



ASX Announcement

28 October 2026

XPON Q1 FY27 activity report and Appendix 4C

XPON Technologies Group Ltd (ASX: XPN) (**XPON** or the **Company**), an AI marketing technology company, releases its quarterly activity report and Appendix 4C quarterly cash flow statement for the three-month period ended 30 September 2026.

Key Highlights

- On 30 September 2026, XPON completed the sale of 100% of the shares in its wholly owned subsidiary, Datisan Pty Ltd, to Incubeta Australia Pty Limited. XPON received total initial cash consideration of **\$8.1 million**, comprising a \$5.5 million completion payment and a \$2.6 million working capital adjustment. The agreement also provides for contingent earn-out consideration of up to **\$2.0 million**, payable if Datisan meets gross profit targets for the 12 months ending 31 December 2026. Excluding any earn-out, the sale is estimated to generate a gain of approximately **\$9 million**.
- The sale removed Datisan's accounts receivable of \$3.0 million and accounts payable of \$6.4 million from the Group balance sheet, a net reduction in trade liabilities of **\$3.4 million**.
- Following the receipt of the Datisan sale proceeds, the Company repaid its **\$800k short-term loan facility** and all accrued interest in full (\$57k) on 1 October 2026. As at the time of the release on 28 October, XPON's cash position is **\$6.95m**.
- The Board intends to apply the remaining cash to further investment in the Wondaris AI marketing platform and the Company's applied AI acquisition strategy.

As detailed in item 6.1 of the Appendix 4C, payments to related parties and their associates during the quarter totalled \$162k, comprising directors' costs and payments to an employee who is an associate of a director.

Outlook and Priorities

The Company has clear priorities for FY27:

- Capitalise on our leading market position by accelerating AI innovation with Wondaris to speed up sales cycles and enhance value realisation for customers;
- With the sale of Datisan now complete and our balance-sheet recalibration finalised, XPON will provide the market with a detailed update on our refreshed strategy and forward priorities in due course.

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

About XPON Technologies Group Limited (ASX: XPN)

XPON Technologies Group Limited is a leading AI marketing technology business with operations in Australia and New Zealand. 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).
---------------------------------	--

Appendix 4C

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

Name of entity

XPON TECHNOLOGIES GROUP LIMITED

ABN

37 635 810 258

Quarter ended ("current quarter")

30/09/2026

Consolidated statement of cash flows		Current Quarter	Year to date (3 months)
		\$A'000	\$A'000
1.0	Cash flows from operating activities		
1.1	Receipts from customers	2,334	2,334
1.2	Payments for		
	(a) research and development	(71)	(71)
	(b) product manufacturing and operating costs	(490)	(490)
	(c) advertising and marketing	(37)	(37)
	(d) leased assets	-	-
	(e) staff costs	(1,282)	(1,282)
	(f) administration and corporate costs	(523)	(523)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(71)	(71)

2.0	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	8,140	8,140
	(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 balance disposed of in disposal of an entity	(2,447)	(2,447)
2.6	Net cash from / (used in) investing activities	5,693	5,693

3.0	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-

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	-	-

4.0	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,788	2,788
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(71)	(71)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	5,693	5,693
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	2	2
4.6	Cash and cash equivalents at end of period	8,412	8,412

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	8,412	2,788
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)	8,412	2,788

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	162
6.2	Aggregate amount of payments to related parties and their associates included in item 2	NA
<i>Note: Payments in 6.1 relates to directors' costs and an employee associate of a director.</i>		

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> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	\$A'000	\$A'000
7.1	Loan facilities	800	800
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	800	800
7.5	Unused financing facilities available at quarter end		-
<p>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.</p>			
7.6	<p>On 29 May 2026, XPON secured a new \$800K loan facility at a 14% p.a. interest rate to support working capital and ongoing business development initiatives. The facility comprises a \$500K secured tranche provided by Gem Syndication Pty Ltd and Dunbarrim Pty Ltd, and a remaining \$300K unsecured tranche accessed via Konda Corp Pty Ltd, a related party lender controlled by Non-Executive Director Mr Matt Forman.</p> <p>The terms required repayment by 29 November 2026 or upon receipt of proceeds from the Datisan transaction. Following the receipt of the Datisan proceeds on 30 September 2026, the loan and all accrued interest were fully settled on 1 October 2026. No further financing facilities have been entered into or are proposed.</p>		

8.0	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(71)
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,412
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,412
	Estimated quarters of funding available (item 8.4 divided by item 8.1)	118
8.5	<p><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></p>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>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?</p>	

Answer: N/A

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: N/A

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: N/A

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: 28 October 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*, e.g. *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.