XPON Technologies Group Limited

FY22 Interim Results Presentation

21 February 2022

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XPON is a Cloud and MarTech Company

Our mission is to help customers better leverage their first party data by deploying the XPON Marketing & CX technology stack and accelerate the modernisation of their marketing and customer experience capabilities.

XPON helps customers modernise their marketing and customer experience technologies, offering modern architecture and ready-to-deploy platforms like Wondaris® and Holoscribe ®. Wondaris® is XPON's Customer Data Platform that centralises customer and marketing data, leveraging Artificial Intelligence for automated advertising activation, and Holoscribe ® is XPON's Extended Reality (XR) platform for quick and easy publishing XR and 360-degree content.

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

Driven by the convergence of structural thematics:

- **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.**

Agenda

- 1H FY22 financial highlights

- Company overview

- Business update

- Financial results

- Outlook

- Appendix

H1 FY22 Financial Highlights

Continued strong performance across all key metrics

1H FY22: Key Metrics

Strong growth in 1H FY22 vs. 1H FY21

$13.1m[1] ↑ **148**%

ANNUALISED RECURRING
REVENUE (ARR)

$6.2m[1] ↑ **213**%

REVENUE

$3.9m[1] ↑ **284**%

GROSS PROFIT

64%[1] ↑ **12**ppt

GROSS PROFIT MARGIN

$12.8m[2]

CASH

91%[3]

RECURRING REVENUE %

Note:
1. 1H FY22 vs 1H FY21 for ARR, revenue, Gross Profit, Gross Profit Margin
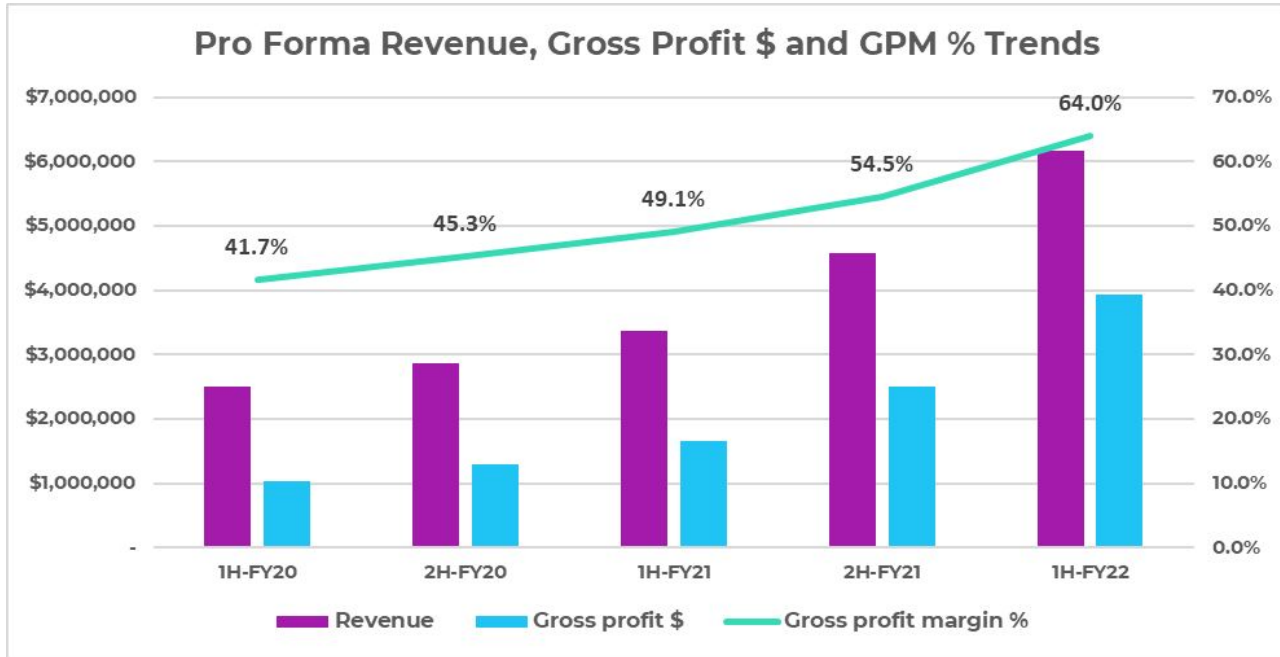2. Cash - closing balance for half year ended 31 Dec 2021
3. Recurring revenue % - recurring revenue as a percentage of total revenue for the half year ended 31 Dec 202
4. ARR and recurring revenue % metrics have not been subject to review by auditors.

Key Financials Highlights

Strong revenue CAGR of 57%, gross profit CAGR of 94%.

