



XPON Technologies Group Limited and Controlled Entities
Appendix 4D
Half-year Report - 31 December 2025

1. Company details

Name of entity:	XPON Technologies Group Limited and Controlled Entities
ACN:	635 810 258
Reporting period:	For the half-year ended 31 December 2025
Previous period:	For the half-year ended 31 December 2024

2. Results for announcement to the market

Reported	31 December 2025 \$000's	31 December 2024 \$000's		Change \$000's	Change %
Revenue from ordinary activities	6,576	4,162	Up	2,414	58%
Net profit/(loss) from ordinary activities after tax attributable to the owners of XPON Technologies Group Limited	206	(633)	Up	839	(133%)
Net profit/(loss) for the half-year attributable to the owners of XPON Technologies Group Limited	206	(633)	Up	839	(133%)

DIVIDENDS

XPON Technologies Group Limited has not paid, recommended or declared dividends for the half-year ended 31 December 2025 (31 December 2024: Nil).

3. Net tangible assets

	31-Dec-25 (cents)	31-Dec-24 (cents)
Net tangible assets per ordinary security	(1.19)	(1.15)

Derived by dividing the net assets less intangible assets attributable to equity holders of the Company by the total ordinary shares on 31 December 2025 (490,356,353) and 31 December 2024 (362,441,495) respectively.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

XPON Technologies Group Limited and Controlled Entities
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6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

For all foreign entities, International Financial Reporting Standards have been used in compiling this report.

10. Audit qualification or review

This half-year was subject to review by the Company's auditors, and the review report is attached as part of this half year report.

11. Attachments

The Interim Report of XPON Technologies Group Limited for the half-year ended 31 December 2025 is attached.

12. Signed



Signed _____

Date: 24 February 2026

Mark Simari
Executive Chair

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**XPON Technologies Group Limited and
Controlled Entities**

ACN 635 810 258

Half-year Report - 31 December 2025

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XPON Technologies Group Limited and Controlled Entities
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CORPORATE DIRECTORY

Directors

Mark Simari - Executive Chair
Matt Forman – Non-Executive
Director
James Olsen - Non-Executive
Director

Registered Office

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Brisbane City, QLD, 4000
Australia
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Auditors

RSM Australia Partners
Level 27, 120 Collins Street
Melbourne VIC 3000
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Company Secretary

Hasaka Martin
Singleton Co Sec

Share Registry

Automic Group
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XPON Technologies Group Limited and Controlled Entities
Directors' report
31 December 2025

The directors submit the interim financial report of Xpon Technologies Group Limited and its controlled entities (the Group) for the half year ended 31 December 2025.

1. General information
Information on directors

The following persons were directors of XPON Technologies Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Matt Forman - Managing Director (resigned on 19 September 2025);
Matt Forman - Non-Executive Director (appointed on 19 September 2025);
Mark Simari - Non-Executive Chairman (resigned on 19 September 2025);
Mark Simari - Executive Chair (appointed on 19 September 2025); and
James Olsen - Non-Executive Director

Directors have been in office since the start of the financial half-year to the date of this report.

Company Secretary

Hasaka Martin

2. Operating results and review of operations for the year

The Group reported a net profit of \$206,198 for the period, representing a significant turnaround from the \$632,523 loss recorded for the period ended 31 December 2024. EBITDA for the period was \$1,025,430, representing a material improvement from the EBITDA loss of \$375,363 recorded in the prior corresponding period.

