XPON®

XPON Technologies Group Limited

Q4 FY22 results presentation

22 July 2022

POWERED **EXPON**ENTIALLY

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Agenda

- Company overview

- Key financial highlights

- Key operating highlights

- Strategic priorities

- Appendix

Q4 FY22 & FY22 financial highlights

Strong performance continues across all key metrics

Company overview:
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.**

Scalable complementary offerings

XPON®

XPON Technologies Group
Corporate Services
People & Culture
Brand & Marketing
Finance
Operations
IT

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 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.

Q4 FY22: Key quarterly metrics[1]

Strong growth in Q4 FY22 vs. Q4 FY21

$16.4m ↑ 78%
ANNUALISED RECURRING REVENUE (ARR)

$3.7m ↑ 63%
REVENUE

$2.5m ↑ 85%
GROSS PROFIT

66% ↑ 8ppt
GROSS PROFIT MARGIN

$8.2m[2]
CASH

98%[3]
RECURRING REVENUE

Note:
1. Key metrics based on actual statutory results have not been subject to review by auditors
2. Cash – closing balance for period ended 30 June 2022
3. Recurring revenue % – recurring revenue as a percentage of total revenue for the quarterly period ended 30 June 2022

Q4 FY22: Key annual metrics [1]

Strong growth in FY22 vs. FY21

$16.4m ↑ 78% [2]
ANNUALISED RECURRING REVENUE (ARR)

$13.3m ↑ 134%
REVENUE

$8.6m ↑ 162%
GROSS PROFIT

**64.6%** ↑ 7ppt
GROSS PROFIT MARGIN

$8.2m [3]
CASH

92% [4]
RECURRING REVENUE

Note:
1. Key metrics based on actual statutory results and have not been subject to review by auditors
2. Includes Internetrix contribution from 5 June 2021.
3. Cash - closing balance for period ended 30 June 2022
4. Recurring revenue % - recurring revenue as a percentage of total revenue for the annual period ended 30 June 2022

ARR growth timeline[1,2]

