



## ASX Announcement

24 October 2022

### CHAIRMAN'S ADDRESS – 2022 ANNUAL GENERAL MEETING OF SHAREHOLDERS

Three years ago, XPON recognised that with the development of new digital marketing tools and an ever more onerous regulatory environment around the collection of data, privacy and security, that the global landscape for delivering effective, targeted marketing campaigns in the future would require novel and compelling solutions.

As third-party data collection continues to be phased out globally, due in part to these growing regulatory barriers, the data that companies collect and own, known as first-party data, will continue to become more valuable for targeted digital marketing campaigns and personalised customer experiences.

XPON is well positioned in the industry to play a leading role by providing tools and solutions to enable our clients to extract greater value from their own data sets, by breaking down information silos and delivering targeted audiences. We are also delivering solutions to enable compelling digital experiences and interactions for our clients' customers. Those experiences are personalised, highly engaging, real-time, private and secure. In essence, XPON's technology is assisting in accelerating the modernisation of marketing through digital experiences that customers love, while making it significantly simpler, quicker, and more cost effective, driving greater returns on investment for our clients.

Looking to capitalise on this opportunity, XPON listed on the Australian Stock Exchange in December 2021, raising \$12.5 million in growth capital to assist in accelerating the scale up of our business. This funding, which was only partially deployed at year end is already paying dividends by delivering strong financial results for our shareholders.

During FY22, annual recurring revenue grew by 78% to \$16.4 million, sales revenue grew by 145% to \$13.3 million, and gross profit grew 169% to \$8.6 million, on healthy and improving margins. We also finished the year with a strong cash balance of \$8.2 million. During his address today, Founder and CEO, Matt Forman will provide you with additional insights into the Company's financial performance, including our Q1 FY23 results and our compelling unit economics.

At XPON, we believe that focusing on the right culture and strong values has helped inspire our team and drive performance. During the year, we were privileged to be acknowledged for our efforts with "Great Place to Work" certification across Australia, the United Kingdom and Vietnam and an exceptional employee engagement survey score of 97%. Notably, in a challenging recruitment environment, this enabled us to grow our talented team across sales, marketing and delivery capacity.

Much of the heavy lifting in building capability has now completed, and our priorities for FY23 and beyond remain unchanged. Our focus will be on generating organic growth through the landing of

new clients and expanding of existing clients. We will continue to optimise our products and customer mix to expand margins and will continue to leverage our solid Google channel partnership and build new partnerships. In the current economic climate, we understand that cash is king. As such, we will continue to invest prudently, while maintaining growth momentum and believe we are well positioned to achieve cash-flow break-even in FY24.

In closing, XPON has laid solid foundations for scalable and sustainable growth well into the future. We believe we are now well positioned to capitalise on the opportunities ahead in a large and growing global market.

On behalf of the Board, I would like to thank our CEO Matt Forman, and his leadership team for driving the business so effectively during a particularly uncertain macro-economic environment, and our talented XPON team for their outstanding contributions and achievements over the past 12 months. I would also like to thank my fellow Board members, clients, suppliers and not least our shareholders for supporting us in achieving so much.

Yours sincerely,

Phillip Aris  
Chairman

**-ENDS-**

**For further information please contact:**

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**About XPON**

XPON Technologies Group Ltd ACN 635 810 258 (ASX: XPN) ("XPON") is a founder-led Marketing Technology and Cloud Business providing mission-critical services and software solutions to corporate and mid-sized enterprises in Australia, New Zealand, the United Kingdom and Europe.

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<sup>®</sup> and Holoscribe<sup>®</sup>. Wondaris<sup>®</sup> is XPON's Customer Data Platform that centralises customer and marketing data, leveraging Artificial Intelligence for automated advertising activation, and Holoscribe<sup>®</sup> is XPON's Extended Reality (XR) platform for quick and easy publishing XR and 360-degree content.

For more information visit [xpon.ai](http://xpon.ai)