Review and Results of operations

AUD \$	31/12/2025	31/12/2024	Movement %
Revenue	6,576,031	4,161,566	58%
Cost of sales	(2,046,869)	(1,128,898)	81%
Gross Profit	4,529,162	3,032,668	49%
Gross Margin %	69%	73%	(4%)
Other income (excluding Interest income)	14,425	7,219	100%
Employee expenses (including superannuation)	(2,761,120)	(2,525,758)	9%
IT & facilities expenses	(242,451)	(201,034)	21%
General & Admin expenses	(514,586)	(688,458)	(25%)
Total Operating Expenses	(3,518,157)	(3,415,250)	3%
Statutory EBITDA \$	1,025,430	(375,363)	(373%)

XPON Technologies Group Limited and Controlled Entities
Directors' report
31 December 2025

Revenue

The Group reported revenue from contracts with customers of \$6,576,031 for the half-year ending 31 December 2025, representing a 58% increase from the previous corresponding period (31 December 2024: \$4,161,566). This revenue upside is primarily driven by the acquisition of Alpha Digital and successful new customer acquisitions and the expansion of services within the existing client base.

Gross profit and margin

The Group's gross margin softened by 4 pts to 69% (31 December 2024: 73%). This slight compression was primarily attributed to the lower margin profile of revenue generated by Alpha Digital.

Operating expenses

Total operating expenses increased by 3% to \$3,518,157 for the period (31 December 2024: \$3,415,250). This slight increase was primarily driven by the inclusion of Alpha Digital's operating costs, which were largely offset by the Group's successful cost optimisation initiatives.

Financial Position

As of 31 December 2025, the Group's net liability position improved to \$1,959,862 (June 2025: \$2,648,129), supported by a strengthened cash balance of \$4,335,033 (June 2025: \$2,732,604). Total borrowings were significantly reduced to \$1,734,327 (June 2025: \$3,415,574). During the period, the Group raised \$425,000 via a share placement and executed a \$420,000 loan agreement with Harvest Lane Asset Management. This facility carries a 10% interest rate, is repayable over six months, and was utilised to fully discharge the Group's outstanding convertible notes. The loan to Harvest Lane was fully repaid in January 2026.

3. Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2025 has been received and can be found on page 4 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.

On behalf of the directors



Mark Simari
Executive Chair

24 February 2026

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of XPON Technologies Group Limited and its controlled entities for the half year ended 31 December 2025 I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

A L Whittingham

A L WHITTINGHAM
Partner

Dated: 24 February 2026
Melbourne, Victoria

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XPON Technologies Group Limited and Controlled Entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 Dec 2025	31 Dec 2024
		\$	\$
Revenue from contracts with customers	3	6,576,031	4,161,566
Cost of sales		<u>(2,046,869)</u>	<u>(1,128,898)</u>
Gross profit		4,529,162	3,032,668
Gain in fair value of financial liabilities		-	374,127
Other income		22,538	7,219
Expenses			
IT and Facilities expenses		(242,451)	(201,034)
Employee benefits expense		(2,575,780)	(2,299,148)
Superannuation expense		(177,760)	(217,473)
Depreciation and amortisation expense		(308,457)	(40,331)
Contractor expenses		(7,580)	(9,137)
Other expenses	4	(514,586)	(688,458)
Finance costs		<u>(423,287)</u>	<u>(496,604)</u>
Profit/(loss) before income tax expense		301,799	(538,171)
Income tax expense		(95,601)	(94,352)
Profit/(loss) after income tax expense for the half-year		<u>206,198</u>	<u>(632,523)</u>
Other comprehensive income/(loss)			
Items that will be reclassified to profit or loss			
Exchange differences on translating foreign controlled entities		<u>9,781</u>	<u>(26,872)</u>
Other comprehensive income/(loss) for the half-year, net of tax		<u>9,781</u>	<u>(26,872)</u>
Total comprehensive income/(loss) for the half-year		<u>215,979</u>	<u>(659,395)</u>
Earnings / (loss) per share			
Basic earnings/(loss) per share	15	0.045	(0.175)
Diluted earnings/(loss) per share	15	0.044	(0.175)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

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XPON Technologies Group Limited and Controlled Entities
Consolidated statement of financial position
As at 31 December 2025

