

X2M
CONNECT

Q1 Investor Presentation

27 October 2021

Disclaimer

This Presentation (“Presentation”) has been prepared by X2M Connect Limited (Company). You must read and accept the conditions in this notice before considering the information set out in or referred to in this Presentation. If you do not agree, accept or understand the terms on which this Presentation is supplied, or if you are subject to the laws of any jurisdiction in which it would be unlawful to receive this Presentation or which requires compliance with obligations that have not been complied with in respect of it, you must immediately return or destroy this Presentation and any other confidential information supplied to you by the Company. By accepting this document, you acknowledge and agree to the conditions in this notice and agree that you irrevocably release the Company from any claims you may have (presently or in the future) in connection with the provision or content of this Presentation. Statements in this Presentation are made only as at 21 September 2021 and the information in this Presentation remains subject to change without notice. The information in this Presentation is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Company nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications, and they take no responsibility for it.

No representation or warranty, express or implied, is made by any person as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation. This Presentation does not purport to summarise all information that a recipient should consider when making an investment decision, and should not form the basis of any decision by a recipient. Recipients should carry out their own investigations and analysis of the Company and verify the accuracy, reliability and completeness of the information contained in this Presentation or any other form of communication to which the recipient is permitted access in the course of evaluating the Company.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire shares of the Company and does not and will not form any part of any contract for the acquisition of shares of the Company.

Not financial product advice

This Presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire any securities in the Company (or any new holding company of the Company) and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Recipients of this Presentation should make their own assessment of an investment in the Company and should not rely on this Presentation. Recipients should conduct their own research into the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Company and its business, and the contents of this Presentation. Recipients should seek legal, financial, tax and other advice appropriate to your jurisdiction. Cooling off rights do not apply to the acquisition of X2M Connect Limited Shares.

Investment risk

An investment in Shares is subject to known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee the repayment or maintenance of capital or any particular tax treatment.

Past and future performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This Presentation may contain certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the Company. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects”, “predicts”, “intends”, “plans”, “targets”, “aims”, “outlook”, “guidance”, “forecasts”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors that because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the political and economic environment in which the Company will operate in the future (including in respect of the COVID-19 pandemic, which makes all forward-looking statements highly uncertain), which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements speak only as at the date of this Presentation and to the full extent permitted by law, the Company, This document should be read in conjunction with other publicly available information such as the prospectus, available on the Company's website.

This document provides information in summary form only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Disclaimer

To the maximum extent permitted by law, the Company and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in an investment in the Company and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, the Company and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation. Statements made in this Presentation are made only as the date of this Presentation. The information in this Presentation remains subject to change without notice.



2021 momentum continues into first quarter FY22 with 75% revenue growth on pcp at an average margin of 20%. Margins are expected to improve over time as subscription revenues grow as a proportion of total revenue



Q1 revenues plus contracted revenue is already at \$5.2m
- Total revenue for FY21 was \$5.7m



New customer acquisition and connected devices growing strongly
Foundations being set for growth in subscription and recurring revenues



Outlook is for continued strong growth flowing from a combination of rollout of product under existing contracts, existing customer's repeat orders and pipeline conversion delivering new customers



Growth strategy to encompass expansion into the electricity energy management vertical during this financial year



Cash balance at 30 September was \$7.8 million



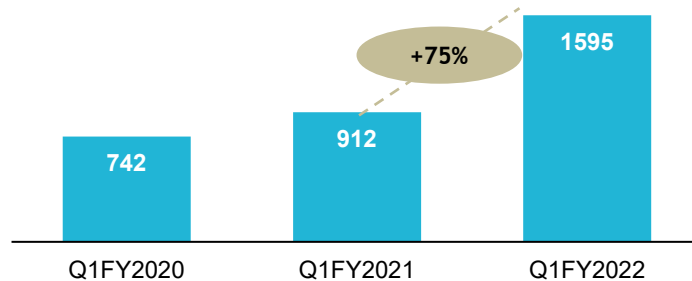
Business Development

Q1 Highlights

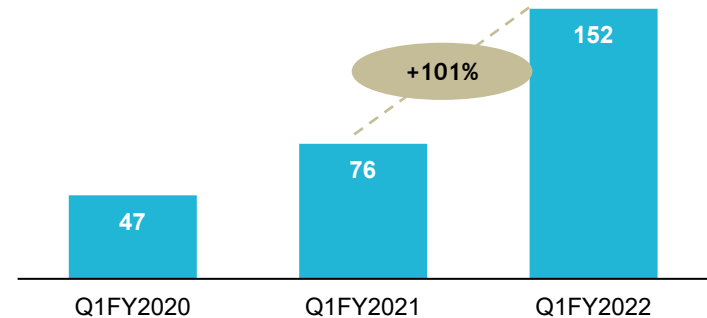
X2M is experiencing strong growth in revenues, connected devices, enterprise and government customers and annualised subscription revenues

