



PAX Global Technology Limited
(327.HK)

2025 | Annual
Results



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Agenda



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2025 annual results snapshot



Corporate strategies



Sharpen Android strategy to reinforce competitiveness

Strengthen payment infrastructure modernization with Android POS



Drive high-value Android product innovation

- Optimize product portfolio; prioritize core models with scalable commercial potential & sustained demand
- Android products contributed 70%+ of the Group's revenue in 2025, serving as the key business development engine



Accelerate R&D efficiency

- Optimize R&D structure to accelerate time-to-market & strengthen commercialization capabilities



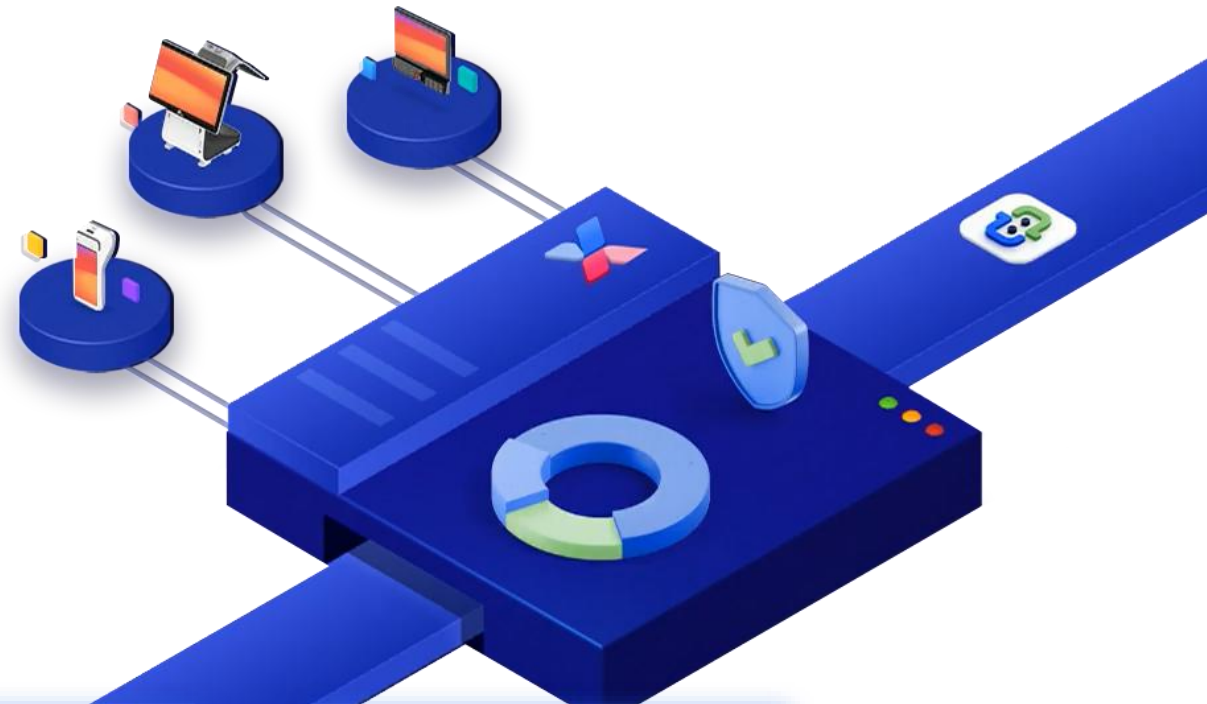
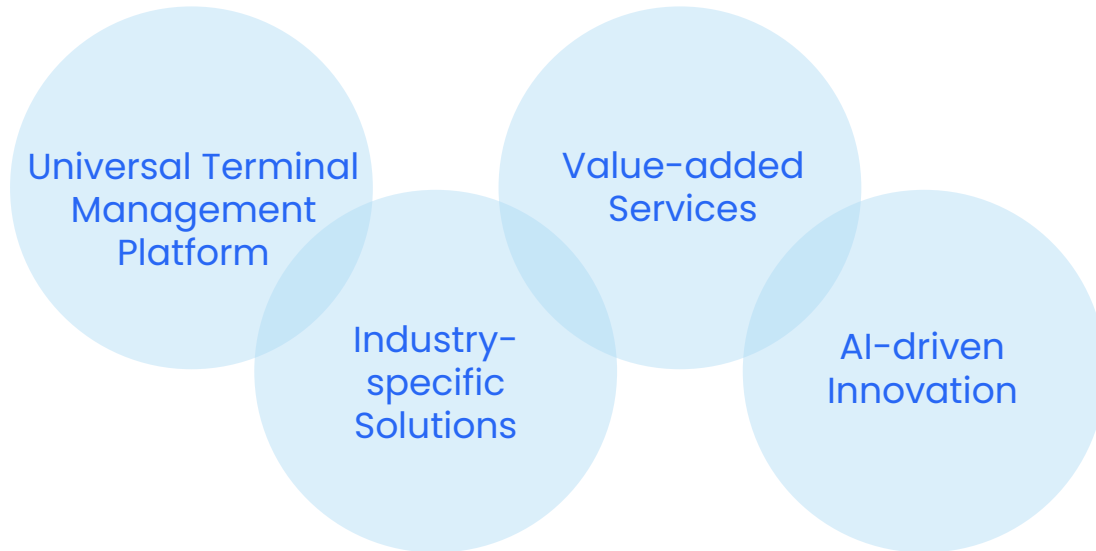
Embrace artificial intelligence