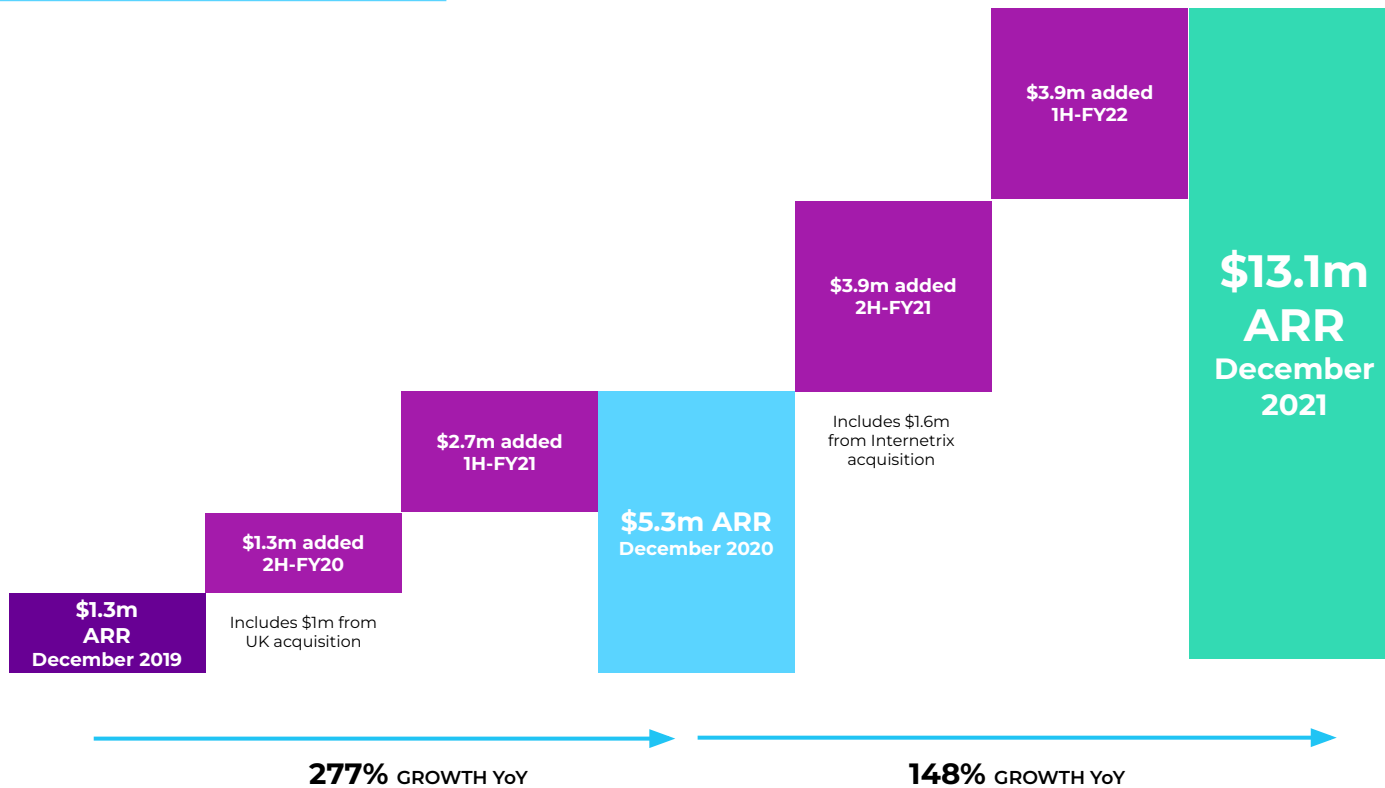Pro Forma Revenue, Gross Profit $ and GPM % Trends

Note:
Pro forma Financial Information – includes acquisitions as if the UK and Internetix businesses had been acquired from 1H FY20.

ARR Growth Timeline

$1.3m ARR December 2019

$1.3m added 2H-FY20

Includes $1m from UK acquisition

$2.7m added 1H-FY21

$5.3m ARR December 2020

$3.9m added 2H-FY21

Includes $1.6m from Internetrix acquisition

$3.9m added 1H-FY22

$13.1m ARR December 2021

277% GROWTH YoY

148% GROWTH YoY

Note:
1. Refer to glossary for definitions
2. This operating metric have not been subject to review by auditors.

Unit Economics Demonstrate Growth & Momentum

Consistent improvements 1H FY22 vs. 2H FY21. Customer retention rate and CAC payback period demonstrating opportunity to scale rapidly.

99.6%
AVERAGE MONTHLY
CUSTOMER RETENTION RATE

$776k ↑28%
LIFETIME VALUE PER
CUSTOMER

$35k ↑52%
CUSTOMER ACQUISITION
COST (CAC)

$153m ↑39%
TOTAL CUSTOMER
LIFETIME VALUE

131% ↑12ppt
REVENUE RETENTION
RATE

22x ↓15%
LTV/CAC RATIO

7mth ↑1mth
CAC PAYBACK

Note:
1. 1H FY22 vs 2H FY21
2. Refer to glossary for definitions
3. The unit economics have not been subject to review by auditors.

