

ASX RELEASE

31 August 2023

STRONG MOMENTUM WITH NEW TECHNOLOGY BUSINESSES; CORE BUSINESSES REMAIN EBITDA PROFITABLE

HIGHLIGHTS:

- **H1 FY2023 Group revenue of S\$4.62 million (A\$5.31 million¹); Gross profit of S\$1.99 million (A\$2.29 million¹)**
- **Q2 FY2023 Group revenue increased 5% in S\$ terms from Q1 FY2023; in Malaysian Ringgit (MYR) terms, revenue rose 11% with the differential due to the strong appreciation in S\$ vs the MYR**
- **Current core businesses EBITDA² profitable in H1 FY2023**
- **Group gross margins grew to 43% in H1 FY2023 up from 41% in H1 FY2022**
- **Xamble Live Commerce revenue grew 84% in H1 FY2023 due to the launch of new TikTok Shop services**
- **The number of influencers registered on the Xamble Creators platform is building; new community feature launched and second phase being built; expected to start generating revenues in H1 FY2024**
- **Healthy liquidity position, with cash and cash equivalents of S\$3.45 million (A\$3.96 million¹) as at 30 June 2023**

Xamble Group Limited (ASX:XGL) ("Xamble" or the "Company" together with its subsidiaries, the "Group") provides the following financial and operational update for the six months ended 30 June 2023 (H1 FY2023).

Xamble Executive Chairman, Ganesh Kumar Bangah, said: "Our Group continued to make solid progress in H1 FY2023 with solid momentum with the rollout of our new technology businesses and our core businesses remaining EBITDA profitable. Nuffnang's strategic shift towards non-consumer packaged goods (CPG) clients continued to accelerate during the period, whilst Xamble Live Commerce continued its robust performance due to the launch of new Tik Tok services.

Importantly, Group revenues in Q2 FY2023 increased 5% on a quarter-on-quarter basis as we continued to accelerate our efforts to grow our non-CPG client base.

We look forward to progressing the rollout of our new technology businesses Xamble Creators and Xamble Social Wallet over H2 FY2023, with these new technologies expected to start generating new software-as-a-service subscriptions and payment/financing revenues in H1 FY2024. We look forward to updating investors on the progress of our rollout and brand and influencer engagement on the platforms over the coming months."

¹ Assumes exchange rate of 1 SGD = 1.15 AUD.

² Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses and M&A activities.



H1 FY2023 Performance

Description	Revenue	Gross Profit	EBITDA ¹
	S\$	S\$	S\$
Current core businesses (Nuffnang, Sashimi, Plata & Punta)	4,520,773	1,934,271	279,234
New technology businesses (Xamble Live Commerce, Xamble Social Wallet, Xamble Creators)	97,074	53,165	(385,189)
Head office administrative and listing costs	-	-	(546,352)
TOTAL GROUP	4,617,847	1,987,436	(652,307)

Xamble's current core businesses, namely Nuffnang, Sashimi and Plata & Punta, continued to be EBITDA¹ profitable in H1 FY2023.

Overall Group revenue was down 20% on the previous corresponding period to S\$4.62 million in H1 FY2023 as the Group cycled off a high base in H1 FY2022 due to online spending at the end of the COVID-19 pandemic. Revenue was also down partly due to Xamble's reporting currency which appreciated significantly against the functional currency for the Group's core businesses during the period, where revenue is allocated based on the country in which the client is located.

Performance in H1 FY2023 was also impacted by a slowdown in overall CPG spending which affected the Group's core influencer marketing business and a shift in revenue mix within the performance marketing business.

However, overall Group revenue increased by 5% in Q2 FY2023 (S\$2.36 million) vs Q1 FY2023 (S\$2.25 million) due to Xamble's efforts to grow its non-CPG client base.

Revenue for the Group's new businesses, Xamble Live Commerce, Xamble Creators and Xamble Social Wallet was up 84% (H1 FY2023: S\$97k; H1 FY2022: S\$53k). This revenue was contributed by Xamble Live Commerce, as Xamble Creators and Xamble Social Wallet only recently started operations. The losses for Xamble's new technology businesses were also due to the startup and development costs for these new businesses.

The loss before tax for the Group amounted to S\$1.0 million in H1 FY2023 (H1 FY2022: loss before tax of S\$0.16 million). H1 FY2023's loss before tax was partly driven by forex losses of S\$0.22 million mainly due to unfavourable exchange rate movements during the period. The loss was also attributable to the startup and development costs of S\$0.39 million incurred by our new technology businesses, namely Xamble Live Commerce, Xamble Social Wallet and Xamble Creators.

Excluding extraordinary items stated above and expenses related to the new technology businesses, the Group delivered an EBITDA¹ deficit of S\$0.27 million in H1 FY2023 (H1 FY2022: EBITDA¹ profitable of S\$0.035 million).

¹ Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses and M&A activities.



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There was a shift in the client mix within Xamble's performance marketing business Plata & Punta, with an increased number of clients paying for media directly while still using its performance marketing services.

This benefited gross margins for the Group which increased to 43% in H1 FY2023 from 41% in H1 FY2022.

Xamble has a healthy liquidity position, with cash and cash equivalents of S\$3.45 million as at 30 June 2023.

Strong revenue growth for Xamble Live Commerce due to launch of new TikTok Shop services

Xamble Life Commerce (XLC) revenue grew 84% to S\$97k versus H1 FY2022 (S\$53k) due to the launch of new TikTok Shop services.

The business achieved 6-digit Malaysian Ringgit GMV for a global CPG client within a three-month period in H1 FY2023 due to TikTok live shows and content creation. XLC also launched a corporate brand campaign for a new herbal supplement brand on TikTok and grew the brand's followers from zero to five-digits, achieving a five-digit monthly GMV and signing up more than 80 registered TikTok affiliates for the brand in the first four months.

