

ASX RELEASE

3rd December 2024

Q3 CY2024 QUARTERLY BUSINESS UPDATE

HIGHLIGHTS:

- **Successfully appointed new Chief Executive Officer commences structural transformation to set Xamble Group up for future growth**
- **Unprofitable Taiwan operations to close as strategically not aligned with new growth direction**
- **Xamble’s developing SME business continues to show strong growth**
- **Renewed focus on Southeast Asian markets where Xamble is well placed to capture a share of the fastest growing region for influencer marketing and social commerce.**
- **Xamble has no debt and a cash balance of A\$1.9 million as at 30 September 2024**

Xamble Group Limited (ASX:XGL) (“Xamble” or the “Company” together with its subsidiaries, the “Group”), a pioneering platform of influencer-centric digital marketing solutions, provides the following financial and operational update for the 9 months period ended 30 September 2024.

The 3rd quarter of 2024 was a **period of transition** for Xamble with the appointment of Jason Thoe as new CEO of the Group complementing the newly hired management team, and a **restructure of the Group** away from a portfolio of individually branded companies to a consolidated model under the Xamble brand to unify the value proposition and improve resource efficiencies across the Group.

Operating performance for the 9 months period ended 30 September 2023 and 2024

In A\$ 000s

| Description | Jan-Sep 2024 | Jan-Sep 2023 | Increase/ (Decrease) |
|---|-------------------|-----------------|----------------------|
| Group Revenue | A\$7,158 | A\$8,152 | (12%) |
| Business Expenses | (A\$7,192) | (A\$7,633) | (6%) |
| Underlying Business EBITDA¹ | (A\$34) | A\$519 | n.m |
| Technology Investment | (A\$526) | (A\$647) | (19%) |
| Technology Investment (Grant ²) | A\$115 | - | n.m |
| Corporate Costs (HQ & ASX) | (A\$891) | (A\$826) | 8% |
| Group EBITDA³ | (A\$1,336) | (A\$954) | 40% |

¹ Underlying business EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses as well as investments to extend the current technology stack and corporate (HQ and ASX) expenses.

² Relates to a portion of the grant received from Malaysia Digital Acceleration Grant (MDAG) as announced on 6 May 2024.

³ Group EBITDA adjusted for extraordinary items relating to forex movements, closure of China entity, rebranding and options expenses.

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For the 9 months period ended 30 September 2024, the Group revenue declined 12% to A\$7.2 million compared to the previous corresponding period ("pcp") (CY2023: A\$8.2 million). The decline was in large part due to the increasingly poor performance of the Taiwan operations where both a revenue decline (by 74% in Q3 CY2024 to A\$0.133m) and a significant EBITDA deficit occurred (Q3 CY2024 of \$0.11m). After a strategic review, it was decided to close the Taiwan operations, a traditional marketing agency in a relatively mature and highly competitive market. This decision is aligned with the strategic focus of the Group being to streamline its resources and focus on the high growth markets in Southeast Asia, including the core Malaysian market.

Further restructuring initiatives implemented by the newly appointed senior management team have re-focused efforts on sales and business development activities to pursue new clients across 4 key categories namely;

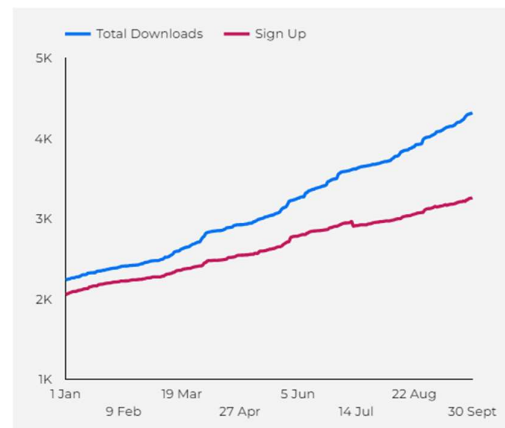
- financial services,
- health & wellness,
- beauty & personal care, and
- food & beverage,

driving a narrower focus towards higher value segments and leveraging the business' incumbent track record and strengths.