	Note	Consolidated	
		31 Dec 2025	30 Jun 2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		4,335,033	2,732,604
Trade and other receivables	7	4,416,723	4,023,464
Contract assets		73,132	73,132
Prepayments		146,935	252,788
Total current assets		<u>8,971,823</u>	<u>7,081,988</u>
Non-current assets			
Property, plant and equipment		23,600	12,820
Right of use assets		1,103,711	811,575
Intangible assets	8	3,825,945	3,790,488
Deferred tax assets		72,869	168,470
Other assets		93,046	76,142
Total non-current assets		<u>5,119,171</u>	<u>4,859,495</u>
Total assets		<u>14,090,994</u>	<u>11,941,483</u>
Liabilities			
Current liabilities			
Trade and other payables	9	9,595,649	7,124,206
Deferred consideration		391,584	-
Financial liabilities - Derivatives		3,879	3,879
Borrowings	10	715,283	2,054,038
Employee benefits		535,741	627,687
Contract liabilities	11	2,015,278	1,871,233
Lease liabilities		208,573	215,569
Other provisions		122,736	118,211
Total current liabilities		<u>13,588,723</u>	<u>12,014,823</u>
Non-current liabilities			
Borrowings	10	1,019,044	1,361,536
Deferred consideration		322,609	415,090
Lease liabilities		912,900	602,718
Employee benefits		207,580	195,445
Total non-current liabilities		<u>2,462,133</u>	<u>2,574,789</u>
Total liabilities		<u>16,050,856</u>	<u>14,589,612</u>
Net liabilities		<u>(1,959,862)</u>	<u>(2,648,129)</u>
Equity			
Issued capital	12	23,672,528	22,968,720
Reserves	13	2,027,717	2,249,456
Accumulated losses		(27,660,107)	(27,866,305)
Total equity deficit		<u>(1,959,862)</u>	<u>(2,648,129)</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

XPON Technologies Group Limited and Controlled Entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital	Foreign Currency Translation Reserves	General Reserves	Employee Share Based Payment Reserves	Accumulated Losses	Total equity deficit
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2025	22,968,720	(43,851)	42,961	2,250,346	(27,866,305)	(2,648,129)
Profit after income tax expense for the half-year	-	-	-	-	206,198	206,198
Other comprehensive income for the half-year, net of tax	-	9,781	-	-	-	9,781
Total comprehensive income for the half-year	-	9,781	-	-	206,198	215,979
<i>Transactions with owners in their capacity as owners:</i>						
Issuance of ordinary shares	425,000	-	-	-	-	425,000
Performance rights vested (note 13)	278,808	-	-	(278,808)	-	-
Share-based payments (note 13)	-	-	-	47,288	-	47,288
Balance at 31 December 2025	23,672,528	(34,070)	42,961	2,018,826	(27,660,107)	(1,959,862)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

XPON Technologies Group Limited and Controlled Entities
Consolidated statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Ordinary Shares \$	Foreign Currency Translation Reserves \$	General Reserves \$	Employee Share Based Payment Reserves \$	Accumulated Losses \$	Total equity deficit \$
Balance at 1 July 2024	22,630,147	(4,678)	42,961	1,924,535	(26,509,350)	(1,916,385)
Loss after income tax expense for the half-year	-	-	-	-	(632,523)	(632,523)
Other comprehensive loss for the half-year, net of tax	-	(26,872)	-	-	-	(26,872)
Total comprehensive loss for the half-year	-	(26,872)	-	-	(632,523)	(659,395)
<i>Transactions with owners in their capacity as owners:</i>						
Share based payment transactions	-	-	-	278,187	-	278,187
Balance at 31 December 2024	22,630,147	(31,550)	42,961	2,202,722	(27,141,873)	(2,297,593)

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

XPON Technologies Group Limited and Controlled Entities
Consolidated statement of cash flows
For the half-year ended 31 December 2025