XPON Operations

Investment in technology and talent in order to deliver on our mission

Scalable Complementary Offerings

XPON TECHNOLOGIES

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.

XPON TECHNOLOGIES GROUP

Corporate Services
People & Culture
Brand & Marketing
Finance
Governance
Legal

XPON PLATFORMS

wondaris

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

holoscribe

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

1H FY22: Key Operating Highlights

- Successful ASX listing
- Completed integration of Internetrix acquisition
- 31% increase in opportunity pipeline HoH

- Integrated Wondaris with Fivetran
- Wondaris finalist in ARN Awards
- Google Marketing Platform AU/NZ: Best Customer Use Case Award

FINALIST

- Successful review and audit for ISO27001. Accreditation received Feb 2022

Talent

Group function

- H1 emphasis on a unified back office and infrastructure, with leadership appointments in Group Operations, Corporate Strategy and Marketing.

- Continued recruitment focus to deliver on our strategy to scale our platforms businesses,

- Ramped up global sales hiring, with a focus on building capability to sell the full XPON Marketing and CX stack

Tech enablement

- Investment in HRM technology to provide better people experiences for current employees

- Prioritization on InfoSec audit, centralization of digital workspaces and assets
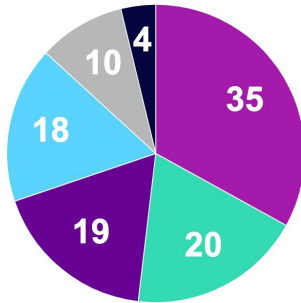
People programs

- Global integration and launch of our Core Values

- Launched global EAP program

- Developed and launched emerging leaders program
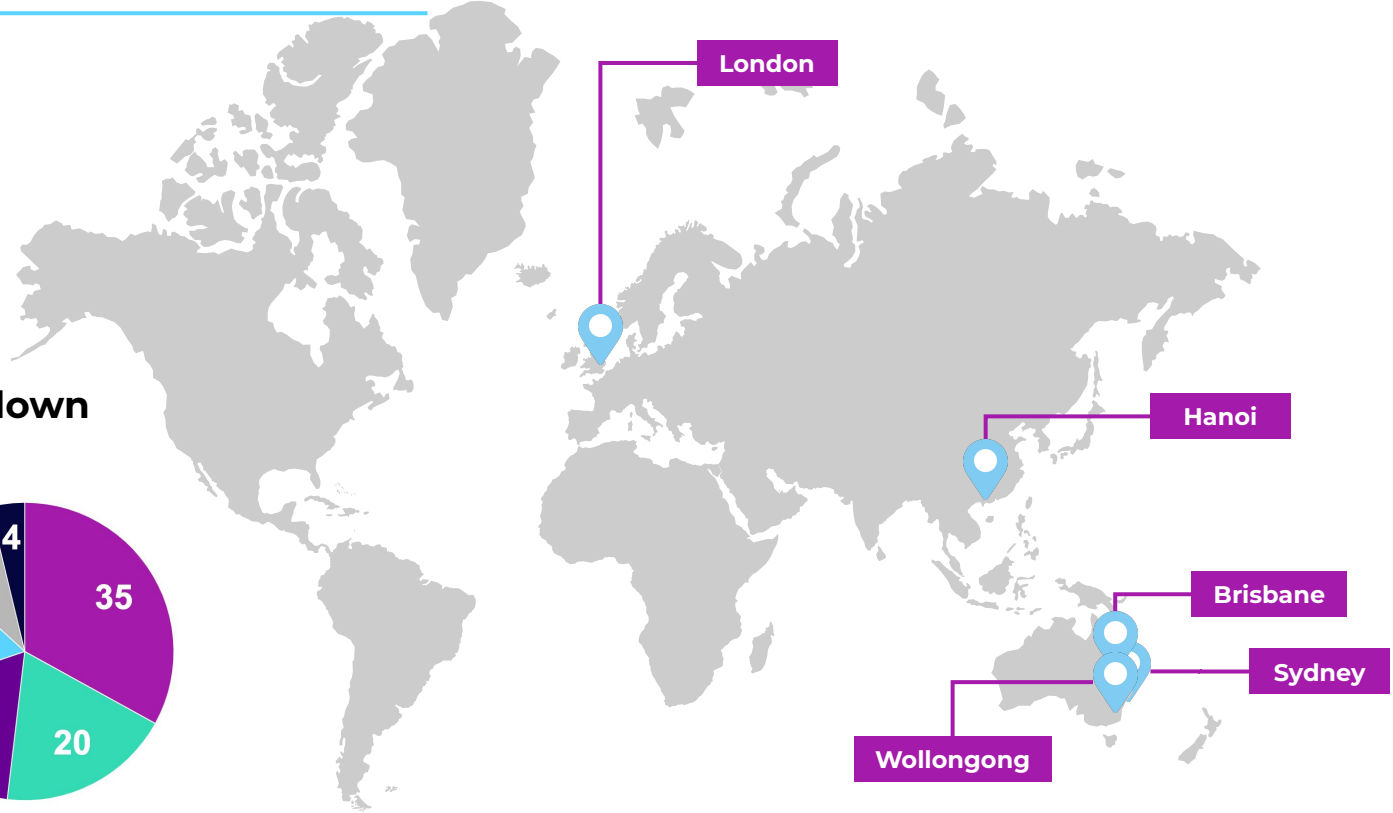
- Conducted employee engagement survey

