

NSX ANNOUNCEMENT
31 October 2024

September 2024 – Quarterly Activity Report

Highlights

- **Haodex is advising investor discussions in China, with funds expected by December 2024**
- **Investments will be proportionally allocated to increase brand awareness, develop a USA logistics network, integrate AI in R&D, and enhance team capabilities**
- **Meccle has focused on high-margin items, weekly platform upgrades, and loyalty programs to drive user retention**
- **Meccle maintains a high rating and has shown strong growth this quarter**
- **Haodex is exploring new opportunities in the Asia-Pacific region**

Haodex Limited (NSX:HAO) (“Haodex” or the “Company”) is pleased to present an overview of the Company’s progress and strategic initiatives undertaken during the past quarter. Our focus continues to be on expanding our operations, enhancing our service offerings, and securing funding to strengthen our financial position.

1. Funding Initiatives

The Company has been actively engaging with investors in China to secure additional funding, with discussions now in advanced stages. We anticipate completion of these arrangements and receipt of funds by December 2024. This investment will be crucial for supporting the growth of Meccle, enabling us to meet our strategic objectives efficiently.

2. Strategic Allocation of Investment for Meccle

Upon receipt of anticipated investment, the Company plans to use the funds to accelerate Meccle’s growth, operational capabilities, and improved its competitive positioning. Investment will be allocated as follows:

- **Marketing (35%):** This substantial investment will drive brand awareness and user acquisition, with targeted campaigns across key markets to establish Meccle as a leading platform in the industry.
- **Logistics Development (25%) :** A quarter of the funds will support the development of an independent logistics network in the USA, enhancing delivery speed and optimizing the overall customer experience.
- **Research & Development (20%):** With a focus on integrating AI technology, R&D investments will improve the user experience and operational efficiency, maintaining Meccle’s competitive edge in e-commerce innovation.
- **Talent Acquisition and Team Expansion (20%):** The Company will attract top talent and grow the team to support Meccle’s ambitious growth strategy. This investment will allow us to build a skilled workforce capable of driving Meccle's vision forward and supporting our operational and strategic goals.

Haodex Ltd

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3. Meccle's Performance Highlights

As a key subsidiary, Meccle has achieved significant milestones this quarter by focusing on product differentiation, platform enhancements, and customer engagement. By targeting medium- to large-sized items with higher profit margins, Meccle has successfully penetrated a profitable market niche. In its first month alone, our top category leader achieved over 10,000 sales, significantly boosting traffic and engagement.

Additionally, Meccle has implemented weekly updates across its mobile, H5, and PC platforms, enhancing user experience through new promotional zones and personalized opt-in content. Loyalty initiatives, including returning coupons and a Meccle points system, have further boosted customer retention and repeat engagement.

The Meccle app's strong performance has been validated by high user satisfaction, maintaining over a 4.8-star rating in the US Apple App Store and Google Play Store with 200+ ratings on each platform. The app's growing popularity led to a 70% month-over-month increase in downloads from Q2 to Q3, contributing to a broadening user base and strengthened brand presence.

4. Market Expansion & Strategic Partnerships

Haodex has continued to explore market expansion opportunities in the Asia-Pacific region. By identifying emerging markets and building strategic partnerships, we aim to enhance our regional footprint and position ourselves to capture new growth avenues.

5. Challenges and Opportunities

Despite facing regulatory challenges and fluctuating market trends, Haodex remains committed to turning these obstacles into opportunities for innovation. These efforts have bolstered our operational resilience and strategic foresight.

6. Looking Ahead

In the coming months, Haodex will prioritise the following key initiatives:

- Securing the final stages of the funding process to support long-term stability and project development.
- Implementing the planned fund allocations for Meccle to drive growth and enhance operational efficiency.
- Pursuing new opportunities in China and the Asia-Pacific region, aligning with the Company's strategic goal of regional growth and market expansion.

Quarterly Cashflow

The Company ended the quarter with a cash balance of \$69k. Quarterly operating cash outflows for the period were \$472k. During the September 2024 quarter, the aggregated amount of payments made to related parties and their associates totalled \$36k for the director's fees.

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About Haodex Limited

Haodex Limited (NSX:HAO) operates an outstanding portfolio of e-commerce platforms providing trade between Australia and the Asia-Pacific region, and is listed on the National Stock Exchange of Australia. Haodex plays a crucial role in facilitating China's increasing demand for seamless international trade by providing multiple online marketplace for retail goods (Monkey King Australia) a wholesale platform connecting Asian manufacturers direct to customers (Meccle) and accommodation (Frankshaus). The Haodex suite of online marketplaces are all easily accessible by both website and online app. Haodex is determined to connect its expansive network of Chinese vendors to the global demand for cost-effective and high-quality goods and services.

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