- Leverage AI to drive innovation and efficiency, supporting long-term growth



Strengthen platform service innovation to unlock ecosystem value

Scale cloud-driven platform to empower banks & payment ecosystem upgrade



AirViewer
Remote Technical Support

GoInsight
Business Intelligence

paxRhino
Remote Key Injection



Enhance the Group's operational efficiency

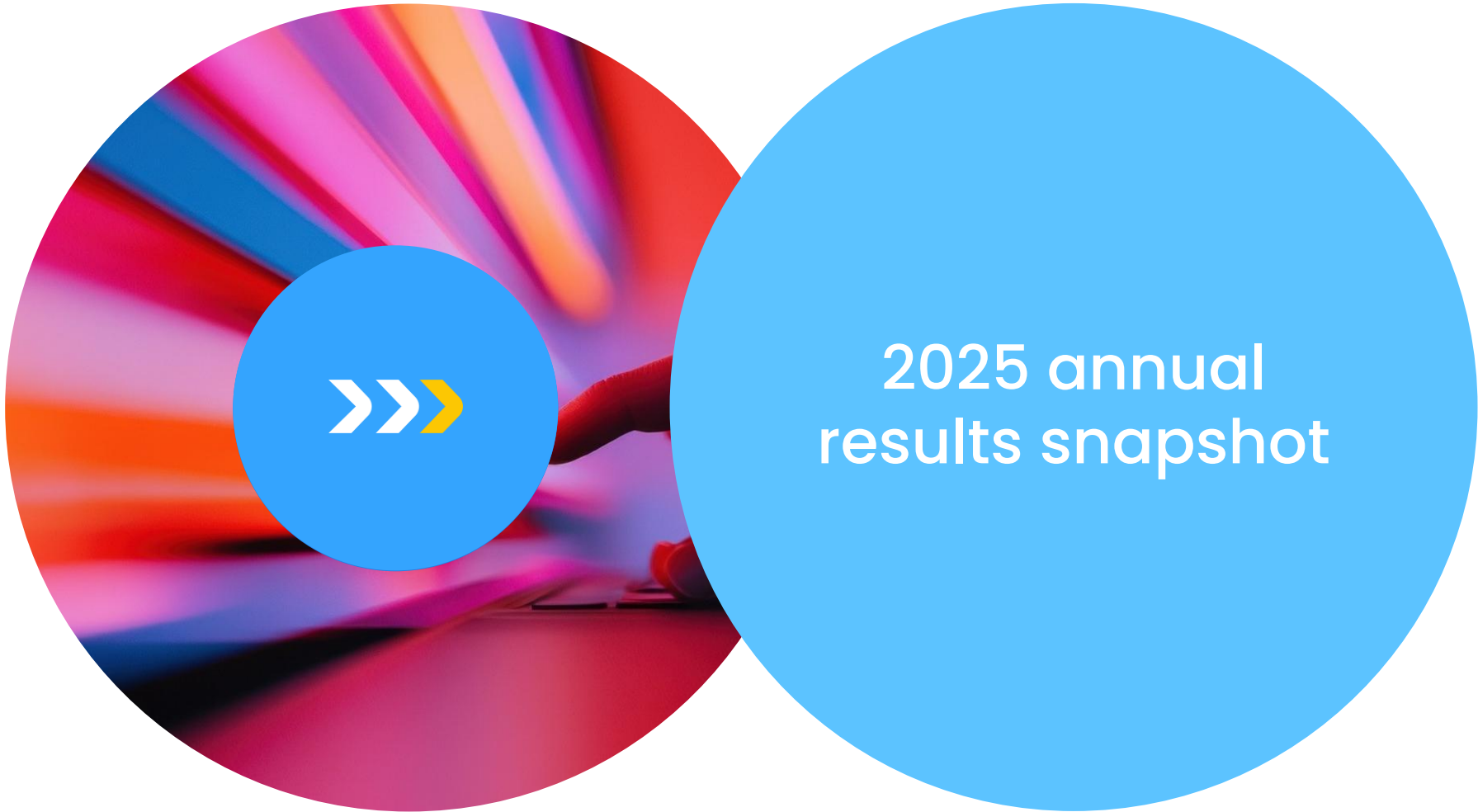
Strategic focus & resource optimization to drive operational efficiency

