



X2M Connect Limited (ASX:X2M) 1Q FY26 update

October 2025

About X2M

ONE CORE PLATFORM

A world leading IoT platform for advanced AI and machine learning applications, harnessing vast data volumes to deliver real-time data exchange, remote control, and predictive insights

AI / ML

Has evolved from smart metering to meet growing global demand for data-driven solutions across industries

Three products



Vision by X2M



Hive by X2M



Help Me device



85+ customers



5 main geographies



40+ patents

The business model - How X2M makes money



SOFTWARE

- One-off connection fee per new device
- Recurring monthly service fee



PLATFORMS

- One-off installation and customisation fees
- Recurring annual fees per platform
- Maintenance and support fees



HARDWARE

- One-off fee per smart device
- Being progressively phased out in many markets

Operational Highlights – Strong start to FY26



Momentum expected to continue into Q2 from contracts already secured together with a significant pipeline of further prospects. From existing contracts, an additional \$4 million in revenue expected to be recognised in FY26



Existing customers addressable market being harvested and repeat orders represent 27% of this quarter's revenues



New markets and new customers from existing markets substantially broaden opportunity size. X2M is poised to capture significant growth



Balance sheet strengthened with net debt reduced from \$5.5m at 30 June 2025 to \$0.7m at 30 September 2025



The X2M platform is well positioned for value capture providing rich data for AI and ML applications

1Q FY26 Financial Highlights¹

Revenue

↗ **25%**

Gross Profit

↗ **10%**

Adj EBITDA loss

↘ **-7%**

Opex

↗ **3%**

Cash at bank

↗ **1.8m**

Enterprise customers

↗ **86**



Revenue of \$2.1m up 25% on pcip benefiting from strong contracted pipeline now being deployed



Opex of \$1.7m, up 3% through debt restructuring costs



Gross profit of \$0.9m with gross margin 44%, holding up well



Adjusted EBITDA² loss of \$0.6m, compared with loss of \$0.7m in pcip



86 enterprise customers up 13% on pcip

1. All financial figures are unaudited

2. Adjusted EBITDA is a non IFRS measure and excludes share based payments and one-off costs

Growth will come from existing geographies

TAM >\$0.5B²

South Korea



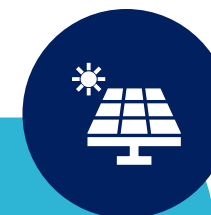
- Current customer base accounts for 62% of the water monitoring market.
- 27% of Q1 revenues are repeat orders
- Extend safety device market
- Develop street lighting market. Already >\$300k in sales
- Expand customer base

Japan



- Expand beyond gas bottle management
- Develop water vertical by leveraging gas product and Korea experience
- Total addressable market for water monitoring is 60m meters or close to \$100m pa in SaaS revenues¹

Taiwan



- Commercialise "Hive.AI by X2M" AI platform for renewable energy generators
- First product release executed. 1st customer acquired
- Product portfolio comprises solar optimisation modules, visualisation, battery storage monitoring

UAE



- Driving gas monitoring into gas companies and real estate building operators
- Extending to cooling water meters and building efficiency
- Extending into other Emirates apart from Dubai

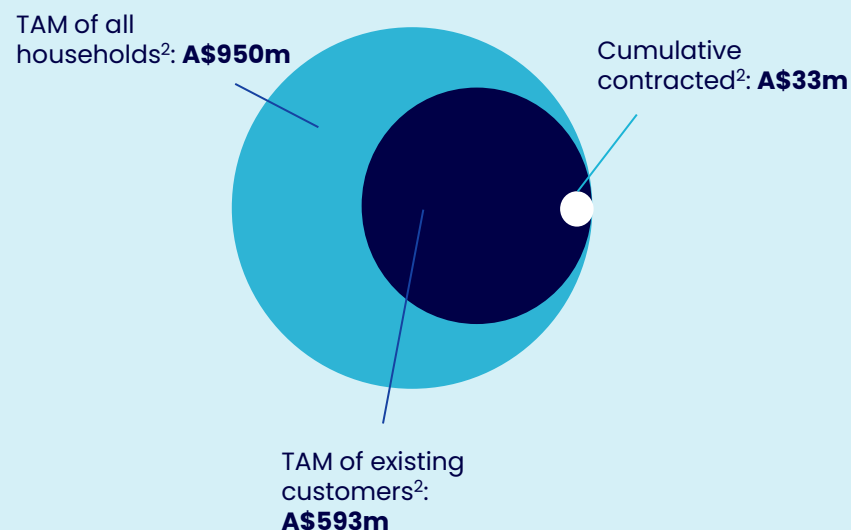
86 enterprise and government customers across Asia and Middle East

1. Assumes all households have X2M SaaS services installed at various annual rates
 2. Assumes installation of X2M bundled hardware to all households at \$120 per household

Progressively converting existing customer TAM

TAM of existing water customers in South Korea: A\$593M market² with A\$30M recurring revenue p.a³

SOUTH KOREA MARKET – SEPT 2025



- The TAM of X2M's existing water customers has increased to A\$593 million from A\$316 million in 4 years or to 62% of the total South Korean market.
- Secured share of the customers' TAM, on average, has increased to 5.6% from 2.7%.
- Despite strong growth, overall penetration of customers TAM is low and augurs well for future growth.

1. Data as at 30 September 2025

2. South Korea total addressable market (TAM) and contracted values are based on Year 1 bundled revenues of A\$120 per device

3. Assumes customer installs X2M SaaS services to all its households at various annual rates

Why X2M? Growth drivers for long-term shareholder return



Unique, world-leading, future-proofed IoT solution enabling smart cities and AI



Early mover advantage with significant barriers to new entrants



Addressable market is large and growing, with significant global potential



Improving cash flow position



Existing footprint in large markets which can be leveraged

X2M Team



Hon. Alan Stockdale AO | Non-Executive Chair

- Currently Emeritus Counsel of Medical Research Commercialisation Fund and Director of Knosys Limited
- Previously Treasurer and Minister for IT and Multimedia of Victoria, as well as Investment banking experience at Macquarie



Damien Johnston | Non-Executive Director

- Formerly CFO of Tabcorp
- Held several senior finance roles at BHP
- Fellow of CPA Australia and a Member of the Australian Institute of Company Directors



Keith Jelley | COO

- 10 years in the X2M business
- 40 years of development and operations experience across 9 countries in military, telecommunications and embedded systems industries



Mohan Jesudason | CEO and Managing Director

- 11 years leading the X2M business
- Previously Managing Director Gaming at TABCORP, led Telecom NZ mobiles business and grew AXA/AMP to leading positions in the market



John Stewart | Non-Executive Director

- Extensive Investment banking experience at Gresham, Lazard & JP Morgan
- Founder and Managing director at Health&
- Bachelor of Laws (Honors), Bachelor of Commerce from the University of Melbourne

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