	Note	Consolidated	
		31 Dec 2025	31 Dec 2024
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		9,117,752	7,080,356
Payments to suppliers and employees (inclusive of GST)		(5,804,477)	(4,961,038)
Interest received		14,538	5,255
Interest and other costs of finance paid		<u>(203,824)</u>	<u>(84,375)</u>
Net cash from operating activities		<u>3,123,989</u>	<u>2,040,197</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	1,964
Purchase of property, plant and equipment		<u>(20,241)</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>(20,241)</u>	<u>1,964</u>
Cash flows from financing activities			
Proceeds from issue of shares		425,000	-
Repayment of borrowings		(1,822,275)	-
Principal elements of lease payments		<u>(113,825)</u>	<u>-</u>
Net cash used in financing activities		<u>(1,511,100)</u>	<u>-</u>
Net increase in cash and cash equivalents		1,592,648	2,015,289
Cash and cash equivalents at the beginning of the financial half-year		2,732,604	3,448,794
Effects of exchange rate changes on cash and cash equivalents		<u>9,781</u>	<u>(26,872)</u>
Cash and cash equivalents at the end of the financial half-year		<u>4,335,033</u>	<u>5,464,083</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

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XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 1. Basis of Preparation

The interim financial report covers XPON Technologies Group Limited ('the Company') and its controlled entities ('the Group'). XPON Technologies Group Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The principal activities of the Company for the half-year ended 31 December 2025 were the provision of:

- software enabled managed services to help companies manage business-critical marketing platforms, Adtech, ML / AI and cloud technologies;
- a next-generation data platform for marketers that centralizes customer & marketing data, supercharging it with AI for automated activation.

Each of the entities within the Group prepares its financial statements based on the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 24 February 2026.

This consolidated interim financial report for the reporting period ending 31 December 2025 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2025, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The financial statements have been prepared on an accrual basis and are based on historical costs.

Significant accounting policies adopted in the preparation of these financial statements are consistent with prior reporting periods unless otherwise stated.

Note 1. Basis of Preparation (continued)

Going Concern note disclosure – material uncertainty related to going concern

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, as at 31 December 2025, the Group reported a net current asset deficiency of \$4,616,900 and net liabilities of \$1,959,862.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- The ability of the Group to raise additional capital;
- The ability of the Group to undertake other financing activities;
- The ability to further reduce expenditure in future periods to maintain cost control and cash reserves; and/or
- The ability of the Group to continue growing its revenues from new customer contracts, generating sufficient cash flows to meet obligations as they fall due.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Directors believe that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Further annualised cost reductions were implemented in early July 2025 to align the company's staffing with its vertical go-to-market strategy and increasing focus on Wondaris as the Group's key marketing offering.
- The strategic acquisition of Alpha Digital has brought potential for revenue growth, simplifying procurement and accelerating average revenue generated per customer growth through cross sell opportunities for both XPON and Alpha Digital;
- The Directors continue to actively explore merger and acquisition opportunities which would strengthen the Company's financial position; and
- The Directors are confident additional funds and/or capital can be raised as is necessary to meet obligations as they fall due.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or classification of liabilities and appropriate disclosures that may be necessary should the Company be unable to continue as a going concern.

Note 2. New and amended standards adopted by the Group

The Group has adopted all standards which became effective for the first time at 1 July 2025, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 3. Revenue from contracts with customers

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Major services line		
Licenses	2,304,155	2,663,538
Managed Services	2,710,682	69,000
Project Management Services	298,841	283,133
Usage Fees	1,262,353	1,145,895
	<u>6,576,031</u>	<u>4,161,566</u>
Geographical regions		
Australia	6,324,754	3,839,172
United Kingdom	251,277	322,394
	<u>6,576,031</u>	<u>4,161,566</u>
Timing of revenue recognition		
Services transferred over time	5,313,678	3,015,671
Services transferred at a point in time	1,262,353	1,145,895
	<u>6,576,031</u>	<u>4,161,566</u>

Note 4. Other expenses

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Consulting and Accounting expenses	105,593	64,318
Insurance and Travel expenses	154,281	133,940
Compliance expenses	107,839	130,284
People & Culture expenses	12,518	15,545
Other expenses	134,355	344,371
	<u>514,586</u>	<u>688,458</u>

Note 5. Operating Segments

Identification of reportable operating segments

The Group has determined that it only has one operating segment. The operating segment identified is based on the internal reports that are received and used by the chief operating decision-makers in assessing performance and determining the allocation of resources. All significant operating decisions are based upon the analysis of the Group as one segment.

