X2M CONNECT LIMITED (ASX:X2M)

1H FY26 UPDATE

February 2026

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About X2M

PATENT SUPPORTED SOFTWARE PLATFORM

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

AI / ML
Implementation has evolved from smart metering to meet growing global demand for data-driven solutions across industries

THREE PRODUCTS

- *Vision* by X2M
- *Hive* by X2M
- *HelpMe* device

88 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

1H FY26 Financial Highlights[1]

X2M CONNECT

Revenue

↗ **45%**

Gross Profit

↗ **35%**

Adj EBITDA[2] loss

↘ **10%**

Opex

↗ **12%**

Cash at bank

↗ **1.9m**

Enterprise customers

↗ **10%**

💲 **Revenue growth delivered**

💵 **Gross Profit growth also delivered**

📊 **Adjusted EBITDA[2] improved**

💰 **Debt levels are substantially reduced**

🌍 **Customers numbers hit a new record**

1. All financial figures are unaudited
2. Adjusted EBITDA is a non IFRS measure and excludes share based payments and one-off costs

Q2 saw an acceleration in momentum on pcp[1]

X2M CONNECT

Revenue
↗ **65%**

Gross Profit
↗ **63%**

Adj EBITDA[2] loss
↘ **12%**

Opex
↗ **22%**

Cash at bank
↗ **1.9m**

Enterprise customers
↗ **10%**

Revenue growth was significantly up

Quarterly Adjusted EBITDA[2] is best achieved

Normalised increase in Opex was 6% excluding $0.25m in product replacement costs on historical deployments

Balance sheet is greatly improved

Business is expanding within existing geographies

1. All financial figures are unaudited
2. Adjusted EBITDA is a non IFRS measure and excludes share based payments and one-off costs

X2M's strategic programme delivers in 1H

Q1 momentum continued throughout Q2 across all key metrices, with strong revenue growth and reducing EBITDA losses. Momentum expected to continue into 2H with approximately $4m in contracted revenues still to be recognised

Q2 delivered positive cash flow from operating activities of $1.7m assisted by the 2025 R&D rebate of $1.4m. Cashflow from operating activities net of the R&D rebate was a positive $0.3m

Continued growth in the customer base further expands addressable markets with the opportunity size expanded by UAE commercialisation, Australian market entry and new product rollout