Growing Team Footprint

London

Hanoi

Brisbane

Sydney

Wollongong

Team Breakdown

- Hanoi
- London
- Brisbane
- Wollongong
- Sydney
- Remote

35
20
19
18
10
4

Note:
As at February 2022.

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.

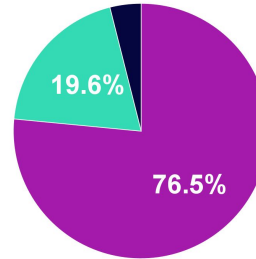**Simon Pereira,
CEO - Platforms**

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.

Strong Team Alignment

- Cohesion of team around XPON vision

- Our team is aligned in values and purpose

- Our people feel supported and empowered

- Strong culture lays the foundation to continue to attract key talent

- Combined teams collaborating well

Note:
XPON team engagement survey results from 77% team completion rate, October 2021.

Legend
● Agree ● Neutral ● Disagree

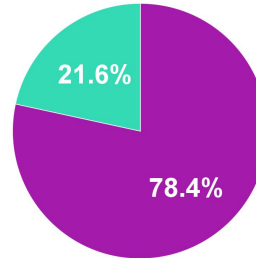**I can see myself working here in three years**

19.6%
76.5%

76.5% favourable

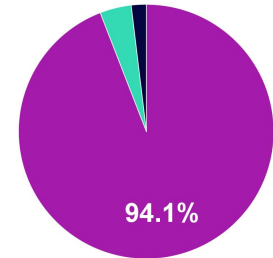**XPON values and my personal values align**

92.2%
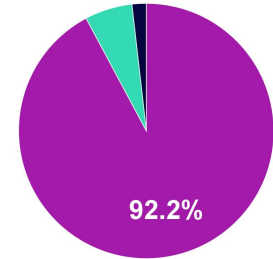
92.2% favourable

I have great opportunities for career development and promotion

21.6%
78.4%

78.5% favourable

Our leaders really know what they are doing

94.1%

94.1% favourable

Operating in Large, Fast Growing Markets

AU & EU addressable market
$201b by 2025

XPON marketing & CX stack

DIGITAL EXPERIENCES (XR)

$20.7b by 2025, 28% CAGR

holoscribe

DIGITAL APPS & PRODUCTS

$7.8b by 2025, 15% CAGR

Google Cloud Partner

ADTECH / MARTECH

$34.1b by 2025, 4% CAGR

Google Marketing Platform Sales Partner

FACEBOOK MARKETING PARTNER

DATATECH (CDP)

$2.9b by 2025, 25% CAGR

wondaris

CLOUD INFRASTRUCTURE

$53.2b by 2025, 23% CAGR

Google Cloud Partner

BIG DATA ANALYTICS

$21.2b by 2025, 29% CAGR

Google Cloud Partner

AI & ML

$61.4b by 2025, 38% CAGR

wondaris   Google Cloud Partner

Source: Frost & Sullivan Independent Market Report, XPON Prospectus December 2021.
Note: Figures are for Australia & Europe markets only. CAGR calculated over 5 year period 2020 - 2025

DATA

AI & ML

DIGITAL EXPERIENCES

DIGITAL APPS & PRODUCTS

ADTECH

MARTECH / DATATECH

CLOUD INFRASTRUCTURE

Wondaris® Customer Data Platform (CDP)

Centralised data from any of the public cloud vendors, including GCP, AWS, Azure and Snowflake, either via the pre-built connectors or businesses' existing integration stack

Enriched with ML and AI, data insights managed with ISO-certified standards to deliver a privacy-safe, infinitely scalable 1st party data solution

High-value audiences are activated easily through automated workflows, to deliver highly-personalised customer experiences for better campaign conversion rates

Holoscribe

- Content creators and collaborators **rapidly and easily publish** rich XR and 360 experiences **to any channel** via web interface

- Polls, quizzes and engagement tools offer consumers **personalised experiences** and **create actionable insights** on segmentation

