

ASX RELEASE

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XAMBLE STAGES STRONG SECOND HALF RECOVERY WHILE UNDERLYING BUSINESS REMAINS PROFITABLE

HIGHLIGHTS:

- **Group revenue increased 12% in H2 CY2023 to A\$5.70 million¹ (S\$5.00 million) [(H1 CY2023: A\$5.08 million¹ (S\$4.62 million))], with more investment in technology rolled out and new sales and operation processes implemented**
- **Strong second half recovery with EBITDA² deficit improving 58% in H2 CY2023 to A\$0.30 million¹ (S\$0.25 million) from A\$0.72 million¹ (S\$0.65 million)**
- **Annual Group revenue of A\$10.78 million¹ (S\$9.62 million) down 7% on the pcp, primarily due to the slowdown in overall consumer packaged goods (CPG) spending in H1 CY2023**
- **Underlying business³ profitable at A\$0.76 million¹ (S\$0.68 million) in CY2023 excluding investments to extend the current technology stack and corporate and listing costs**
- **Xamble strongly positioned to capture more of the fast-growing South-East Asian market through organic and M&A-based growth strategies with a healthy debt-free balance sheet and cash balance of A\$3.12 million (S\$2.80 million) as at 31 December 2023**

Xamble Group Limited (ASX:XGL) ("Xamble" or the "Company" together with its subsidiaries, the "Group"), a pioneering and established platform of influencer-centric digital marketing solutions, provides the following financial and operational update for the twelve months ended 31 December 2023 (CY2023).

Xamble Executive Chairman, Ganesh Kumar Bangah, said: "Whilst Group revenue was affected by the difficult conditions in the CPG advertising market in H1 CY2023, revenue and EBITDA² improved in H2 CY2023, with more investment in technology being rolled out and new sales and operations processes being implemented. We continue to focus on building the new technology platform to make the Group more scalable in the future while overhead costs were well managed.

^{*}Xamble intends to transition its reporting currency to Australian dollars. For a full review of the financial performance in the current reporting currency (S\$), please refer to the published accounts for CY2023.

¹Assumes exchange rate of 1 AUD = 3.029 MYR (CY2023); 1 AUD = 3.054 MYR (CY2022). MYR used as base as majority of the operations are in Malaysia.

² Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses, one-off rebranding and other costs of A\$0.60 million (S\$0.53 million) [(CY2022: A\$0.45 million (S\$0.43 million)].

³ Underlying business adjusted for extraordinary items relating to forex movements, options expenses, one-off rebranding and other costs as well as technology investment and corporate (HQ and ASX) expenses.

"Looking ahead, Xamble is poised to capture more of the fast-growing South-East Asian market through organic and M&A-based growth strategies aimed at strengthening the influencer base in existing and new markets across South East Asia and beyond, extending the technology platform, acquiring new talent and upscaling our sales capabilities."

CY2023 Results

Group revenue increased 12% in H2 CY2023 to A\$5.70 million¹ (S\$5.00 million) [H1 CY2023: A\$5.08 million¹ (S\$4.62 million)] as the business recovered with more investment in technology being rolled out and new sales and operations processes being implemented.

However, annual Group revenue declined 7% to A\$10.78 million¹ (S\$9.62 million) from the previous corresponding period (pcp) [CY2022: A\$11.55 million¹ (S\$11.06 million)] largely due to the decrease in H1 CY2023 (as reported previously) which was attributable to the slowdown in overall consumer packaged goods (CPG) spending which affected the Group's core influencer marketing business.

In Singapore Dollar (S\$) terms, revenue in CY2023 decreased 13% to S\$9.62 million on the pcp (CY2022: S\$11.06 million) due to the strengthening of the S\$ against each of the Group's local entities' reporting currencies during the period.

Underlying business² profitable at A\$0.76 million¹ (S\$0.68 million) in CY2023 excluding investments to extend the current technology stack and corporate and listing costs. Investment in technology increased 105% in CY2023 to A\$0.65 million¹ (S\$0.58 million) [CY2022: A\$0.32 million¹ (S\$0.30 million)] as Xamble focused on building its new technology platform to make the business more scalable in the future while overhead costs were well managed.

The Group generated an EBITDA³ deficit in CY2023 of A\$1.02 million¹ (S\$0.91 million), up 155% on the pcp [(CY2022: A\$0.40 million¹ (S\$0.38 million))] due to the higher technology investment and greater corporate costs during the period.

However, the EBITDA³ deficit improved by 58% in H2 CY2023 to A\$0.30 million¹ (S\$0.25 million) [H1 CY2023: A\$0.72 million¹ (S\$0.65 million)] with the Group recovering in the period as investment in technology was rolled out and new sales and operations processes were implemented.

This announcement to be read in conjunction with the CY2023 Full Year Results Investor Presentation lodged alongside this release.

¹ Assumes exchange rate of 1AUD = 3.029 MYR (CY2023); 1AUD = 3.054 MYR (CY2022). MYR used as base as majority of the operations are in Malaysia.

² Underlying business adjusted for extraordinary items relating to forex movements, options expenses, one-off rebranding and other costs as well as technology investment and corporate (HQ and ASX) expenses.

³ Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses, one-off rebranding and other costs of A\$0.60 million (S\$0.53 million) [(CY2022: A\$0.45 million (S\$0.43 million))].

Outlook

Xamble is poised to capture more of the fast-growing South East Asian influencer marketing industry through organic and M&A-based growth strategies aimed to:

- Grow and strengthen the influencer base in existing and new markets across South East Asia and beyond
- Extend the technology platform – examples include:
 - The launch of the community feature, called ‘Branded Community’, allowing brands to build their own community of influencers and directly engage with them which was completed in Q4 CY2023; and
 - The launch of the self-serve influencer marketing platform for SMEs – expected by the end of Q1 CY2024. The platform will include dashboard access for SMEs that will allow them to review and approve influencer content while enabling them to obtain insights from influencer campaigns
- Upscale sales capabilities through the acquisition of new talent into the management team

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 Limited and based 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.