



ASX Announcement

24 February 2026

XPON HI FY26 results and Appendix 4D

XPON Technologies Group Ltd (ASX:XPON) (XPON or the Company), an AI marketing technology company is pleased to release its Appendix 4D and half yearly report for the six month period ended 31 December 2025 (HI FY26).

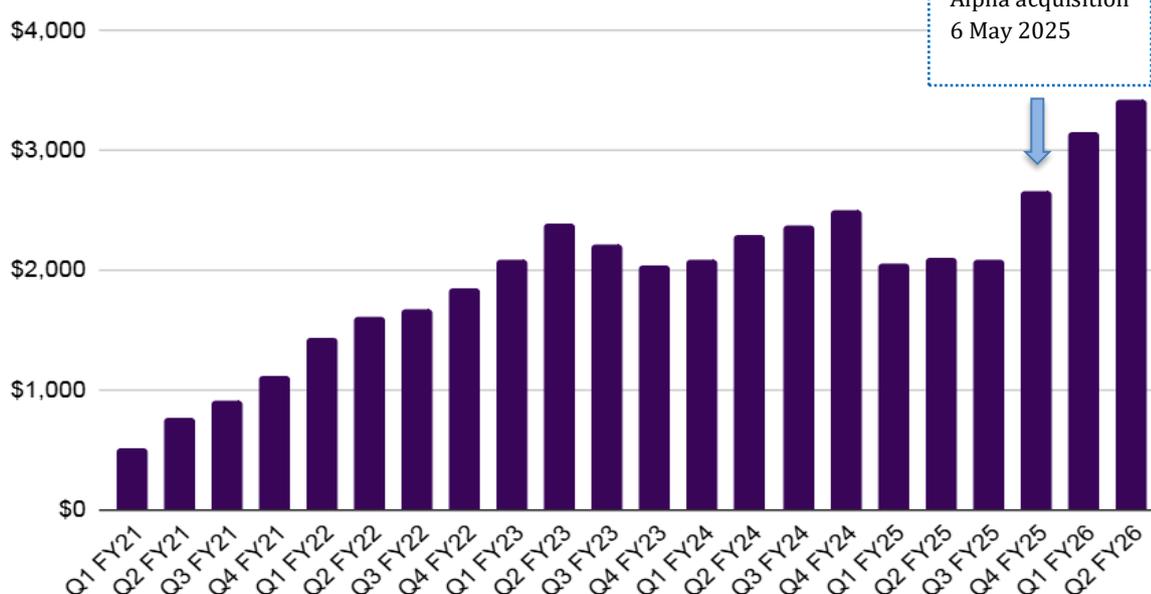
Key Highlights

- The Group delivered a strong first-half performance, positioning it well to deliver its full year financial targets, with positive operating cash flow, increasing to \$3.1 million, up from \$2.0 million for the same period in the prior year, supported by the increase in customers' seasonal media spends. XPON achieved a net profit of \$0.2 million for the period, representing a significant turnaround from the \$0.6 million loss recorded as of 31 December 2024. EBITDA for the period was \$1 million, compared with an EBITDA loss of \$0.38 million in the prior corresponding period, reflecting a material improvement in operating performance.
- The Group reports revenue from contracts with customers of \$6.6 million for the half-year ending 31 December 2025, representing a 58% increase from the previous corresponding period. This revenue upside primarily driven by the acquisition of Alpha Digital and successful new customer acquisitions and the expansion of services within the existing client base.
- Recurring sales revenue accounted for \$6.2 million (95%) of the half year's total, annualising to \$12.5 million.
- Integration of Alpha Digital has progressed positively with a growing number of joint Alpha + Wondaris deals in the pipeline.
- The Group's gross margin percentage softened by 4 ppts to 69% (2025: 73%). This slight compression was primarily attributed to the lower margin profile of revenue generated by Alpha Digital compared to XPON's existing business..
- The Group successfully landed 19 new customers and expanded relationships with 19 existing customers. The customer retention rate remained a robust 97.3%.
- Successfully raised \$425k in capital through a new share placement, fully repaid the convertible notes and, in January 2026, repaid the last instalment on the Harvest Lane loan. The Group continues to improve and optimise its financial position and maintained a strong cash balance of \$4.3 million as at 31 December 2025.

Key Financial Metrics – 1H FY26 vs 1H FY25

	1H FY26	1H FY25	+/- 1H FY25
Revenue	\$6.6m	\$4.2m	+58%
Gross profit	\$4.5m	\$3m	+49%
Gross margins	69%	73%	-4 pts
Statutory EBITDA	\$1m	(\$0.38m)	+\$1.4m

Revenue by quarter



Commenting on the Company's performance, Executive Chair, Mark Simari said:

"We are pleased with the Group's performance in the first half of FY26, which reflects a significant financial turnaround and a 58% increase in revenue to \$6.6 million. The business continues to track well against our strategic roadmap.

During the period, the team completed a comprehensive process redesign to simplify and optimise workflows. The combination of these streamlined processes and the deployment of advanced AI-enabled automation has strengthened our operating model and improved efficiency. These enhancements position the Group to drive further operational efficiency and support sustainable profitability, while increasing our capacity to deliver value to customers and shareholders.

We are also leveraging our improved cash position, supported by the increase in customers' seasonal media spending, and recent customer wins to optimise the balance sheet. The successful capital raise and full repayment of the convertible notes have removed encumbrances and provide a clearer pathway for growth. Supported by disciplined working capital management and continued cost control, the substantial improvement in EBITDA demonstrates our progress toward profitability and our commitment to achieving annualised cash flow breakeven by the end of FY26."

Outlook and Priorities

The Company has clear priorities for the remainder of FY26:

- Continuing operating cash flow and Statutory EBITDA (unaudited) positive on an underlying basis in FY26.
- Repayment of the remaining Harvest Lane loan was finalised in January 2026, concluding all commitments associated with the convertible note.
- Continue to strengthen balance sheet and financial stability;
- Continue momentum on our M&A strategy to further enhance shareholder value;
- Capitalise on our leading market position by accelerating AI innovation with Wondaris to speed up sales cycles and enhance value realisation for customers;
- Continue to monitor and optimise the recalibration of the sales strategy towards high margin long term recurring revenue growth;
- Simplified product led sales motion with key vertical industry offerings underpinned by Wondaris;
- Ensure XPON sustains a strong corporate culture and maintains high employee engagement and motivation;

The announcement has been approved for release by the Board of Directors of XPON Technologies Group Limited ACN 635 810 258

-ENDS-

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About XPON Technologies Group Limited (ASX: XPN)

XPON Technologies Group Limited is a leading AI marketing technology business with operations in Australia, New Zealand and the United Kingdom. We help businesses simplify complex marketing challenges and achieve superior ROI from their customers.

At the heart of our approach is the integration of data and AI, which powers our tools to predict consumer behaviour, automate marketing processes, and drive effective, data-driven decisions.

Glossary

Monthly customer 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).
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