- **Native integration** with Wondaris for data automated activations.
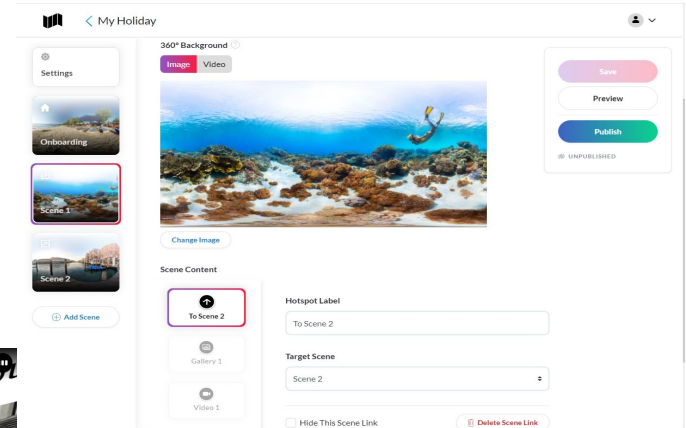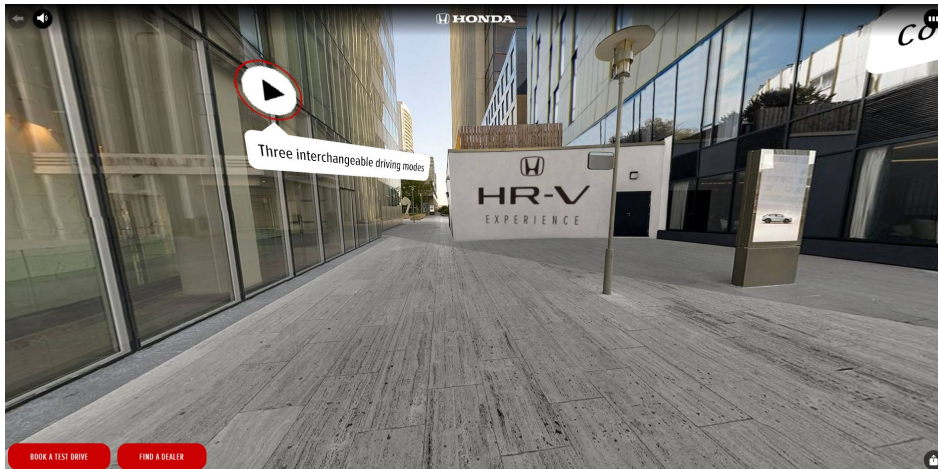
- Holoscribe users average +**9 mins average dwell time** compared to 4.5 min on standard websites

- More than **8 million consumer** sessions delivered through the platform since 2018.

- **Users interact with more than 80%** of content once they enter a Holoscribe experience

OFX Case Study

THE CLIENT: OFX Group (ASX: OFX) is a global payments company servicing the $130 trillion cross-border payments market.

XPON Landed

OFX chose XPON Technologies, to accelerate their digital modernisation and maturity to combat the shift in market dynamics caused by global digital industry changes of degradation of third-party cookies and an increase in personalisation that were accelerated by COVID-19.

XPON Expanded

Starting with marketing and customer analytics, XPON has continued to partner closely with OFX to modernise their full marketing & CX technology stack.

XPON now also delivers Google Cloud, Google Marketing Platform, Data and advanced AI and ML solutions to OFX with significant opportunities to expand into Digital Products and Experiences

Utilising the Wondaris CDP

To drive customer intelligence and automated digital ad activation across global markets, OFX selected Wondaris as their CDP vendor due to ease of use by frontline marketing team and global privacy and data governance capabilities.

 wondaris

Future Opportunities

ML and AI automation of sophisticated customer segmentation and personalisation.

Cloud modernisation of customer applications and digital products.

Scaling cloud solutions, real-time data and applications.

Immersive XR customer experiences.

 holoscribe

> **"XPON has helped us set up solutions to future-proof our digital ecosystem."**
>
> Shadrack Haehae, Global Head of Digital Acquisition.

 OFX

Land and Expand Underpins Future Growth

16 LANDED

STRONG TRACK RECORD OF EXPANDING LANDED CORPORATE & ENTERPRISE CUSTOMERS

13 EXPANDED

INCLUDING

How XPON typically 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 typically 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.