First 30,000 HelpMe public safety devices deployed in Seoul and this product has potential for global deployment
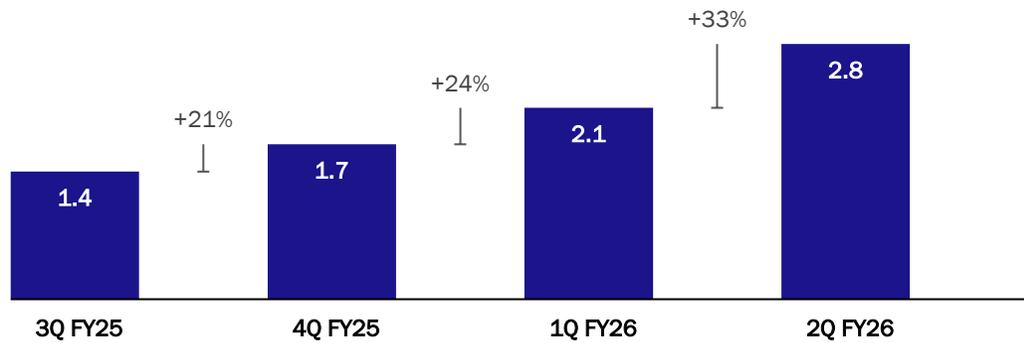
X2M well positioned for value capture with a strong base set for future growth
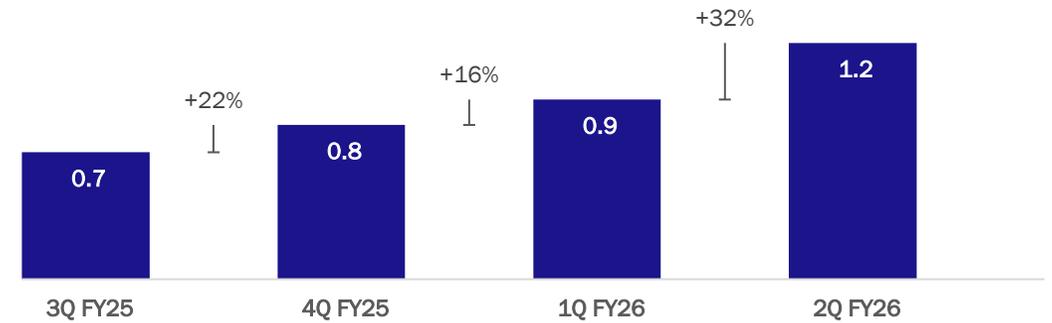
Quarterly results show increased momentum
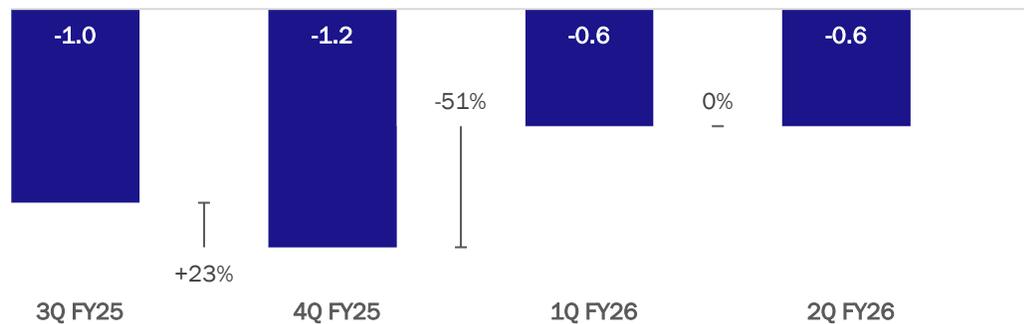
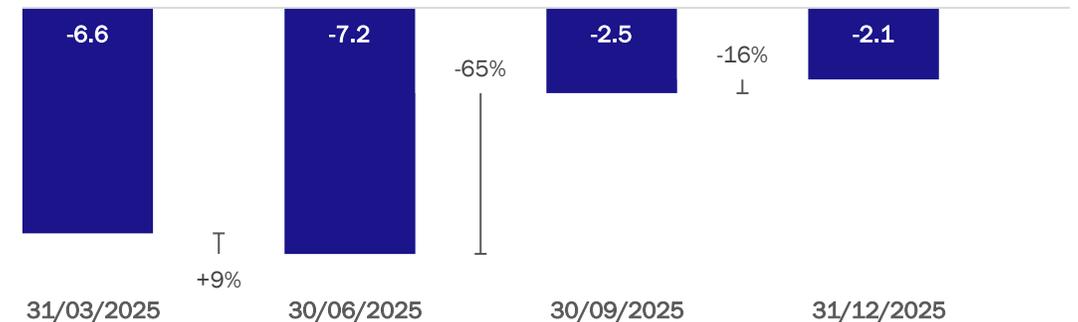## Improving P&L and Balance Sheet[1]

Revenue ($M)

	3Q FY25	4Q FY25	1Q FY26	2Q FY26
Value	1.4	1.7	2.1	2.8
Change		+21%	+24%	+33%

Gross profit ($M)

	3Q FY25	4Q FY25	1Q FY26	2Q FY26
Value	0.7	0.8	0.9	1.2
Change		+22%	+16%	+32%

Adjusted EBITDA[2]

	3Q FY25	4Q FY25	1Q FY26	2Q FY26
Value	-1.0	-1.2	-0.6	-0.6
Change		+23%	-51%	0%

Debt

	31/03/2025	30/06/2025	30/09/2025	31/12/2025
Value	-6.6	-7.2	-2.5	-2.1
Change		+9%	-65%	-16%

1. Financial data excludes discontinued operations and is unaudited for FY26 data
2. Adjusted EBITDA is a non IFRS measure and excludes Share based payments and one-off costs

Strategic decisions of last 12 months paying off now

5 key initiatives to deliver sustainable outcomes

X2M CONNECT

Improved the P&L: Exited China, reduced low margin hardware only sales, curtailed cost base and focused on high margin SaaS and Maintenance offerings setting the Company on a path to profitability