Enhance R&D effectiveness

- Adjust pricing as needed to address rising memory component costs
- Explore non-Android and broader smart device offerings to expand market coverage

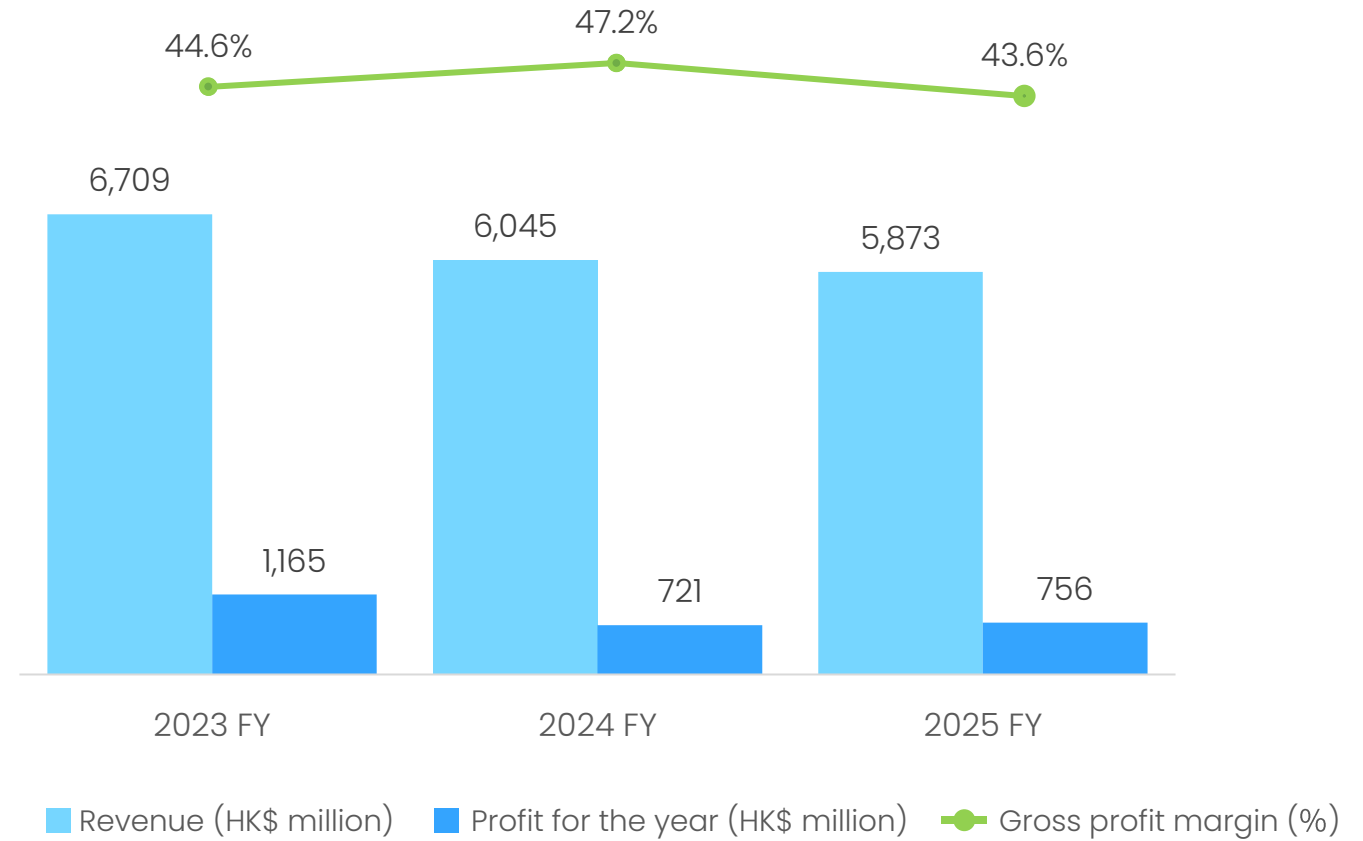
Build a more agile operating model

- Strengthen sales & administrative management to improve expense control
- Leverage AI to improve efficiency & reduce costs
- Continued cost structure improvement in 2025, operating expenses down 17% YoY



