Xer Tech Holding AB -Interim Report 2026H1

A dual-use UAV platform for surveillance, detection and autonomous monitoring across defence and energy, and now moving into security

XER Technologies

Xer Tech combines a proven hybrid UAV platform with a dual-use growth model across defence, energy, critical infrastructure, and soon security

AN INTRODUCTION TO XER TECH

An Unmanned Aerial Vehicle (UAV) gaining market traction

Xer Tech develops and markets heavy-duty UAV systems for defence and commercial applications. The platform is engineered around long endurance, modular payloads and full-stack control from airframe to software.

PROVEN PLATFORM	Hybrid propulsion, stated 3.5-hour endurance, 30+ swappable payload options and in-house software control.
DE-RISKED DEVELOPMENT	More than USD 20m invested in product development, commercial, and defence validation with >15 global clients.
EXPANSION PATH	The same core capabilities, surveillance, detection and autonomous monitoring, can be adapted to multiple high-value use cases in security.

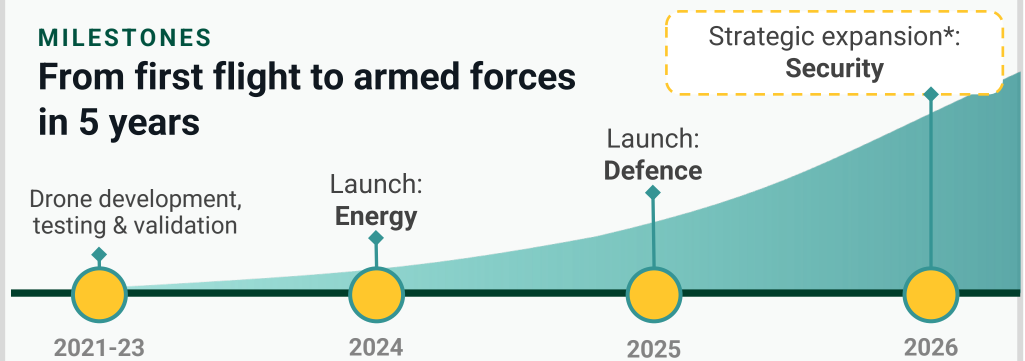
REVENUE MODEL

Hardware sales and recurring revenue growing with the customer base

SYSTEM SALE	USD 200–900k one-off purchase range
PAYLOAD + INTEGRATION	Configuration, software and mission fit-out
SERVICE + SOFTWARE	USD 50–110k per system per year

MILESTONES

From first flight to armed forces in 5 years



*Intended through partnerships, collaborations or acquisitions with established security companies to accelerate market entry and is already in discussions with several Nordic security providers. Source(s): Company information

Demand is moving toward persistent sensing, autonomy and lower operating complexity, in defence, industrial monitoring and commercial security

POSITIONED TO FILL THE GAP

A platform built for the missions that sit between a light drone and a helicopter.

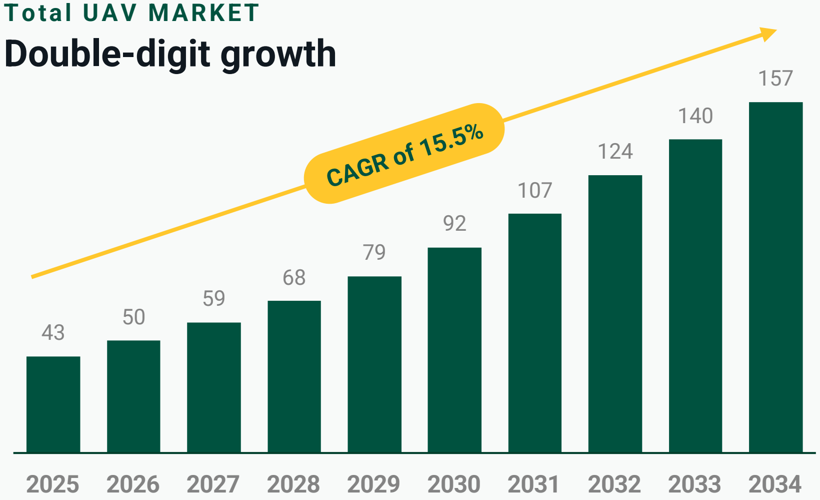
COMMODITY DRONES
<30 min | <2 kg
Low-cost and simple to deploy, but limited endurance and payload capacity constrain mission duration and coverage.

XER TECH
3.5 hrs stated endurance | 30+ payloads
Hybrid propulsion, modular payloads and full-stack control for longer-duration surveillance, detection and monitoring missions.

HELICOPTERS
>$2m | high complexity
Flexible and powerful, but expensive, higher-risk and unnecessarily complex for many repetitive or high-risk operations.

