



16 December 2021

XPON TECHNOLOGIES ASX DEBUT TODAY AT 12PM (AEDT), FOLLOWING A SIGNIFICANTLY OVERSUBSCRIBED \$12.5 MILLION IPO

Highlights:

- XPON Technologies set to trade on the ASX today from 12.00 PM AEDT
- Oversubscribed IPO raised \$12.5 million with strong support from existing cornerstone investors and new technology-focused institutional investors
- FY21 annualised recurring revenue (ARR) totalled \$9.2million, a 253% increase over FY20 ARR (2.6million), 192% of which was organic
- XPON had a strong start to FY22, growing ARR at September 2021 by \$1.8 million (19% QoQ) to \$11 million with customer retention remaining high at 99.6%
- XPON is a founder-led technology company with a highly scalable business strategy and powerful marketing and customer experience platforms, including Wondaris® and Holoscribe®, fuelled by machine learning and artificial intelligence (AI) technologies
- Funds raised will principally go toward further scaling XPON's global expansion and continued product innovation and development
- Based in Australia, XPON has a diverse customer base of over 190 customers worldwide, including an impressive mix of well-known and highly reputable businesses
- XPON's exponential growth is supported by strong recurring customer demand and being driven by global data privacy concerns; the ongoing removal of third-party cookies; plus structural growth with the shift to the cloud

XPON Technologies Group Ltd (ASX: XPN) ("XPON" or the "Company"), a marketing technology and cloud business providing mission-critical software and solutions to corporate and mid-tier enterprises in Australia, New Zealand, the United Kingdom and Europe, will commence trading on the Australian Securities Exchange (ASX) today at 12.00 pm (AEDT) under the ASX code: XPN. The oversubscribed initial public offering (IPO) raised \$12.5 million at \$0.20 per share.

XPON founder, Managing Director and Group CEO Matt Forman, said "XPON is uniquely positioned at the intersection of converging trends in data privacy and

marketing technology. Because of our deep AdTech and MarTech expertise, we've been able to build machine learning and AI-powered solutions that meet marketers wherever they are on the path to modernisation. Through this agile delivery of our full marketing and CX stack, we've been able to build a global MarTech company quickly, unlocking value for highly loyal blue-chip clients and smaller, hyper-growth brands alike."

Matt Forman continued, "With businesses facing stricter data privacy restrictions, shorter customer attention spans, and higher expectations for valuable brand experiences, the tools XPON offers through the delivery of our full-stack solution are in high demand. We now have over 190 customers globally and are continuing to expand. And our flexible, agile structure enables us to respond to our customers and their customers' evolving needs."

Completion of successful IPO

The total number of new shares issued under the Prospectus was 62,500,000 at an offer price of \$0.20 per share raising \$12.5 million: the maximum subscription under the offer. The total number of shares on issue following completion of the offer is 303,608,169, which represents an undiluted market capitalisation at the offer price of \$60,721,633. Post-listing, the XPON board and senior management own approximately 52% of the total issued share capital.

The IPO was strongly supported by existing cornerstones. Australian institutions Microequities Asset Management and Altor Capital were cornerstone investors to the IPO, together with several other well-known funds such as SG Hiscock and Cyan Investment Management. The lead manager to the IPO was Sequoia Corporate Finance and McCullough Robertson Lawyers were the Legal Advisers.

Funds raised will go toward scaling the Company's global expansion, continued product innovation and development as well as providing working capital.