2025 annual
results snapshot

PAX delivered profitable results in 2025





PAX adopts prudent capital allocation in a challenging environment



> Maintain stable cash flow

- Operating cash inflow of approx. HK\$ 1.3 billion in 2025
- Core business remained stable, supporting ongoing operations and growth

> Enhance financial flexibility to navigate future challenges

- Industry cost pressure: significant rise in memory chip prices since Q4 2025
- Macroeconomic uncertainties: evolving U.S. tariff policies & FX volatility
- The Board has resolved not to recommend a final dividend for 2025, in light of the current operating environment

> Capture future growth opportunities

- Ensure adequate resources to support core technologies & long-term strategic investments
- Evaluate high-quality new business & M&A opportunities



PAX pragmatically manages working capital

➤ Trade and bills receivables

(YoY +10%)

(Turnover days: 172)

- Increase mainly driven by strong sales performance in Q4
- 73% of receivables within 0–180 days (2024: 64%)

➤ Inventories

(YoY -12%)

(Turnover days: 195)

- Optimized inventory management & accelerated reduction of non-core models
- Inventory provision & write-off totaled HK\$ 207 million, primarily due to U.S. product & sales strategy adjustments

➤ Trade payables

(YoY +28%)

(Turnover days: 118)

- Increase mainly attributable to higher procurement in Q4



Other financial items analysis

➤ **Selling expenses** (YoY -18%)

- Decrease in transportation costs
- Reduction in advertising & promotional expenses

➤ **Administrative expenses** (YoY -17%)

- Lower R&D costs from reduced outsourcing & optimized resource allocation
- Decrease in staff costs, with certain regional workforce adjustments
- Absence of 2024 one-off share-based payment expenses (HK\$ 32 million)

➤ **Income tax expense** (YoY +10%)

- Implementation of OECD Pillar Two* in 2025: related top-up tax expense of approx. HK\$ 41 million

*Note: "Pillar Two" is a global minimum tax framework introduced by the Organization for Economic Co-operation and Development (OECD), requiring applicable multinational enterprises to maintain a minimum 15% effective tax rate in each jurisdiction of operation; a top-up tax applies where the rate is below 15%.



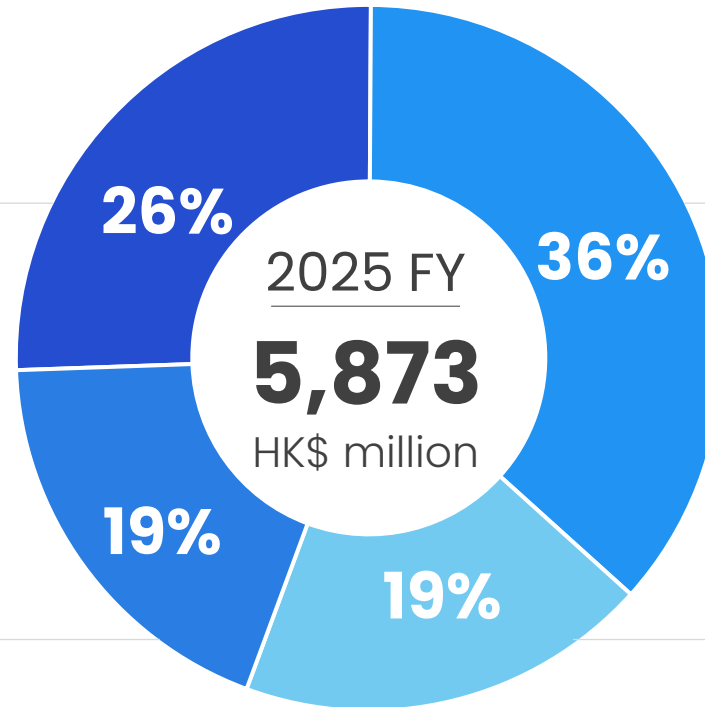
PAX drives global diversification with focus on high-potential markets

LACIS (HK\$ 1,506 M)

- Brazil, Mexico & Argentina: Macroeconomic volatility & rising competition led to cautious terminal deployment & softer demand
- Panama: Meaningful sales growth of A-series smart terminals