The financial results from the segment are equivalent to the financial statements of the group as a whole.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 6. Business Combinations

On 6th May 2025, the Group acquired 100% of the ordinary shares in Alpha Digital Design Consultants (Aust) Pty Ltd, a leading digital marketing agency based in Australia to accelerate AI-Powered growth. The acquisition enables the Group to leverage its leading AI capabilities to accelerate Alpha Digital's transformation, expanding its portfolio of competitive AI solutions and enhancing its overall value and profitability. The acquired business contributed revenues of \$650,941 and profit after tax of \$ 113,208 to the consolidated entity for the period from 7 May 2025 to 30 June 2025. If the acquisition occurred on 1 July 2024, the full year contributions would have been revenues of \$4,513,211 and profit after tax of \$147,353. . The values identified in relation to the acquisition of Alpha Digital Design Consultants (Aust) Pty Ltd are provisional as at 30 June 2025 and 31 December 2025.

The fair value of the purchase consideration was measured as at 31 December 2025 as follows:

	31 December 2025
	\$
Ordinary shares issued	180,000
Contingent consideration ²	628,757
Borrowings	2,005,488
Total purchase consideration	2,814,245

¹30,811,725 ordinary fully paid shares issued on completion of the acquisition of Alpha based on 15 day VWAP prior to the date of completion, being \$0.005842 per share.

²In the event that EBITDA targets are achieved by Alpha Digital Design Consultants (Aust) Pty Ltd for the years ended 30 June 2026 and 30 June 2027, additional consideration of up to \$891,000 may be payable in cash or the Group's shares at 15 % discount to 15 day VWAP, floor \$0.015 per share.

The fair value measurement was based on the acquisition-date budget for Alpha Digital Design Consultants (Aust) Pty Ltd and an assessed probability weighted for each scenarios of the earn-out being achieved for the years ended 30 June 2026 and 30 June 2027. Based on this assessment, the earn-out liability was recognised at net present value of \$415,090 as at 30 June 2025.

During the six-month period to 31 December 2025, management reassessed the probability of achieving the earn-out. Following this reassessment, management concluded that there is likely to be 100% certainty that the earn-out targets will be met for both financial years. The reassessment was based on information and budgets existing at acquisition date. Therefore, the deferred consideration liability has been increased by \$213,668 with a corresponding adjustment to goodwill.

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XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value (Provisional) \$
	31 December 2025
Cash and cash equivalents	942,426
Trade and other receivables	872,001
Prepayments	34,960
Property, plant and equipment	7,937
Intangible assets	17,230
Deferred tax assets	69,192
Other assets	60,381
Trade and other payables	(954,351)
Employees benefit	(247,508)
Contract liabilities	(260,668)
Provisions	(38,595)
Customer contracts	1,507,884
Deferred tax liabilities on customer contracts acquired	(376,971)
Net identifiable assets acquired	1,633,918
Add: Goodwill	1,180,327
Acquisition - date fair value of the total consideration transferred	2,814,245
(b) Purchase consideration – cash inflow	
Cash outflow, to acquire subsidiary, net of cash acquired	\$
Cash consideration	-
Less: balances acquired	
Cash	942,426
Net inflow of cash – investing activities	942,426

Acquisition-related costs

Acquisition-related costs of \$41,213 that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss and in operating cash flows in the statement of cash flows.