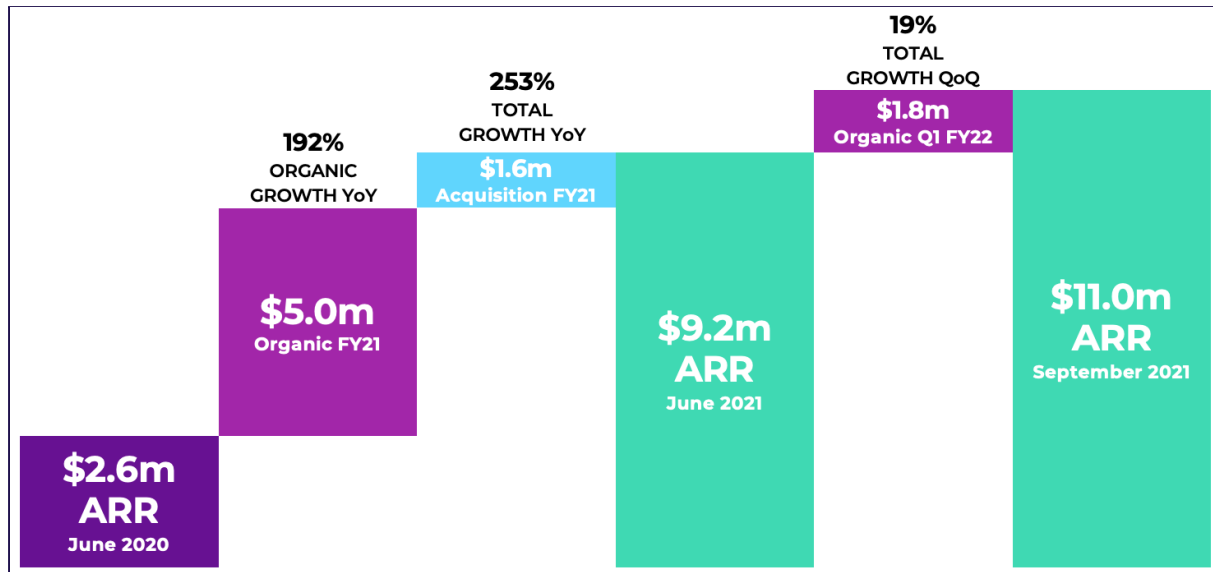
Market opportunity

The total addressable market for customer-facing MarTech applications in Australia and Europe alone is forecast to be more than A\$201 billion by 2025¹. XPON's fast organic ARR growth of 192% YoY to June 30 2021, total growth of 253% YoY to June 30 2021 and a further 19% ARR growth QoQ to September 2021 of \$11 million, is underpinned by exceptional unit economics including 119% revenue retention and LTV/CAC ratio of 25x.²

¹ Frost and Sullivan Independent Market Report, refer to section 2 of the XPON Technologies Group Limited Prospectus dated 15 Nov 2021.

²LTV/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.

Timeline of XPON's ARR growth



Source: XPON Technologies Group Limited Prospectus dated 15 Nov 2021 and Supplementary Prospectus dated 22 Nov 2021.

Unit economics demonstrate growth flywheel



Source: XPON Technologies Group Limited Prospectus dated 15 Nov 2021 and Supplementary Prospectus dated 22 Nov 2021.

XPON's growth strategy focuses on winning new customers and expanding solutions for existing customers. XPON is a highly scalable business that works in a rapidly developing market with strong prospects to cross leverage its customer base. The Company has a solid revenue mix, with 88% recurring revenues in Q1 FY22 and expanding gross margins. Global data privacy concerns, highlighted by the removal of third-party cookies plus structural growth with the shift to the cloud are providing strong tailwinds for XPON.

XPON earns revenue on a recurring and non-recurring basis. Recurring revenue is earned by selling proprietary software licenses (Wondaris® and Holoscribe®), as well as Google software licenses, managed service subscriptions and usage fees.

The company's diversified customer base includes a mix of well-known and highly reputable brands. XPON currently has over 190 customers globally, including prominent brands such as Super Retail Group, Domino's Pizza, Informa, Flight Centre, Webjet, OFX Group, Sunsuper, Youi Insurance and British Caribbean Insurance Company.

This announcement was authorised for release by the Board of XPON Technologies Group Limited.

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About XPON Technologies

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[®] 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. For more information visit xpon.ai.