$1.9m
Q4 FY22

$1.4m
Q3 FY22

$2.1m
Q2 FY22

$1.8m
Q1 FY22

$9.2m
ARR
June 2021

$16.4m
ARR
June 2022
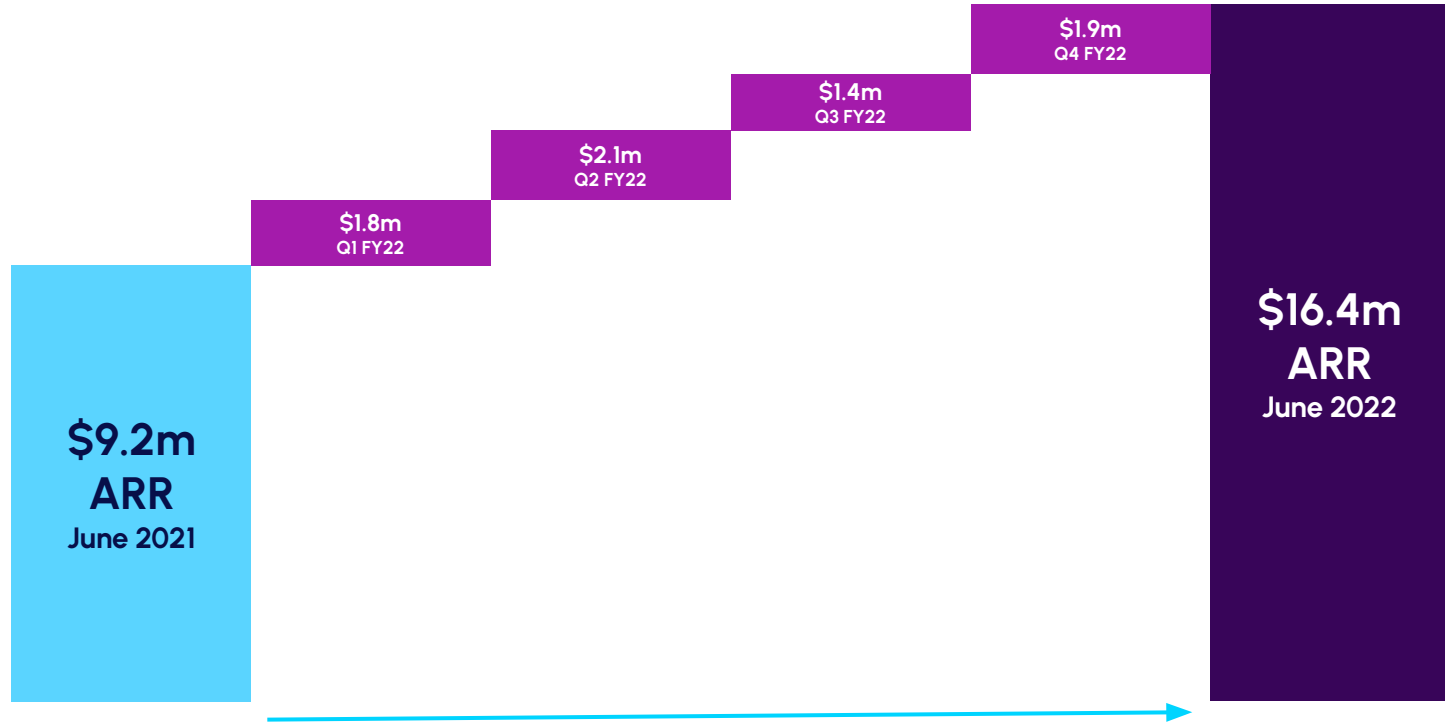
78% growth YoY

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

Unit economics[1,2,3]

XPON continues to exhibit compelling unit economics underpinned by the successful 'land and expand' strategy

99.5% −
AVERAGE MONTHLY
CUSTOMER RETENTION RATE

160% ↑
REVENUE RETENTION RATE

$667k ↑
LIFETIME VALUE PER
CUSTOMER

16x ↓
LTV/CAC RATIO

$43k ↓
CUSTOMER ACQUISITION
COST (CAC)

8 mth ↓
CAC PAYBACK

$136m ↑
TOTAL CUSTOMER
LIFETIME VALUE

Note:
1. Q4 FY22 vs Q3 FY22
2. Refer to glossary for definitions
3. The unit economics have not been subject to review by auditors.

Q4 FY22: Key operating highlights

Wondaris approved 3rd party partner for Google Customer Match Uploader tool, extending the reach of Wondaris and driving awareness of the platform to millions of Google Ads customers

- Employee satisfaction rates remain high (97% agree XPON is a great place to work)
- Great Places to Work certification status achieved in AU, UK, and Vietnam