Strengthened our balance sheet: We have achieved a material reduction in debt

Drove customer acquisition: Expanded channel partner programme to capitalise on APAC Governments' drive to Smart Cities and released new product to increase X2M's share of existing customers' TAM through repeat orders

Developed new markets: Entered the UAE gas and Japan water market both with immense growth potential whilst exploring India and the USA to substantially broaden geographic coverage and scale up the business
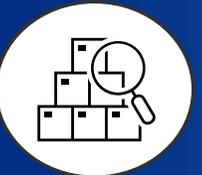
Released new products: Broadened product range strengthening our position as a data aggregator for AI and Automation smart city applications with the release of 'Hive.AI by X2M' and HelpMe

Growth strategy – builds on a solid foundation

Progressing towards profitability and positive cash flows

Harvest **large addressable markets** within existing customer base and win new customers

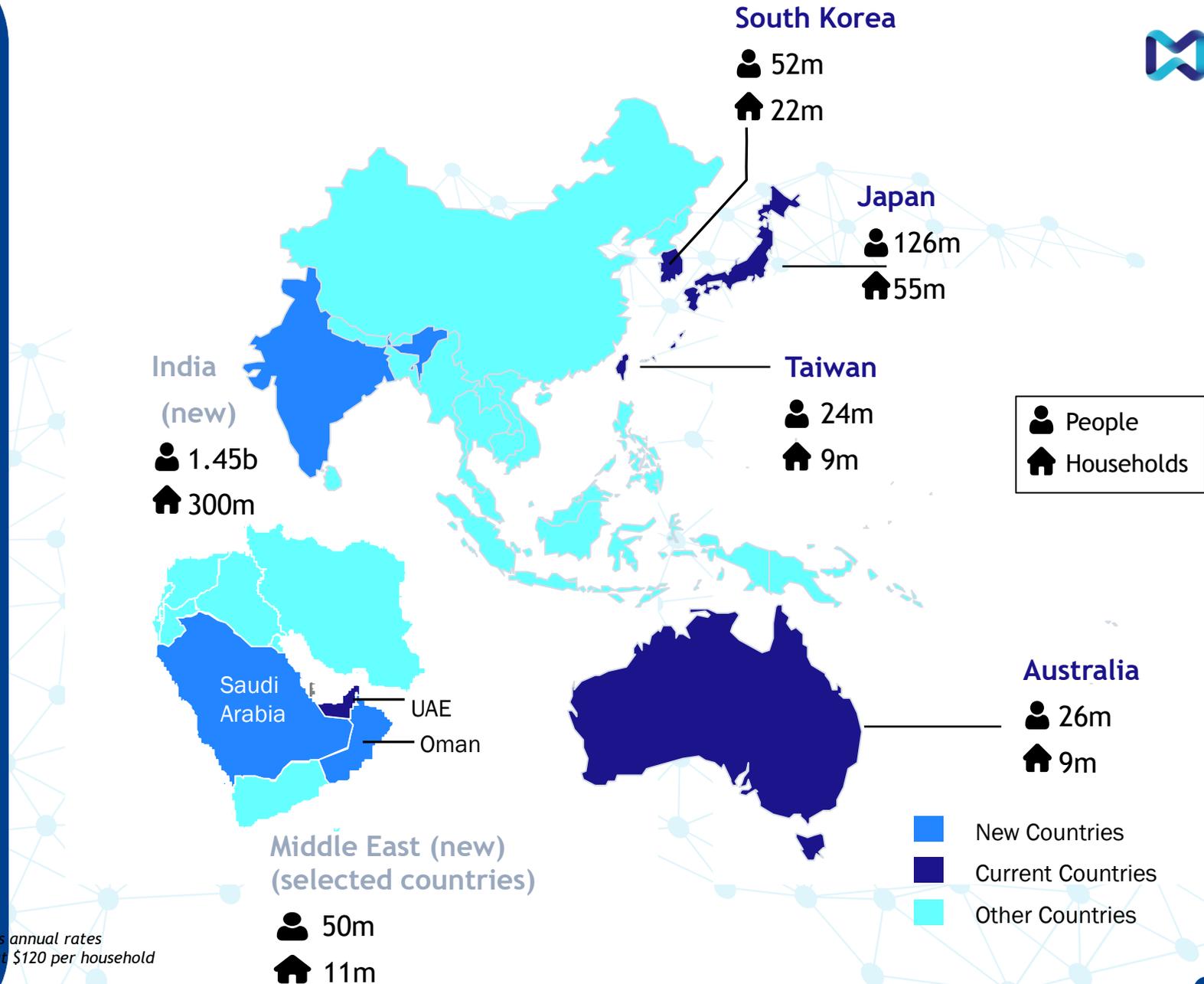Expand penetration of newly released *Hive.AI* and *HelpMe* product suites

