



ASX Announcement

30 April 2026

XPON Q3 FY26 activity report and Appendix 4C

XPON Technologies Group Ltd (ASX:XPON) (XPON or the Company), an AI marketing technology company, releases its quarterly activity report / Appendix 4C quarterly cash flow statement for the three-month period ended 31 March 2026.

Key Highlights

- The Group Revenue for Q3 FY26 was \$3.02 million, representing a 44% increase on the prior corresponding period, despite expected seasonal normalisation following a record Q2.
- Integration of Alpha Digital progressing positively with cross sell deals and a number of new joint Alpha + Wondaris deals in the pipeline.
- Gross Profit remained resilient at \$2.0 million. While Gross Margins was 66% due to seasonal labor costs, the Group remains focused on maintaining high-margin recurring revenue streams as it scales. Recurring revenue accounted for \$2.9 million (96%) of the quarter's total, annualising to \$11.6 million.
- Successfully landed 4 new customers and expanded relationships with 1 existing customer while maintaining a robust monthly customer retention rate of 98.8%.
- Wondaris product led sales motion being further optimised with key vertical offerings developed that are focused on targeted industry segments including banking & financial services, retail, education and media publishing.
- The Group delivered \$1.28m positive EBITDA (unaudited) YTD and also maintained a solid cash balance of \$2.6 million as at 31 March 2026. The Group continues to execute its strategic plan, balancing investment in growth with operational discipline to ensure the business remains positioned to meet its long-term financial objectives.

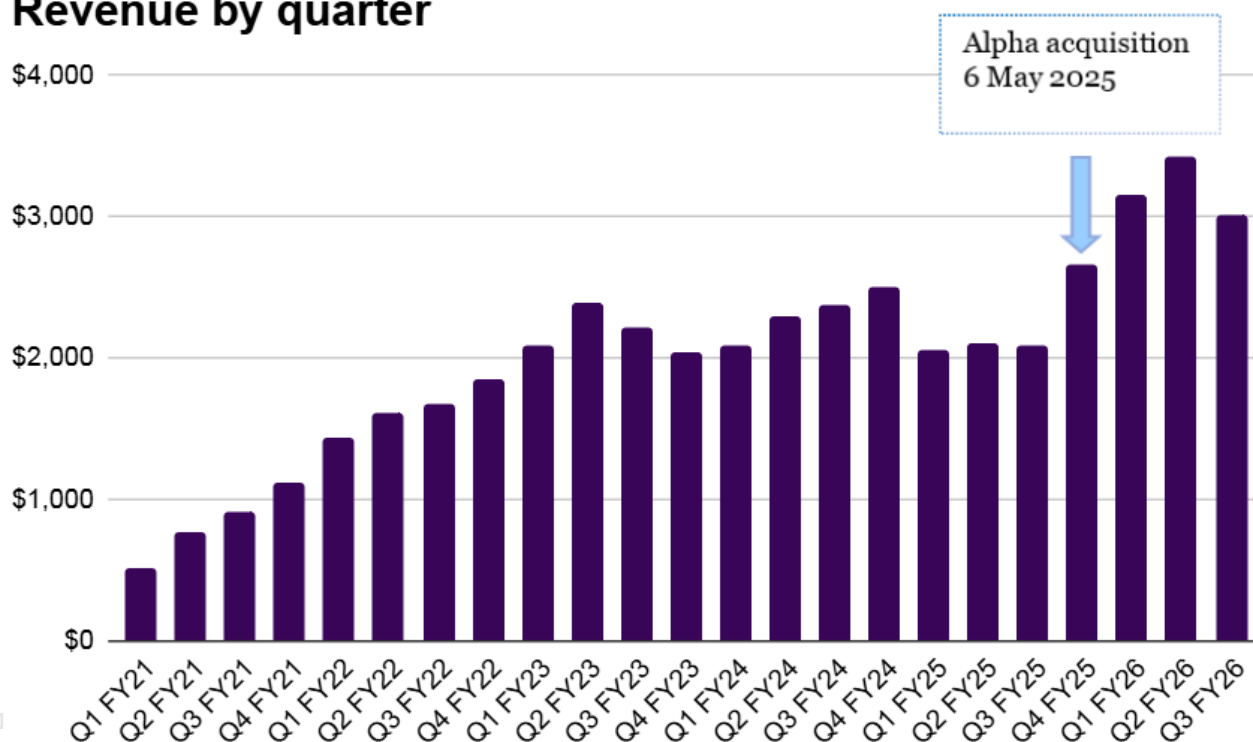
Key Financial Metrics – Q3 FY26 vs Q3 FY25 and Q2 FY26