- Further expanded sales and delivery capacity, ending FY22 global headcount at 135[1] in line with stated talent acquisition strategy
- Appointed Global Director - Delivery and Customer Success to start July '22
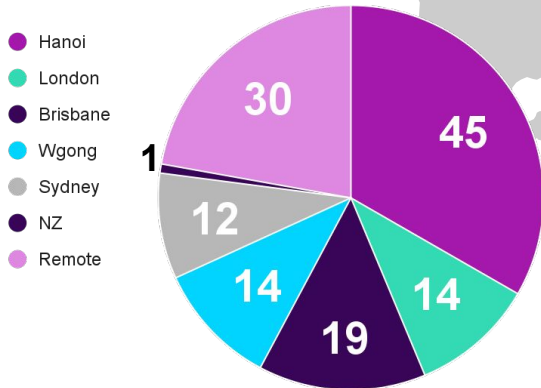
Note:
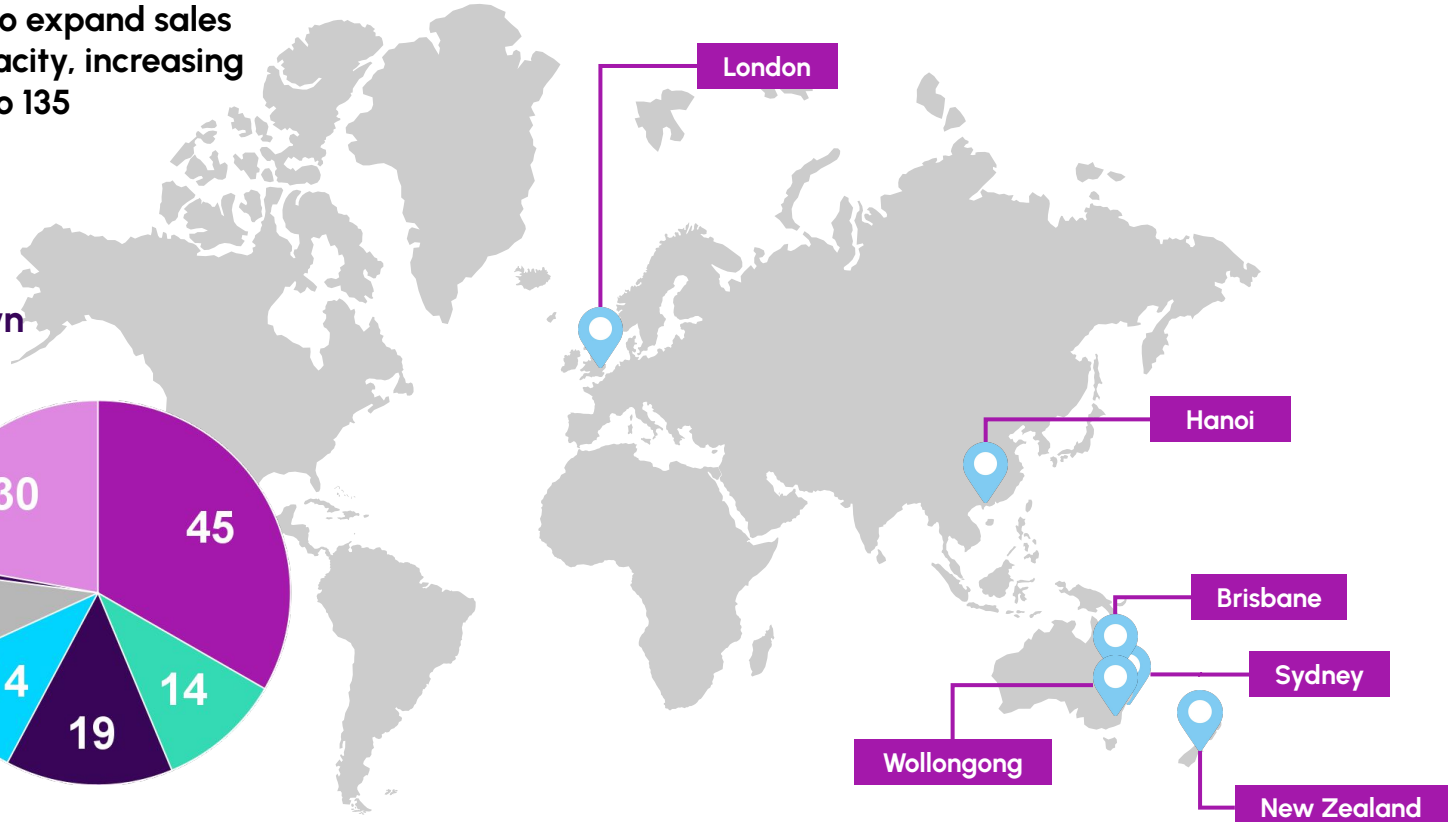1. Includes 15 on-demand contractors (remote).

Growing team footprint

XPON continues to expand sales and delivery capacity, increasing total headcount to 135

Team breakdown

- Hanoi
- London
- Brisbane
- Wgong
- Sydney
- NZ
- Remote

Pie chart values: 45, 14, 19, 14, 12, 1, 30

Note:
As at 30 June 2022.

London

Hanoi

Brisbane

Sydney

Wollongong

New Zealand

Land and expand underpins future growth – FY22

32 landed

Strong track record of expanding landed corporate & enterprise customers.

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.

34 expanded [1]

Including:

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:
1. 26 unique customers expanded during the year. 34 includes customers expanding on multiple occasions.

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

Strategic priorities and focus remain unchanged

- Maintaining organic growth momentum while achieving target of cashflow break-even in FY24.

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

- Strategic investment in people and operations to support scaling of the business.

- Continued focus on product and customer mix to accelerate gross margin expansion.

- Continued focus on developing sales and marketing capability to accelerate the XPON pipeline and land new customers.

- Steadily increasing customer revenue retention, and continuing to execute on its land and expand strategy with its customers.

- Leveraging Google channel partnership to further validate new customer segments for the Wondaris ecosystem.

Appendices

Appendix 1: 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 (ASX:RDY) & Envirosuite (ASX:EVS). 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.

Appendix 2: 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.

XPON®

Contact

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