- Additional 'land' solutions

Note:
Landed and Expanded customers are for the period 1H FY22

H1 FY22 Financial Results

Developing a strong, high growth business

Profit & Loss Summary

Profit & Loss Summary Statement
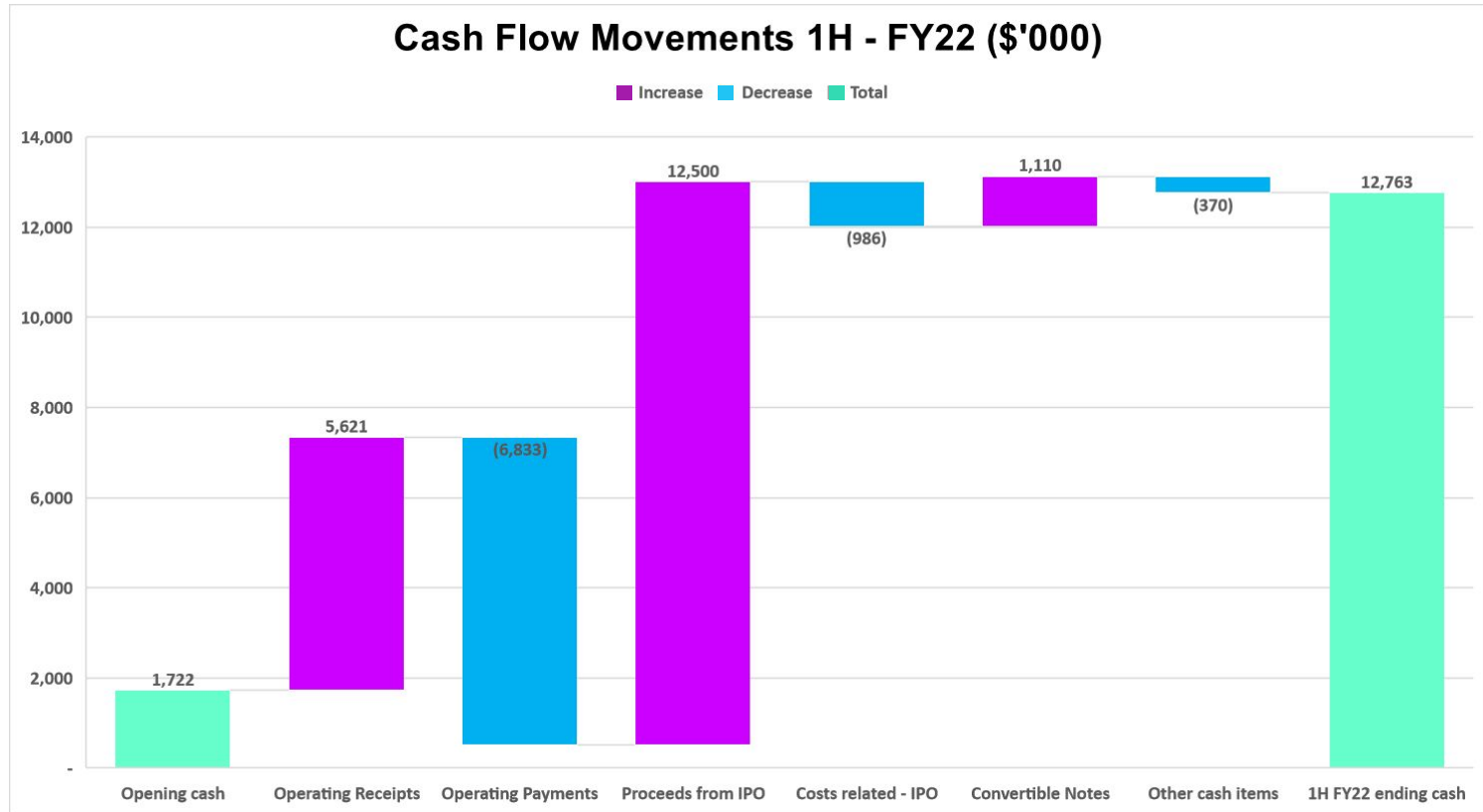**For half-year ended 31 December 2021**

	31-Dec-21 $'000	31-Dec-20 $'000	Movement %
Revenue	6,162	1,970	213%
Cost of sales	(2,221)	(945)	135%
Gross profit (A$)	**3,941**	**1,025**	**284%**
Gross profit margin %	**64.0%**	**52.0%**	**12ppts**
Other income	16	82	(81%)
Operating expenses	(7,346)	(2,000)	267%
EBITDA (A$)	**(3,389)**	**(893)**	**280%**
Addback: Pre and IPO related costs			
IPO transaction related expenses	1,862		
Adjusted EBITDA (A$)	**(1,527)**	**(893)**	**71%**

- **Revenue** up 213% YoY driven mainly by an increase in organic growth, and contributions from the acquisition of Internetrix completed 5 June 2021.

- **Gross profit margin percentage** grew to 64% representing an increase of 12ppt YoY driven by improvements in service delivery and growth in higher margin products such as usage fee revenue.

- **Operating expenses** - excluding IPO related expenses operating expenses would be $5.5m, an increase of 174% YoY. This was driven by the addition of Internetrix as well as implementing the Group's growth strategy, including investment in sales and marketing and overall operating capacities as the company evolves as a public listed entity.