USCA (HK\$ 1,105 M)

- U.S.: Record-high revenue in 2025, up 24% YoY
- U.S.: Flagship models A920Pro, A35 & A800 delivered strong shipments, expanding across high-frequency sectors including retail, QSR chains & large sports venues
- U.S.: EPOS Workstation orders increased steadily, with sustained customer demand



EMEA (HK\$ 2,149 M)

- Europe: UK, Germany & Eastern Europe delivered solid sales
- Europe: Upgrade momentum driving A920Pro & A35 deployment
- Egypt & South Africa: Surging e-payment adoption powered rapid Android terminal expansion

APAC (HK\$ 1,113 M)

- Japan: Sales nearly doubled, with terminals rapidly expanding across taxis, rail, and airports, deepening presence in high-traffic transit sectors
- Southeast Asia: Market volatility & extended sales cycles moderated near-term terminal demand

APAC - Asia Pacific Region
 EMEA - Europe, the Middle East and Africa
 LACIS - Latin America and the Commonwealth of Independent States
 USCA - United States of America and Canada

PAX continues to expand the SaaS ecosystem



SaaS solutions revenue

YoY ▲ 43%

HK\$ 198 M



MAXSTORE



16M+

Connected terminals*



18K+

Applications*



4.6K+

Application developers*

*As of 31 Dec 2025



2026 challenges: rising memory chip prices & RMB fluctuations

> Sharp increase in memory chip prices

- AI-driven demand has led to explosive growth in memory chip consumption, related component prices up over 2x since Q4 2025
- Rising memory chip prices now a market trend, creating manufacturing cost pressures across industries
- Market consensus expects supply tightness & elevated pricing to continue into 2026

Mitigation measures

- > Continuously adjust product specifications in line with market demand to effectively manage costs
- > Refine product pricing strategies based on market conditions & customer dynamics
- > Closely monitor key component price trends & supply chain developments

> Continued RMB appreciation

- Sustained RMB appreciation since Q4 2025
- Exchange rate fluctuations expected to negatively impact the Group's gross margin (accounting effect)



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Consolidated income statement

	For the year ended 31 December	
	2025	2024
	HK\$'000	HK\$'000
Revenue	5,872,540	6,044,878
Cost of sales	(3,312,517)	(3,191,489)
Gross profit	2,560,023	2,853,389
Other income	58,227	85,372
Other gains, net	32,909	861
Selling expenses	(634,862)	(772,428)
Administrative expenses	(1,093,667)	(1,317,994)
<i>Research and development costs (included in administrative expenses)</i>	<i>(614,677)</i>	<i>(683,513)</i>
Net (impairment losses)/reversal of impairment losses on financial assets	(6,836)	6,963
Operating profit	915,794	856,163
Finance costs	(3,966)	(5,556)
Share of results of investments accounted for using the equity method	(1,897)	10,638
Profit before income tax	909,931	861,245
Income tax expense	(153,713)	(140,323)
Profit for the year	756,218	720,922
Profit attributable to:		
Owners of the Company	753,587	713,427
Non-controlling interests	2,631	7,495
Earnings per share for profit attributable to the owners of the Company:	HK\$ per share	HK\$ per share
- Basic	0.711	0.669
- Diluted	0.700	0.658
Financial ratios		
Gross profit margin	43.6%	47.2%
Operating profit margin	15.6%	14.2%
Net profit margin	12.9%	11.9%



Consolidated balance sheet

	As at 31 December	
	2025	2024
	HK\$'000	HK\$'000
Total non-current assets	1,447,545	1,523,386
Property, plant and equipment	946,326	939,396
Right-of-use assets	183,631	207,281
Others	317,588	376,709
Total current assets	8,531,649	7,646,119
Cash and cash equivalents	3,907,245	3,083,598
Trade and bills receivables	2,804,738	2,543,884
Inventories	1,404,306	1,587,039
Others	415,360	431,598
Total non-current liabilities	112,175	89,759
Total current liabilities	1,894,599	1,515,159
Trade payables	1,198,883	937,211
Others	695,716	577,948
Total equity	7,972,420	7,564,587



Working capital summary

	At 31 Dec 2025	At 31 Dec 2024
	HK\$ '000	HK\$ '000
Inventories	1,404,306	1,587,039
Trade and bills receivables	2,804,738	2,543,884
Trade payables	1,198,883	937,211
Cash and cash equivalents	3,907,245	3,083,598
Turnover days		
Inventories	195	220
Trade and bills receivables	172	163
Trade payables	118	105
Cash conversion	249	278