	Q3 FY26	Q2 FY26	+/-	Q3 FY25	+/-
Sales Revenue	\$3.02m	\$3.4m	-11.7%	\$2.1m	44%
Gross profit	\$2.0m	\$2.4m	-16.3%	\$1.6m	27%
Gross margins	66%	70%	-4 ppts	75%	-9 ppts

Financial Performance

Quarterly performance reflected anticipated seasonal trends, with Revenue of \$3.02 million. While down 11.7% from Q2 FY26, the result marks a solid 44% improvement over Q3 FY25, confirming a higher baseline for the Group's operations.

Revenue by quarter



Capital Management and Cash Flow

The Group ended Q3 FY26 with \$2.6 million in cash and \$50k of undrawn finance facilities.

Net cash used in operating activities was \$1.5 million, primarily reflecting the expected post-December seasonal reduction in customer media spend and the timing of customer receipts. Despite the Q3 outflow, the Group delivered positive EBITDA (unaudited) in each of Q1, Q2 and Q3 FY26.





- Net customer receipts for Q3 FY26 were \$1.6 million, down from \$5.08 million in Q2 FY26, primarily reflecting seasonal normalisation in customer media spend following the December quarter peak.

- Payments to suppliers, employees and others were \$3.1 million for Q3 FY26. This increase of payments reflects additional expenses from the Alpha Digital acquisition, partially offset by ongoing cost management initiatives.

The Group continues to actively review working capital and funding options to strengthen balance sheet flexibility and support future growth.

As detailed in item 6.1 of the Appendix 4C, payments to related parties and their associates during the quarter totalled \$199k comprising directors' costs and an employee associate of a director.

Progress to-date

Strategic priorities	Status	Progress
Realign for sustainable growth		
Reset the sales motion to grow a sustainable recurring revenue base with primary focus on AUNZ.		Recurring revenue mix of FY26 YTD is 95.5%. Continuing to land new enterprise customers that are expected to expand into recurring customers in future periods
Develop people & capacity to build on our culture, simplify workflows and alignment of rewards to business profitability		On track with team rewards being aligned with business objectives and ongoing optimisation of people and workflows
Optimise balance sheet and establish capital profile to support future organic & inorganic growth opportunities		Acquisition of Alpha Digital completed. Ongoing discussions with various financiers to strengthen group cash flow and working capital.
Cash flow breakeven in FY26		Group EBITDA (unaudited) delivered positive results in Q1, Q2 and Q3 FY26. Despite a small \$124k reduction of operating cash flow from 1 July to 31 March, Cash flow is expected to show an improvement on the prior year by 30 June 2026, reflecting the Group's continued financial discipline.

Outlook and Priorities

The Company has clear priorities for the remainder of FY26:

- Continue to monitor and optimise the recalibration of the sales strategy towards high margin long term recurring revenue growth;
- Continuing operating cash flow and EBITDA (unaudited) positive on an underlying basis in FY26.
- Capitalise on our leading market position by accelerating AI innovation with Wondaris to speed up sales cycles and enhance value realisation for customers;

For personal use only

- Simplified product led sales motion with key vertical industry offerings underpinned by Wondaris;
- Continue momentum on our M&A strategy to further enhance shareholder value;
- Repayment of the remaining HarvestLane loan of \$1.575m was finalised in January 2026, concluding all commitments associated with the convertible note.
- Continue to strengthen balance sheet and financial stability;
- Ensure XPON sustains a strong corporate culture and maintains high employee engagement and motivation;

For personal use only

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

-ENDS-

For further information, please contact:

Rebecca He

1300 400 371

investors@xpon.ai

For media inquiries, please contact:

marketing@xpon.ai

JOIN XPON'S INTERACTIVE INVESTOR HUB Visit <https://investorhub.xpon.ai/welcome>

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).
---------------------------------	--

For personal use only

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

XPON TECHNOLOGIES GROUP LIMITED

ABN

37635810258

Quarter ended ("current quarter")

31/03/2026

Consolidated statement of cash flows		Current Quarter	Year to date (9 months)
		\$A'000	\$A'000
1.0	Cash flows from operating activities		
1.1	Receipts from customers	1,608	10,920
1.2	Payments for		
	(a) research and development	(60)	(190)
	(b) product manufacturing and operating costs	(1,015)	(3,191)
	(c) advertising and marketing	(42)	(154)
	(d) leased assets	(43)	(169)
	(e) staff costs	(1,262)	(3,786)
	(f) administration and corporate costs	(698)	(1,743)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	22
1.5	Interest and other costs of finance paid	(64)	(267)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	61	61
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,508)	1,502

2.0	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(21)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment		
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) - Cash acquired in an acquisition		
2.6	Net cash from / (used in) investing activities	(1)	(21)

3.0	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	425
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(226)	(2,048)

3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.1	Net cash from / (used in) financing activities	(226)	(1,623)

4.0	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,335	2,733
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,508)	1,502
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(226)	(1,623)
4.5	Effect of movement in exchange rates on cash held	10	20
4.6	Cash and cash equivalents at end of period	2,610	2,610

Reconciliation of cash and cash equivalents		Current Quarter	Previous quarter
5.0	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000
5.1	Bank balances	2,610	4,335
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,610	4,335

6.0	Payments to related parties of the entity and their associates	Current Quarter
		\$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	199
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NA

Note: Payments in 6.1 relates to directors' costs and an employee associate of a director.

Financing facilities		Total facility amount at quarter end	Amount drawn at quarter end
7.0	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>	\$A'000	\$A'000
	<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	1,508	1,508
7.2	Credit standby arrangements	50	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	1,558	1,508
7.5	Unused financing facilities available at quarter end		50
	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.6	<p>As announced on 5 May 2025, Xpon acquired 100% of Alpha Digital via a vendor loan arrangement. The vendor (Coopers Shield Pty Ltd as trustee for Cooper Family Trust) has agreed that part of the consideration, amounting to \$2.005m, will be paid over a period of three years (Vendor Loan). Matthew Copper is a director and controller of Coopers Shield Pty Ltd, and a beneficiary of the Cooper Family Trust. XPON will pay the \$2.005m plus interest at 8% per annum, accrued through 36 monthly repayments. The first payment is due on 1 June 2025, with the final payment due on 1 May 2028. XPON may elect to repay the Vendor Loan early. The Vendor Loan will be secured by the shares in Alpha Digital. As a result of the provision of security over the shares of Alpha Digital, XPON intends to seek shareholder approval for the financial assistance at the 2025 Annual General Meeting. The material default provisions are a payment default or an insolvency event.</p> <p>Alpha Digital has a \$50k overdraft facility with ANZ which was unused in the quarter. The facility is an unsecured business overdrafts with an interest rate of 13.95% p.a.</p>		

8.0	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,508)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,610
8.3	Unused finance facilities available at quarter end (item 7.5)	50
8.4	Total available funding (item 8.2 + item 8.3)	2,660
	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.8
8.5	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	

Answer: No. The current level of net operating cash flow was impacted by seasonal customer media spending. The Group expects cash flows to trend toward a more positive and stable level in the coming periods as this seasonal peak has concluded.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Group continues to review its capital management strategy to ensure it remains well positioned to support future growth. As part of this process, the Board regularly considers a range of funding options. Given the Group's established relationships within the market, it remains confident in its ability to secure any future funding required on appropriate terms.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The entity believes it has sufficient liquidity to maintain operations. This is supported by an anticipated improvement in operating cash flows as seasonal spending cycles conclude, and the continued implementation of cost management strategies to align expenditure with the Group's growing revenue base.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2026

Authorised by: The Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.