- **Transaction related expenses** of $1.8m is related to pre IPO and IPO related costs.

Note:
1. Adjusted EBITDA is calculated by adding back IPO transaction related expenses.
2. Please refer to appendix for detail Profit and Loss statement for half-year ended 31 December 2021

Key Financials Highlights

Cash Flow Movements 1H - FY22 ($'000)

Legend: ■ Increase ■ Decrease ■ Total

Category	Value
Opening cash	1,722
Operating Receipts	5,621
Operating Payments	(6,833)
Proceeds from IPO	12,500
Costs related - IPO	(986)
Convertible Notes	1,110
Other cash items	(370)
1H FY22 ending cash	12,763

Balance Sheet Summary

Balance Sheet Summary Statement
For half-year ended 31 December 2021

	31-Dec-21 $'000	30-Jun-21 $'000	Movements %
TOTAL ASSETS			
Cash and cash equivalents	12,763	1,722	**641%**
Trade and other receivables	4,421	3,068	**44%**
Intangible assets	4,493	4,633	**(3%)**
Other assets	1,618	1,259	**28%**
TOTAL ASSETS	**23,296**	**10,683**	**118%**
Trade and other payables	6,109	4,008	**52%**
Borrowings	84	92	**(9%)**
Contract liabilities	1,676	1,203	**39%**
Other liabilities	1,551	1,429	**9%**
TOTAL LIABILITIES	**9,420**	**6,733**	**40%**
NET ASSETS	**13,875**	**3,950**	**251%**
EQUITY			
Issued capital	21,550	8,060	**167%**
Reserves	847	885	**(4%)**
Accumulated Losses	**(8,521)**	**(4,856)**	**75%**
TOTAL EQUITY	**13,875**	**4,089**	**239%**

- **Cash and cash equivalents -** including $12.8m cash and cash equivalents of which $10.2m is the net proceeds from the IPO after transaction related costs.
- **Trade and other receivables -** includes media consumption by customers for GMP and GCP services and for contracted services.
- **Intangible assets -** mainly make up of goodwill, customer contract and software from the acquisition of UK entities and Internetrix.
- **Other assets -** mainly make up of Right-of-use assets and deferred tax assets.
- **Trade and other payables -** relates to media consumption by customers for GMP and GCP services as well as PAYG, superannuation payments that are not yet due.
- **Borrowings-** The Group has a loan with National Westminster Bank plc at an interest rate of 2.5% for a term of 6 years. The bank debt is unsecured as part of the BBLS created by the UK Government in response to Covid-19.
- **Contract liabilities -** deferred revenue to be realised in future periods for payments received in advance from customers.
- **Other liabilities -** making up of lease liabilities, employee benefits and deferred tax liabilities.
- **Net assets -** the Group has sufficient cash to implement its growth strategy.

Note:
please refer to appendix for detail balance sheet for half-year ended 31 December 2021

Priorities and Outlook

Growth Pillars

Strengthen existing solutions, may include strategic acquisitions

Expand value creation, product adoption from existing customers

Expand sales & marketing capacity

Expand channel relationships

Extend Wondaris platform ecosystem

Macro Business Drivers

Continued convergence of trends positioning XPON for growth, including:

- the increased data privacy and security regulation by governments;
- the continued degradation of 3rd party advertising cookies;
- the increased demand for personalised experience by end consumers; and
- an increased awareness and interest around Extended Reality (XR) and the journey to the Metaverse based around XPON's Holoscribe platform
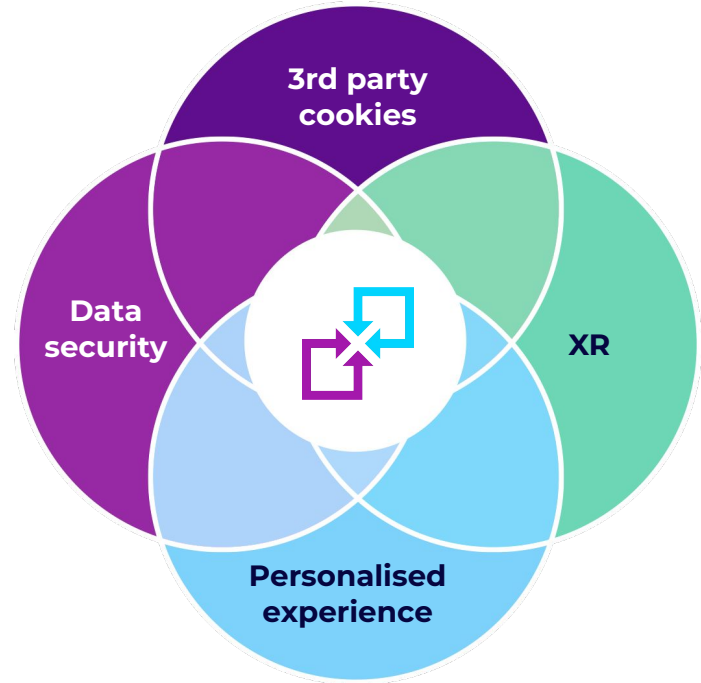
Strategic Priorities and Outlook