Identifiable intangible assets acquired

The customer contracts acquired in the business combination have an estimated useful life of 5 years, based on management's assessment of the period over which the assets are expected to generate economic benefits. The useful lives are reviewed at each reporting date and adjusted if appropriate.

The purchase price allocation for this acquisition has been determined on a provisional basis as at the reporting date. The Group will finalise the fair values of the assets acquired and liabilities assumed within the 12-month measurement period from the acquisition date, as permitted under AASB 3 Business Combinations. Adjustments, if any, to the provisional amounts will be recognised retrospectively as if the accounting had been completed at the acquisition date.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 7. Trade and Other Receivables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Trade receivables	4,412,704	4,128,837
Other receivables	4,019	7,334
Less: Allowance for expected credit losses	-	(112,707)
Total current trade and other receivables	<u>4,416,723</u>	<u>4,023,464</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Impairment of trade receivables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Opening balance	112,707	50,957
Additional impairment loss recognised	-	61,750
Unused amounts reversed	(112,707)	-
Closing balance	<u>-</u>	<u>112,707</u>

The Group applies the simplified approach to providing for expected credit losses (ECL) prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected credit loss rates are based on the payment profiles (using a provision matrix) of sales over a period of 3 years before 31 December 2025 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information including macroeconomic factors that affect the ability of the customers to settle the receivables.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 8. Intangible Assets

	31 Dec 2025	30 Jun 2025
	\$	\$
Goodwill - at cost	2,341,298	2,127,630
Patents, Trademarks and other intangibles - at cost	57,769	57,769
Patents, Trademarks and other intangibles - Accumulated amortisation	<u>(12,542)</u>	<u>(12,542)</u>
Net carrying value	45,227	45,227
Software - at cost	313,117	313,117
Software - Accumulated amortisation	<u>(313,117)</u>	<u>(313,117)</u>
Net carrying value	-	-
Customer contracts - at cost	1,891,884	1,891,884
Customer contracts - Accumulated amortisation	<u>(452,464)</u>	<u>(274,253)</u>
Net carrying value	1,439,420	1,617,631
Total Intangible assets	3,825,945	3,790,488

	Patents, Trademarks and other intangibles	Customer Contracts	Goodwill	Total
	\$	\$	\$	\$
Year ended 30 June 2023				
Balance at the beginning of the year	45,227	1,617,631	2,127,630	3,790,488
Additions from business acquisition remeasurement (note 6)	-	-	213,668	213,668
Amortisation	<u>-</u>	<u>(178,211)</u>	<u>-</u>	<u>(178,211)</u>
Balance at the end of the year	45,227	1,439,420	2,341,298	3,825,945

Note 9. Trade and Other Payables

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Trade payables	8,174,044	5,807,536
Accruals and other payables	1,261,423	1,127,674
GST payable	<u>160,182</u>	<u>188,996</u>
Total Trade and Other Payables	9,595,649	7,124,206

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 to 45 days (with Google supplier having a 45-day credit term). The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 10. Borrowings

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Current		
Short term loan ¹	70,000	-
Loans payable - Convertible Notes ²	-	1,433,974
Vendor loan ³	645,283	620,064
	<hr/>	<hr/>
Total	715,283	2,054,038
Non-current		
Vendor loan ³	1,019,044	1,361,536
	<hr/>	<hr/>

¹ Short term loan

On 26 August 2025, the Group entered into a \$420,000 loan agreement with Harvest Lane Asset Management Pty Ltd at 10% interest over six months. The loan repayable consists of equal monthly instalments of interest plus principal, over six months. The short term loan was fully repaid in January 2026.

² Convertible Notes

On 26 August 2025, the Group fully settled the Convertible Notes with the Noteholders in cash. Upon settlement, the host debt liability components were derecognised. The equity component recognised at initial recognition remains within equity, and the unexercised and unexpired warrants continue to be recognised as a financial liability.

