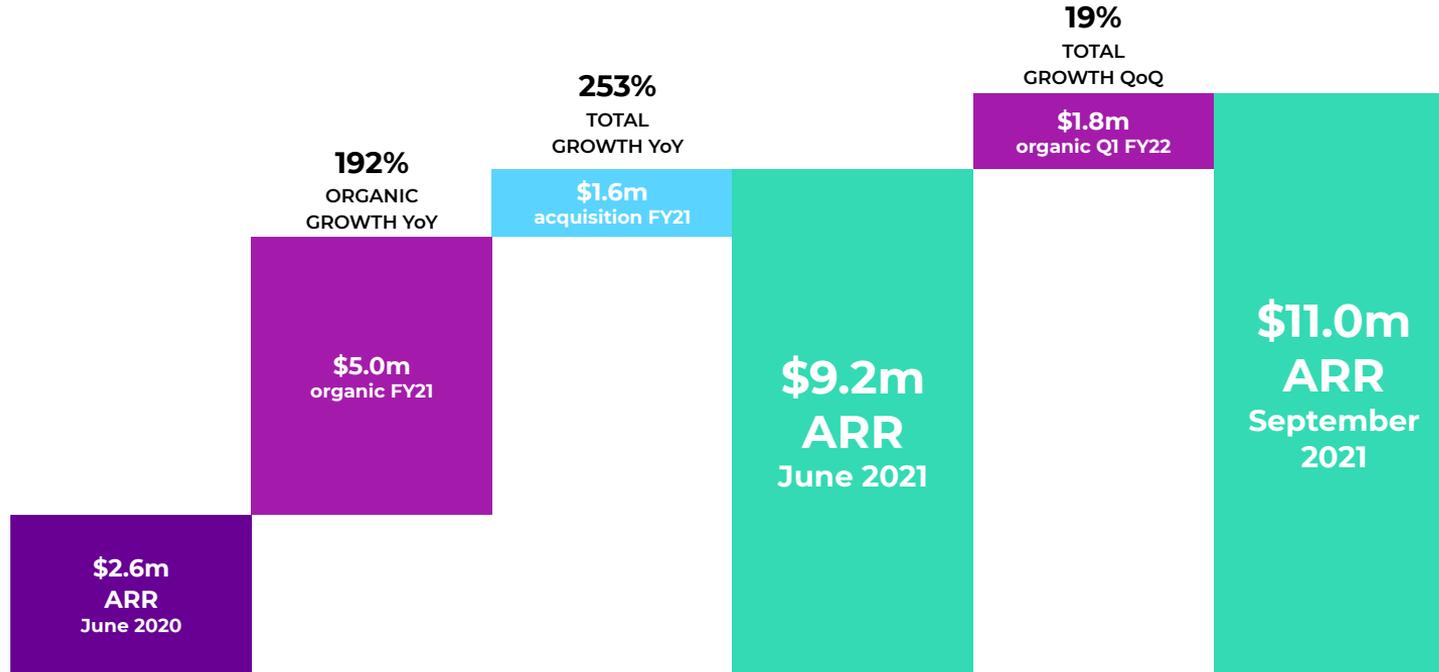
19%
TOTAL
GROWTH QoQ

253%
TOTAL
GROWTH YoY

192%
ORGANIC
GROWTH YoY

$1.8m
organic Q1 FY22

$1.6m
acquisition FY21

$5.0m
organic FY21

**$9.2m
ARR**
June 2021

**$11.0m
ARR**
**September
2021**

**$2.6m
ARR**
June 2020

Refer to glossary for definitions
Based on audited FY21 financial accounts and unaudited management accounts as at 30 September 2021
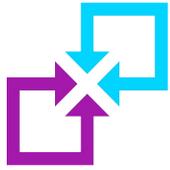
Unit economics demonstrate growth flywheel

Exceptional customer retention rate and CAC payback period demonstrates opportunity to scale rapidly

99.6%
AVERAGE MONTHLY
CUSTOMER RETENTION RATE

119%
REVENUE RETENTION
RATE

$706k
LIFETIME VALUE PER
CUSTOMER

25x
LTV/CAC RATIO

$28k
CUSTOMER ACQUISITION
COST (CAC)

6 mth
CAC PAYBACK

$137.1m
TOTAL CUSTOMER LIFETIME
VALUE

Refer to glossary for definitions
Based on audited FY21 financial accounts and unaudited management accounts as at 30 September 2021
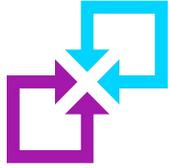
FY22 1st quarter highlights; expanding margins

Recurring revenue model focus, with higher margins exhibited as the customer relationship expands