- Strategic investment in marketing capability and activities to accelerate the XPON pipeline and land new customers

- Continue ramping sales teams in Australia, New Zealand and UK, to convert pipeline into new landed customers (in line with enterprise sales cycle)

- Steadily increasing the number of products and services customers buy, validating the Company's land and expand approach to grow alongside its customers

- Continue to optimise product and customer mix to accelerate gross margin expansion

- Ongoing product development against roadmap to extend integrations and Wondaris ecosystem

- Continued investment in our people programs to support scaling of the business

Appendices

Appendix 1: Profit & Loss, Balance Sheet

Profit & Loss
For half-year ended 31 December 2021

	31-Dec-21 $'000	31-Dec-20 $'000	Movements %
Revenue	6,162	1,970	213%
Cost of sales	(2,221)	(945)	135%
Gross profit $	3,941	1,025	284%
Gross profit margin %	64%	52%	12%
Other income	16	82	(81%)
Employee expenses	(3,519)	(1,417)	148%
Sales & Marketing Expenses	(555)	(175)	216%
IT & facilities expenses	(270)	(161)	67%
IPO transaction related expenses	(1,862)	-	0%
General & Admin Expenses	(1,140)	(247)	362%
Total Operating Expenses	(7,346)	(2,000)	267%
Total loss before net finance costs, depreciation and amortisation	(3,389)	(893)	280%
Depreciation and Amortisation	(270)	(109)	148%
Finance expenses (net)	(24)	(11)	122%
Loss before income tax	(3,683)	(1,012)	264%
Income tax benefit	18	16	18%
Loss for the hlaf year after tax	(3,665)	(997)	268%
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Exchange differences on translating foreign controlled entities	(34)	-	0%
Other comprehensive income for the year, net of tax	(34)	-	0%
Total comprehensive income for the half year	(3,699)	(997)	271%

Balance Sheet
For half-year ended 31 December 2021

	31-Dec-21 $'000	30-Jun-21 $'000	Movements %
Cash and cash equivalents	12,763	1,722	641%
Trade and other receivables	4,421	3,068	44%
Current tax receivable	-	139	0%
Other assets	342	85	301%
TOTAL CURRENT ASSETS	17,526	5,014	250%
Property, plant and equipment	168	152	11%
Deferred tax assets	466	318	46%
Intangible assets	4,493	4,633	(3%)
Right-of-use assets	588	649	(9%)
Other assets	55	55	0%
TOTAL NON-CURRENT ASSETS	5,770	5,808	(1%)
TOTAL ASSETS	23,296	10,822	115%
Trade and other payables	6,109	4,008	52%
Borrowings	13	21	(41%)
Current tax liabilities	19	-	0%
Lease liabilities	109	106	3%
Employee benefits	373	435	(14%)
Contract liabilities	1,676	1,203	39%
TOTAL CURRENT LIABILITIES	8,299	5,773	44%
Borrowings	72	71	1%
Deferred tax liabilities	300	253	19%
Lease liabilities	515	570	(10%)
Employee benefits	236	66	259%
TOTAL NON-CURRENT LIABILITIES	1,122	959	269%
TOTAL LIABILITIES	9,420	6,733	537%
NET ASSETS	13,875	4,089	1056%
Issued capital	21,550	8,060	167%
Reserves	847	885	(4%)
Accumulated Losses	(8,521)	(4,856)	75%
TOTAL EQUITY	13,875	4,089	239%

Appendix 2: Profit & Loss - Adjusted EBITDA

Adjusted EBITDA

For the half-year ended 31 December 2021

	31-Dec-21	31-Dec-20
	$'000	$'000
Loss before Income tax	(3,683)	(1,012)
EBITDA	(3,389)	(893)
Adjusted for the removal of various non-cash and Transaction related Items		
Pre-IPO capital raising	93	-
IPO related costs - Independent market expert fee:	71	-
IPO related costs - Legal	133	-
IPO related costs - Audit, ILAR & Tax	158	-
IPO related costs - Accounting services	99	-
IPO related costs - Other	122	-
ASX Listing fee	142	-
Conversion event - Convertible Note	514	-
Prospectus liability insurance	530	-
Sub total	1,862	-
Adjusted EBITDA	(1,527)	(893)

Appendix 4: 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.

Recurring Revenue: revenue realised from the sale of software licences, managed service subscriptions and usage fees.

Non Recurring Revenue: revenue realised from the sale of one-off project services, onboarding and implementation fees.

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