Execute **new market entries** – UAE/ME, Australia, India and USA

Addressable markets to expand materially with new market entry

- o Addressable market in current geographies: 240 million people, 98m households

- o Addressable market across existing customers: ~10m households. Revenue potential >$600m[2]

- o Annual recurring revenue potential across existing customers: Approximately $40m per annum[1]

- o Addressable Market in new geographies: 1.5 billion people, 311 million households

- o Annual recurring revenue potential across new geographies: Approximately $625m per annum[1]

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

South Korea
👤 52m
🏠 22m

Japan
👤 126m
🏠 55m

Taiwan
👤 24m
🏠 9m

India (new)
👤 1.45b
🏠 300m

👤 People
🏠 Households

Saudi Arabia
UAE
Oman

Middle East (new) (selected countries)
👤 50m
🏠 11m

Australia
👤 26m
🏠 9m

New Countries
Current Countries
Other Countries

X2M's markets

Existing Customer TAM >$600m Upfront[2] >$40m Annual Recurring[1]

South Korea

- Customers are cities and municipalities

- Three revenue streams – smart water metering, smart street lighting and public safety

- Opportunity size is large. Addressable market for water monitoring is close to $50m pa

- Market leader in water digitisation. Existing customer base accounts for 64% of the remote water monitoring addressable market

Japan

- Customer is Azbil Kimmon, manufacturer of Gas and Water meters and solutions.

- Two revenue streams – gas bottle logistics management and water smart metering

- A SaaS business with high margins and already profitable

- Addressable market for water monitoring is 60 million meters and close to $100m pa in SaaS revenues[1]

Taiwan

- Customers are renewable energy generators and gas utilities

- Two revenue streams- data delivery with renewable energy AI applications and smart gas metering

- Opportunity size is large and spread across energy generation, battery storage and energy trading platform monitoring and control

UAE

- Technology is licenced to Dicode Smart Connect

- Two revenue streams
    - Gas smart metering building operators
    - Extending to cooling water meters and building efficiency

- Extending into other Emirates apart from Dubai

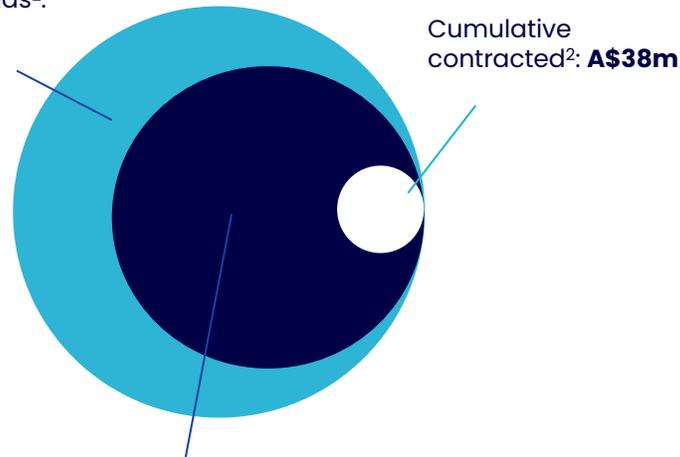**88 enterprise and government customers across Asia and Middle East**

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*

Winning a bigger and bigger share of each customer's TAM

TAM of existing water customers in South Korea: A$605M market[2] with A$30M recurring revenue p.a.[1]

SOUTH KOREA MARKET – Dec 2025

TAM of all households[2]: **A$950m**

Cumulative contracted[2]: **A$38m**

TAM of existing customers[2]: **A$605m**

- The TAM of X2M's existing water customers has increased to A$605 million from A$316 million in 4 years or to 64% of the total South Korean market.