$3.03m
REVENUE Q1 FY22

62%
GROSS PROFIT MARGIN
Q1 FY22
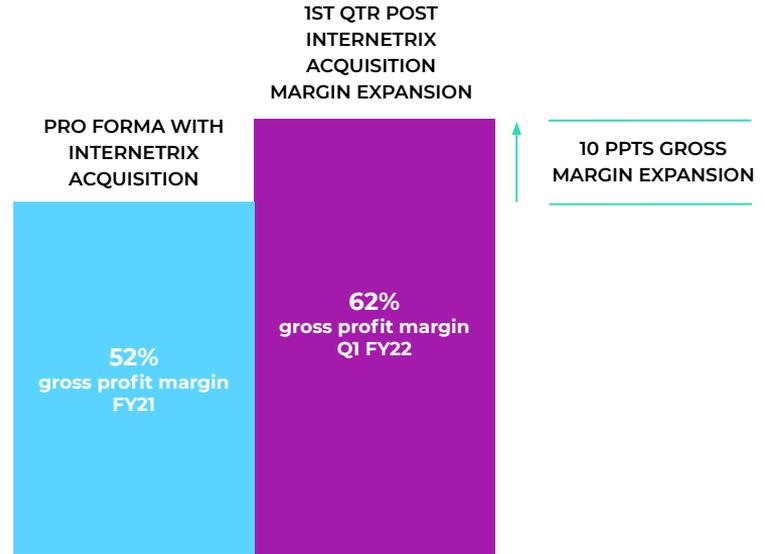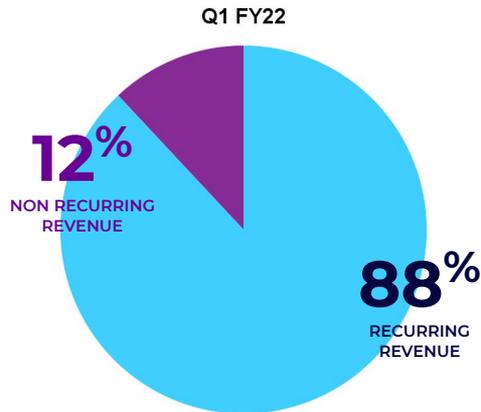
Q1 FY22

12%
NON RECURRING
REVENUE

88%
RECURRING
REVENUE

1ST QTR POST
INTERNETRIX
ACQUISITION
MARGIN EXPANSION

PRO FORMA WITH
INTERNETRIX
ACQUISITION

10 PPTS GROSS
MARGIN EXPANSION

52%
gross profit margin
FY21

62%
gross profit margin
Q1 FY22

Refer to glossary for definitions
Based on audited FY21 financial accounts and unaudited management accounts as at 30 September 2021
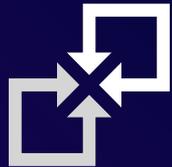
Leadership
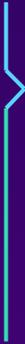
Founder-led, complemented by a board with S&P/ASX 200 and global tech leadership experience. Supported by entrepreneurial divisional heads with people and culture at the fore.

Leadership team
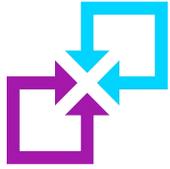
**Phillip Aris,
Non Executive Chairman**

BOARD

Experienced Chair and public company CEO/MD, specialising in professional services and emerging tech. Currently on the board of Credit Corp (ASX:CCP). Formerly Countplus (ASX:CUP) CEO/MD and Head of Credit Cards at Commonwealth Bank (ASX:CBA)

**Matt Forman,
Founder, Managing Director & Group CEO**

BOARD + EXEC

Tech entrepreneur and respected industry veteran with over 22 years experience owning and leading high growth digital businesses. Extensive leadership experience working and partnering with global tech vendors.

**Tim Ebbeck
Non Executive Director**

BOARD

Experienced technology leader and ASX director. Board experience at ReadyTech (RDY.ASX), Tymlez (TYM.ASX), IXUP Limited (IXU.ASX). Formerly CEO at SAP (ANZ), CEO Oracle (ANZ), CCO of SAP (APJ), CCO of NBN Co, as well as CFO of Unisys South Pacific and TMP Worldwide.

**Leanne Wolski,
Group CFO**

EXEC

Over 20 years experience senior finance roles for ASX and NYSE listed companies. Formerly CFO for Amaysim (ASX:AYS) and Australian Finance Director and Company Secretary for Western Union Australia. Member of the Institute of Chartered Accountants and is a graduate member of the Australian Institute of Company Directors.

**Jennifer Killian,
Group CMO**

EXEC

Marketing executive and experienced board advisor with more than 20 years' experience with B2B SaaS companies ranging from Silicon Valley startup to FORTUNE 500. Former GM of Marketing and Channels for WiseTech (ASX:WTC). Member of the UNSW Business School Alumni Advisory Board and the Australian Institute of Company Directors.