³ Vendor loan

There were no changes to the terms and conditions of the vendor loan compared to the financial year ended 30 June 2025.

Defaults and breaches

During the current and prior year, there were no defaults or breaches on any of the loans.

Note 11. Contract Liabilities

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Licenses	1,974,260	1,714,313
Managed services	7,185	51,188
Project services	33,833	105,732
	<hr/>	<hr/>
Total contract liabilities	2,015,278	1,871,233
	<hr/>	<hr/>

The balance of contract liabilities is for clients that pay XPON Technologies Group Limited in advance of services being delivered. The movement of contract liabilities relate to the timing of contract renewals as well as new clients paying in advance as per payment terms.

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XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 12. Issued Capital

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
490,356,353 (30 June 2025: 414,253,220) Ordinary Shares	24,460,991	23,757,183
Share issue costs net of deferred tax	(788,463)	(788,463)
Total	23,672,528	22,968,720

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll, each share is entitled to one vote.

	Consolidated	
	31 Dec 2025	
	\$	Number
At the beginning of the reporting period	22,968,720	414,253,220
<i>Shares issued during the year - Ordinary Shares</i>		
4 Sep 2025 (53,125,000 - \$0.008 per share)	425,000	53,125,000
5 Sep 2025 (19,999,998 Performance Rights vested)	253,333	19,999,998
23 Sep 2025 - (2,978,135 Performance Rights vested)	25,475	2,978,135
Total	23,672,528	490,356,353

Note 13. Reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

	Consolidated	
	31 Dec 2025	30 Jun 2025
	\$	\$
Foreign currency translation reserve	(34,070)	(43,850)

(b) Employee option reserve

This reserve records the cumulative value of employee service received for the issue of share options/performance rights. When the option is exercised or the performance right is vested, the amount in the share option reserve is transferred to share capital.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

	Consolidated	
	31 Dec	30 Jun
	2025	2025
	\$	\$
Employee option reserve		
Opening balance	2,250,346	1,924,535
Share based payment expense	47,288	325,811
Performance Rights vested	(278,808)	-
Total Employee option reserve	<u>2,018,826</u>	<u>2,250,346</u>

Employee Option Plan

The share based payment expense recognised during the half year is included within the 'employee benefits expense' category in the consolidated statement of profit or loss and other comprehensive income. No additional options were awarded or forfeited during the half year.

(c) General reserve

The general reserve records equity component of convertible notes issued.

	Consolidated	
	31 Dec	30 Jun
	2025	2025
	\$	\$
General reserve		
Opening balance	42,961	-
Equity component of issued convertible notes	-	42,961
Total General reserve	<u>42,961</u>	<u>42,961</u>

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

XPON Technologies Group Limited and Controlled Entities
Notes to the consolidated financial statements
31 December 2025

Note 15. Profit/(loss) per share

	Consolidated	
	31 Dec 2025	31 Dec 2024
	\$	\$
Profit/(loss) after income tax	206,198	(632,523)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	462,906,691	362,441,495
Weighted average number of ordinary shares used in calculating diluted earnings per share	473,465,024	362,441,495
	Cents	Cents
Basic earnings/(loss) per share	0.045	(0.175)
Diluted earnings/(loss) per share	0.044	(0.175)

XPON Technologies Group Limited and Controlled Entities
Directors' declaration
31 December 2025

In the directors' opinion:

- (a) the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (b) the attached financial statements and notes give a true and fair view of the Group financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mark Simari

24 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of XPON Technologies Group Limited

Conclusion

We have reviewed the accompanying half-year financial report of XPON Technologies Group Limited ('the Company') and its subsidiaries ('the Group') which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that at the half year ended 31 December 2025 the Group's current liabilities exceeded its current assets by \$4,616,900 and had net liabilities of \$1,959,862. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'A L Whittingham'.

A L WHITTINGHAM

Dated: 24 February 2026
Melbourne, Victoria