- Secured share of the customers' TAM, on average, has increased to 6.4% from 2.7%.

- Despite strong growth, overall penetration of customers TAM is low and augurs well for future growth

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*

X2M's Product Suite – a large global market

← Current Product TAM >$11b Upfront[1,2,3] >$650m Annual Recurring[1,2,3] →

'Vision by X2M'

- Data aggregation for utilities , Water, gas, electricity and street lighting

- Essential platform for AI and industry automation applications

- Enables next generation of smart metering

- Proven platform with >500k devices connected

- Global demand supported by government subsidies and mandates

- TAM in current countries ~$3.5m upfront[1] and $18m annual recurring[1]

'Hive.AI by X2M'

- Renewable energy data aggregation for AI and ML applications

- Delivers performance improvements for generation, battery storage and trading platforms

- Launched in Taiwan as the first market

- Initial customers secured and revenues recognised

- Global application

- TAM in current countries ~$1.9m upfront[2] and $192m annual recurring[2]

HelpMe

- Public safety device developed initially for the City of Seoul.

- First mandate secured for 100k devices in a $3m order

- Ideal companion for Life360 type mobile apps

- Global application

- Next target market is Australia

- TAM in current countries ~$5.7m upfront[3] and $456m annual recurring[3]

← 88 enterprise and government customers across Asia and Middle East →

1. *Assumes all households have X2M bundled hardware at $120 per household and X2M SaaS services installed at various annual rates*
2. *Assumes projected battery storage sizes at 2030 and software at 2% of BESS costs with 10% annual software subscription costs*
3. *Assumes all population in relevant countries purchase a security device at $25 and pay an annual fee of $2*

HelpMe - just released in South Korea

X2M CONNECT

"HelpMe"
Smart Personal Safety Device

How technology will make Seoul a safer, smarter city

In response to City demand, X2M has created HelpMe — a connected personal safety device that links people, police and city systems in real time

1 Compact, rechargeable IoT and mobile connected safety keychain

2 Instantly alerts police and emergency contacts when activated

3 Shares real-time location and integrates into emergency response networks

4 Shares real-time location with up to 5 nominated persons

5 Proven deployment in Seoul – 100,000 devices under rollout, integrated with CCTV and city emergency systems

X2M's platform is a core enabler of AI

- the differentiators

DATA
More efficient collection of data, better data, cheaper and faster

COMMUNICATIONS
Two-way communications from and to machines allowing human-free control

FLEXIBILITY
Unparalleled flexibility, fast speed to market, low capital requirements, point-of-sale differentiation

AI/ML
Large amounts of data driving AI and machine learning applications

UNMET MARKET NEEDS
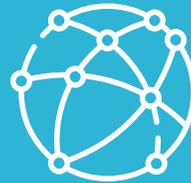Compelling use cases across growing markets

Why X2M?

Growth drivers for long-term shareholder return

Unique, world-leading, future-proofed IoT solution enabling smart cities and AI supported by patents
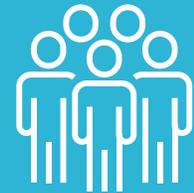
Early mover advantage, "stickiness" based on incumbency with significant barriers to new entrants

Addressable market is large and growing, with significant global potential

Improving cash flow position and achieving sustainable improvements in financial outcomes

Existing footprint in large markets which can be leveraged

Summary: A good half year with an attractive outlook

X2M CONNECT

Strong 1H performance shows strategy is working and building blocks in place for continued strong performance

Reducing cash burn and improving EBITDA sets a path to profitability and sustainability

A balance sheet that has been strengthened with a material debt reduction

A proven technology and powerful product suite that has large global applications and now being scaled up

Sitting on a very large addressable market withing our existing customer base that is being monetised with new applications and geographies capable of taking this to a new level

![X2M CONNECT logo]

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