XLC will continue to drive growth by building brand presence and increasing GMV revenue for brands signed up to its end-to-end solutions for TikTok Shop management including content creation, managing live shows and working with TikTok creators for affiliate marketing.

Xamble Creators influencers building and new community feature launched

As at 30 August 2023, the Xamble Creators (XC) app had 734 registered influencers in the platform and has processed approximately S\$0.35 million (MYR1.16 million) of payments to influencers.

At the end of May 2023, XC launched its new community feature where influencers can connect and interact.

The next stage of the community feature, called 'Branded Community' is currently being developed which will enable a group of influencers to directly collaborate with a brand within the app. The Branded Community will also empower brands to build their own community of influencers, generate creative content and market insights, and seamlessly engage and communicate with them in a single, streamlined interface.

XC is also working on its Creator Affiliate program which will be launched in H2 FY2023. This will further empower influencers to grow their presence and earnings potential by matching the right influencer with the right brand and product.

Xamble Social Wallet onboarding to commence via collaboration with Nuffnang

Xamble Social Wallet's (XSW) onboarding of the first batch of influencers into the app via a collaboration with Nuffnang is expected to commence by end Q3 FY2023.

This collaboration will add influencer attribution to Nuffnang's core services, giving it a competitive edge over other influencer marketing agencies. The effectiveness of influencer marketing will be able to be tracked to the point where consumers redeem brand vouchers distributed by influencers in retail outlets and webstores.



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XSW also onboarded eShoplive in Q2 FY2023, and a rollout of XSW for use at eShoplive's physical events is expected in Q3 FY2023.

Nuffnang's strategic shift towards non-CPG clients continues strong momentum

Revenue for Nuffnang declined 32% in H1 FY2023 to S\$1.87 million (H1 FY2022: S\$2.75 million). Excluding the strengthening of the Singapore Dollar against the Malaysian Ringgit, revenues declined 28% in H1 FY2023.

However, revenue increased 11% in Malaysian Ringgit terms from Q1 FY2023 (MYR2.94 million/S\$0.92 million¹) to Q2 FY2023 (MYR3.27 million/S\$0.94 million²) due to Nuffnang's continued strong momentum with its strategic shift towards non-CPG clients. Non-CPG clients increased from 57% to 66% in H1 FY2023 of the overall client base as compared to H1 FY2022. Finance and consumer tech brands such as HSBC and Xiaomi are now in Nuffnang's top 10 client list, while staple CPG brands such as Dutch Lady have maintained their spend.

The new significant agency partnership secured in Q1 FY2023 has continued to bring Nuffnang new brands with a total of 7 new brands secured in H1 FY2023.

Nuffnang also launched the Nuffnang Influencer Scorecard (Scorecard) as a new differentiated offering to refine the influencer selection process for brands. The Scorecard is a first-of-its-kind influencer selection tool which allows brands to better refine the selection of influencers for campaigns via three key components: campaign needs, impact and brand alignment. It includes an advanced scoring and ranking system that accounts for both 'hard' and 'soft' metrics, enabling brands to gain more meaningful insights from each campaign, enhancing trust and enabling the Group to have longer-term brand engagements. The Scorecard has had a positive impact when pitching Nuffnang services to brands.

In June 2023, Nuffnang also won the coveted Gold for Influencer Agency of The Year at the d Awards and also won Bronze for Best Use of Digital for Impact. The d Awards is organised by the Malaysian Digital Association to recognise and honour the talents, agencies, brands, publishers, and digital service providers that embrace and pioneer the use of digital technologies.

Sashimi continues to grow and win new clients

Sashimi, the Group's social media agency posted 5% revenue growth to S\$1.47 million in H1 FY2023 (H1 FY2022: S\$1.40 million) with the agency continuing to expand its operations via brand storytelling, data analysis and marketing technology during the period and continued its adoption of AI-powered marketing technology to improve efficiency in pre-production for brand story telling. In Malaysian Ringgit terms, Sashimi posted a revenue growth of 12% from H1 FY2022 (MYR4.37 million/S\$1.40 million¹) to H1 FY2023 (MYR4.90 million/S\$1.47 million²)

Sashimi also had a number of new client wins in H1 FY2023 including a luxury automotive brand, a fashion brand and a healthcare provider.

¹ Assumes exchange rate of 1 MYR = 0.31 SGD

² Assumes exchange rate of 1 MYR = 0.29 SGD



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Plata & Punta (P&P) gross margins increase, focused on expanding into automotive sector

P&P's revenues declined 26% in H1 FY2023 to S\$0.70 million (H1 FY2022: S\$0.95 million). The decline in revenue was due to an increased number of clients paying for media directly while still using its performance marketing services.

This resulted in an increase in P&P's gross margins increasing to 32% in H1 FY2023 from 20% in H1 FY2022. Due to the margin increase, P&P's profit before tax also rose over the half year period.

P&P is increasing its efforts to diversify into the automotive industry, while maintaining its core focus on the education and eCommerce sectors.

This announcement was approved for release by the Xamble Board of Directors.

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About Xamble Group Limited

Xamble Group Limited is a pioneering and established platform of influencer-centric digital marketing solutions.

The Company provides its diverse client base of leading brands with results-focused growth strategies backed by end-to-end expertise spanning Influencer Marketing, Social Media Marketing, Performance Marketing and Social Commerce.

Listed on the Australian Securities Exchange and headquartered in Malaysia with offices in Malaysia and Taiwan, Xamble aims to deliver wealth and value to its ecosystem of brands, influencers or 'creators', and consumers.



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