Total UAV MARKET

Double-digit growth



A GAP TO BE FILLED

Four demand drivers support the new category

- **DEFENCE PROCUREMENT** — UAVs are increasingly used for surveillance, detection and repetitive or high-risk missions.
- **MISSION ECONOMICS** — Lower operating cost and complexity create a bridge between small drones and helicopters.
- **INDUSTRIAL MONITORING** — Energy, utilities, maritime and remote sites need persistent coverage and inspection.
- **SECURITY DIGITISATION** — Workforce constraints, false alarms and emerging threats expose the limits of traditional security models.

Xer Tech intends to extend its defence-grade autonomy, sensing and software capabilities into security, using the route that best balances speed, customer access and control

WHY SECURITY

Four forces driving the shift towards technology-enabled security

GROWING NEED Security demand is increasing across sites, infrastructure and public environments.

LABOUR PRESSURE Low skill, high turnover and workforce constraints make the traditional model hard to scale.

EFFICIENCY GAP Thin margins, expensive alarm centres and false alarms create a clear need for better verification.

NEW THREATS Counter-drone and critical-infrastructure risks expand the need for technology-enabled security.

THE COMBINED ADVANTAGE

Technology + security-service capability → a more scalable, higher-value service

Xer Tech contributions	Security platform contributions
UAV and autonomy technology	Security-service expertise
Defence & technology relationships	Customers and regional networks
Modular platform and sensors	Existing service delivery
Automation and remote monitoring	Recurring customer contracts

Combined advantage	Uniqueness
Complementary competencies	●●●●●
Faster access and broader reach	●●●●●
Integrated security proposition	●●●●●
More scalable, higher-value service	NM

SECURITY USE CASE

Drone in a box as a node in a network for improved operational efficiency and quality of service

Xer Tech has the network and expertise to provide a connected autonomy and intelligence layer for the operators.

1 → 3 → 5

MONITOR
Drone in a box and intelligent fix sensor systems

ANALYSE & VERIFY
Software and AI combines data into actionable information. UAVs and modular payloads inspect and verifies

RESPOND
Human teams take targeted action

Q2 2026 was Xer Tech's first full quarter as a listed company, in a European defence market growing on every front

CEO STATEMENT

Expanding Capabilities, Partnerships and Pipeline

CEO Erik Herlyn: Q2 marked our first full quarter as a publicly listed company. We strengthened our customer base, built a strong sales pipeline in defence, and advanced our ISR capabilities.

MARKET GROWTH	EU defence expenditure reached EUR 418bn in 2025 (+20% YoY), projected at EUR 454bn in 2026.
X8 PRO LAUNCH	New X8 Pro platform released, integrating aircraft, sensors, comms and software into one solution.
STRATEGIC FOCUS	Shift toward actionable intelligence delivery, growing ISR and EW demand.

Q2 2026 AT A GLANCE

LISTING STATUS

1st full quarter

as a listed company

PLATFORM

X8 Pro launched

2x payload capacity

CUSTOMER & MARKET DEVELOPMENT

Awareness of Europe's security challenges continues to rise, with more European armed forces and navies moving from requirements assessment toward technology evaluation and procurement. Demand for advanced security solutions protecting critical infrastructure is also increasing in the commercial sector.

DEFENCE ACTIVITIES

Significant progress on an integrated EW/ISR project for conflict-zone deployment in Europe, shipping in Q3. Partnerships expanded with three major system integrators and EW/SIGINT providers, including one of Europe's largest defence integrators. Xer also began preparations for REPMUS, a four-week NATO naval exercise in September sponsored by four NATO nations.

Commercial validation, platform upgrades and an expanding order book supported Q2 momentum

Q2 COMMERCIAL & TECHNICAL HIGHLIGHTS

COMMERCIAL VALIDATION	Transport and power-line surveillance demonstrations in Switzerland drew ~100 attendees and media coverage; Perspectum Drones (Canada) expanded X8 use for gas-leak detection.
BVLOS APPROVAL	Copperbelt Energy (Zambia) achieved full Beyond-Visual-Line-of-Sight approval and now inspects distances of up to 50 km.
X8 PRO UPGRADE	Payload capacity more than doubled from 3 kg to 7 kg with maintained 2.5-hour endurance; procurement started for 10 additional units.
X12 DEVELOPMENT	New 20 kg-payload, 3-hour endurance platform advanced, including testing of a European-made dual-use engine.

SALES & PARTNERSHIPS

Received an order from a major European defence company for an airborne defence system combining X8 Pro, radar and EO/IR camera. Delivered a transport-module integration project for a European army in Q3. Responded to RFIs from naval customers in Europe and the Pacific, with outcomes still pending.