The Group's underlying operating EBITDA for the 9 months period ended 30 September 2024 was a deficit of A\$0.034 million mainly due to the performance of the now discontinued Taiwan operations. After technology investments, corporate overheads and listing costs, Xamble's Group EBITDA deficit widened to A\$1.34 million (CY2023: A\$0.954 million).

Xamble's SME segment, however, continues to grow strongly. Revenue for the quarter was up 81% compared to pcp to A\$0.14 million (Q3 CY2023: A\$0.079 million) as momentum continues to build, seeing a 180% YoY increase for the first 9 months of the year.

For the quarter, the Xamble Creators app registered 4,319 active creators, increasing 98% from January 2024, and facilitated A\$1.27 million in payments, up 213% from A\$0.405 million in Q3 CY2023. Also, further illustrating the potential strength of the Group's SME business potential, Xamble facilitated TikTok shop transactions increased by 308% to 23,047 orders with a GMV of over A\$0.468 million, up 291% pcp. The progress on the app strengthens the strategic shift to harness the power of technology to streamline and scale influencer marketing efforts, making the process more efficient, data-driven, and accessible to brands and influencers alike.



As at 30 September 2024, the Group's cash balance was A\$1.9 million and Xamble's balance sheet remains debt free.

Outlook

In September 2024, Xamble appointed Jason Thoe as the Group's Chief Executive Officer. Thoe is an experienced executive across digital businesses and brings a wealth of commercial leadership experience together with a proven track record of undertaking transformational change of ASX-listed Southeast Asian digital marketplace businesses for sustained growth and profitability.

Also, during the third quarter, Xamble entered into an agreement to increase its shareholding in its majority-owned Xamble Technologies Sdn. Bhd. ("Xamble Technologies") from 85.71% to 100.00%. The agreement involved acquiring the remaining 14.29% stake in Xamble Technologies that it didn't own from Naven Prasad A/L Rajasegaran, whose stake was previously transferred from RedSquare Technologies Sdn Bhd. Total consideration was MYR 100,000 (A\$34k), being 50% in cash and 50% in Xamble scrip. The full consolidation of Xamble Technologies into the Group will enable Xamble to accelerate the development of both the Xamble Creators platform and Xamble Social Wallet to further position the Group for accelerated growth with greater control.

With the improvements taken within the quarter, Xamble's operational capabilities have been strengthened, solid momentum in the Group's SME business and Xamble Creator's platform as well as a return to growth in its Enterprise business is expected to set a strong foundation heading into 2025.

The increased focus on the Creators app also marks a significant shift from the traditional agency model, which often involves manual processes and limited scalability. With the platform, Xamble leverages artificial intelligence, data analytics, and automation to match brands with the right influencers more accurately and at scale, while delivering greater insights into campaign performance. This tech-driven approach should not only improve efficiency but also enhance the value of influencer marketing by offering more measurable results and deeper analytics, empowering brands to make smarter, more informed decisions. Through this transformation, Xamble is positioning itself as a leader in the next generation of influencer marketing, one that is powered by innovation and designed to meet the evolving needs of both brands and influencers.

Commenting on the outlook for Xamble, CEO Jason Thoe said "I am excited to join Xamble at this pivotal moment in its growth journey. As we undergo this period transition, we remain committed to evolving Xamble to be the most influential company for Brands and Creators in Southeast Asia as we grow, enable and build brands through social influence and commerce. I'm pleased that the underlying platform metrics and SME business continue to perform as the business looks to accelerate growth through these catalysts. I'm looking forward to collaborating closely with the talented team to build upon the Group's foundation and deliver successful financial results. Over time, I believe we are positioned to fully capitalise on the vast growth opportunities ahead and create value for Xamble's communities, customers, and shareholders."

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 leading platform of influencer-centric digital marketing solutions in South East Asia.

The Group 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 (ASX:XGL) and headquartered in Malaysia, Xamble aims to deliver wealth and value to its ecosystem of brands, influencers or 'creators', and consumers.

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