**Chris Rozic,
CEO - AUNZ**

EXEC

Over 12 years senior marketing experience as previous National Marketing Manager of Betta Home Living and marketing for Knight Frank. Previously co-founder of Ark CX, a machine learning and sentiment analytics company established in 2017.

**Ben Fogarty,
CEO - UKEU**

EXEC

A senior digital strategist and product innovator, proven in creating and growing digital engagement products in the UK and internationally. Founder of several disruptive SaaS startups, Ben is recognised as a digital leader in the UK tech space.

**Simon Pereira,
CEO - Platforms**

EXEC

An experienced leader within the SaaS-based marketing technology sector, Simon has 23 years' experience in sales and marketing, business operations and management. Career has focused on marketing technology, analytics and attribution across a wide variety of sectors.

IPO Structure & Use of Funds

IPO structure & use of funds
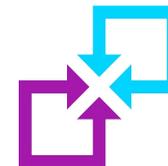
Significantly oversubscribed IPO, raising the maximum of **$12.5m** with an enterprise value of **$48m** and with over 50% of the share capital owned by board and management post listing

Shareholder structure	Shares (m)	Holding (%)
Board and management (excl. ESOP)[1]	158.1	52.1%
Other Investors	60.5	19.9%
Pre-IPO	22.6	7.4%
IPO	62.5	20.6%
Total	**303.6**	**100.0%**
Unlisted options[2]	37.9	

Capital structure	
Offer price	$0.20
Market capitalisation ($m)	60.7
Cash ($m)[3]	13.1
Debt[4]	0.1
Enterprise value	**47.7**

Use of Funds	$m	%
Sales & marketing growth	7.1	57%
Product development, expansion and delivery	1.5	12%
Working capital	1.6	13%
IPO costs	1.8	14%
CAPEX	0.5	4%
Total	**12.5**	**100%**

Escrow and free float	
Escrow	54.4%
Free float	45.6%

1 Excludes any shares acquired under the IPO
2 Unlisted options relating to granted ESOP at IPO and lead manager options
3 Approximate cash at bank at IPO date, plus gross IPO proceeds, minus IPO listing cash costs
4 A$0.92m debt outstanding related to COVID UK loans using 30 June 2021 month end rate AUD/GBP of $0.54 from rba.gov.au
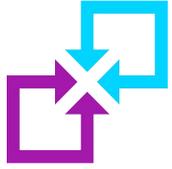
Appendix 1: Glossary

Annualised Recurring Revenue (ARR): represents monthly contracted recurring revenue multiplied by 12. An annualised measure of the revenue that XPON expects to earn from its customers on a repeatable basis. This metric shows the impact of new customer contracts less any churn from customers leaving or downgrading their contracts.

Year-on-Year (YoY) ARR Growth Rate (%): shows the change in XPON's ARR over a rolling 12-month time frame. This metric demonstrates the impact of the acquisition of new customers, the retention of customers and the expansion of existing customer contracts less any churn from customer's leaving or downgrading their contracts over a 12-month time frame.

Average Revenue Per Customer (ARPC): calculated as annual revenue for the last 12 months divided by the number of customers at that time (and divided by 12 to get a monthly view).

Monthly Retention Rate: the percentage of customers that are retained on a monthly basis and are not lost due to customer churn over the last 12 months (and divided by 12 to get a monthly view).

Lifetime Value (LTV): LTV per customer is the gross profit expected on average from a recurring customer over their lifetime. This is calculated by taking the average customer lifetime (1 minus the monthly retention rate to get monthly churn, then 1 divided by churn) multiplied by ARPC, multiplied by the gross margin percentage for the last quarter. Total LTV represents the total gross profit XPON expects to receive from its current recurring customer base by taking the average LTV per customer and multiplying it by the number of recurring customers.

Customer Acquisition Costs (CAC): calculated by total customer acquisition costs spent on acquiring customers over the last 12 month period divided by the number of customers acquired during the period. It includes 80% of the salary costs of all sales & marketing team members and 100% of sales commissions, advertising costs, costs for customer marketing activities and resources.

CAC Payback: the average number of months that it takes for XPON to receive back its customer acquisition costs.

LTV/CAC Ratio: LTV divided by CAC, expressed as a ratio to indicate the net return on the cost of acquiring a customer on average, after cost of sales and before operating expenses.

Customer Revenue Retention Rate (CRRR): the percentage of recurring revenue retained from existing customers over the last 12 months. This accounts for increased revenue from existing customers utilising more of XPON's solutions and lost revenue due to churned customers.

GTM: Go-to-market, meaning the strategy by which XPON wins business.

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