ORGANISATION

The team was expanded across engineering, customer project management, marketing, business development and aircraft operations. A Chief Commercial Officer was appointed on April 1; following insufficient alignment on commercial strategy, the engagement was mutually discontinued in Q3.

Source(s): Xer Tech Holding AB Interim Report, January–June 2026 (CEO Statement)

Outlook: extending the platform into an integrated airborne intelligence and mission-solutions offering

OUTLOOK

Positioning Xer Tech as an Integrated Airborne Intelligence Provider

Q2 progress reinforces our strategic direction for the X8 Pro and X12 family, as security challenges increasingly extend to commercial infrastructure.

MARKET EXPANSION	Evaluating the application of defence-drone and EW expertise to the commercial security market.
INTEGRATED OFFERING	X8 Pro combined with radar, EO/IR, EW/SIGINT, AI target detection and C2 integration.
X12 SCALE-UP	Continued development extends the approach to higher payload, multi-sensor configurations.

NEAR-TERM MILESTONES

REPMUS EXERCISE

Sept 2026

NATO naval exercise, 15 nations

EGM

September 17

Vote on Articles of Association

OUR PRIORITIES

1. **Convert pipeline** — Turn the growing sales pipeline into customer programmes
2. **Execute** — Successfully deliver existing customer projects
3. **Expand partnerships** — Grow defence and commercial relationships
4. **Industrialise** — Scale platform production and build organisational capability

Source(s): Xer Tech Holding AB Interim Report, January–June 2026 (CEO Statement, Outlook)

H1 revenue grew more than 3x year-on-year, while costs reflect scale-up investment and a one-off listing effect

NET REVENUE (H1)
6,046
TSEK (1,779 in H1 2025)

OPERATING RESULT (H1)
-38,019
TSEK (-8,927 in H1 2025)

NET RESULT (H1)
-37,755
TSEK (-8,927 in H1 2025)

EPS (H1)
-1.32
SEK (-89 in H1 2025)

TSEK	Q2 2026	Q2 2025	H1 2026	H1 2025
Net revenue	397	1,396	6,046	1,779
Capitalized own work	1,363	0	2,981	0
Other operating income	810	6,034	-68	9,485
Total revenue	**2,570**	**7,429**	**8,959**	**11,263**
Cost of goods sold	-2,623	-1,333	-2,954	-3,485
Change in inventories	198	-2,404	-324	-1,549
Other external costs	-3,170	-3,158	-25,086	-7,034
Staff costs	-7,849	-2,189	-17,539	-7,137
Depreciation & amortization	-509	-491	-1,074	-986
Operating profit/loss	**-11,382**	**-2,147**	**-38,019**	**-8,927**
Net financial items	-991	0	265	0
Profit/loss after financial items	**-12,372**	**-2,147**	**-37,755**	**-8,927**

One-off, non-cash item: of the SEK -25,086 thousand in other external costs for H1 2026, approximately SEK 14.3 million relates to non-cash accounting effects of the January 2026 reverse acquisition of Xer Tech AB (recognized as a listing cost rather than goodwill). The remainder is mainly consulting services. Staff costs of SEK -17,539 thousand reflect the continued build-out of the organisation.

Cash SEK 28.3 million in H1, driven by a SEK 36.75 million share issue

OPERATING ACTIVITIES (H1)	INVESTING ACTIVITIES (H1)	FINANCING ACTIVITIES (H1)	CASH, 30 JUNE 2026
-18,095	**10,767**	**34,331**	**28,316**
TSEK (-6,967 in H1 2025)	TSEK (-299 in H1 2025)	TSEK (7,349 in H1 2025)	TSEK (1,147 at 30 June 2025)

CASH BRIDGE, H1 2026 (TSEK)

Opening cash	→	Operating	→	Investing	→	Financing	→	Closing cash
1,313	→	-18,095	→	+10,767	→	+34,331	→	28,316

TSEK	H1 2026	H1 2025
Result after financial items	-37,755	-8,927
Adjustments for non-cash items	15,953	24
Depreciation and impairment	1,074	986
Cash flow before changes in working capital	**-20,727**	**-7,917**
Change in inventories	-1,543	1,579
Change in receivables	222	716
Change in operating liabilities	3,955	-1,344
Cash flow from operating activities	**-18,095**	**-6,967**
Cash flow from investing activities	**10,767**	**-299**
Cash flow from financing activities	**34,331**	**7,349**
Cash flow for the period	**27,003**	**82**

Source(s): Xer Tech Holding AB Interim Report, January–June 2026 (Group Cash Flow Report)

Questions?

Erik Herlyn, CEO

Jörgen Svanström, CFO