- 75% Q1 year on year revenue growth
- Connected devices increases by 24% in the quarter to reach 152,203 with 101% Q1 year on year growth
- Enterprise and government customers increase by 11 on PCP delivering 42% Q1 year on year growth

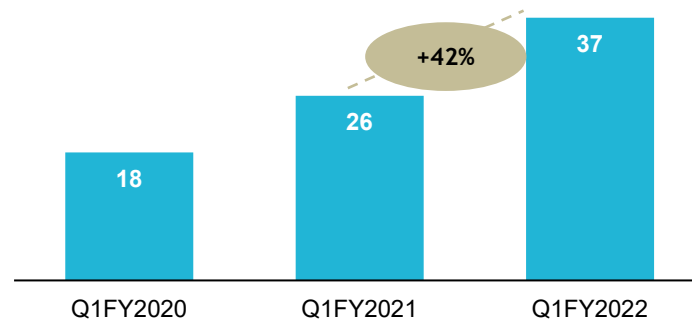
Revenue (\$A '000's)



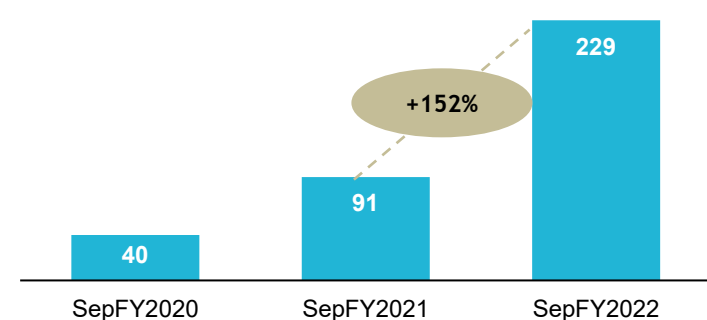
Connected devices ('000's)



Enterprise and government customers



Annualised subscription revenues (\$A '000's)¹



1. Annualised subscription revenues is September SaaS revenue value times 12 and excludes Gochang platform subscriptions which include both hardware as well as SaaS subscription revenue
2. Q1FY2020 data is from periods of subsidiaries under the previous operator of the business

Contract wins include repeat orders and new customers



Secured orders in every market - existing customers have given repeat orders and pipeline customers have been converted during Q1

Repeat orders from existing customers increase penetration

Customer	Order number	Total addressable market (TAM) ¹	Penetration (% of households)
Okcheon (South Korea)	Seventh repeat order	16k devices (\$1.9m)	29
Yangsan (South Korea)	Second repeat order	20k devices (\$2.4m)	5
Goseong (South Korea)	Second repeat order	13k devices (\$1.4)	4

Other orders of note

- Far EasTone (Taiwan) - Second order through this channel and first for supply of residential gas monitoring to Shin Ping Gas Co. Current penetration of Shin Ping households is 7% following this order
- ETC (Taiwan) - New customer. First order for supply of our energy management solution for one government building. TAM in Taiwan - 500k devices
- LianQing (China) - Third repeat order for water quality sensors and accessories
- Customisation orders in Japan
- Subscription extension orders in Australia for gas monitoring platform deployed at a major gas retailer
- **Additional tender wins in South Korea post Q1 expected to deliver \$1.49m revenue**

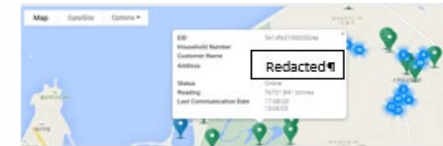
1. Total addressable market revenue estimates are based on \$120 per device. Actual order values per device may vary significantly from this depending on order quantities and inclusions.



X2M in the field

Now servicing 18 municipalities for water monitoring in South Korea

- Continuing to convert the pipeline of municipalities in South Korea
- Driving new customers and repeat orders from existing customers through providing them with improved:
 - service to their end customers
 - safety and efficiency data
 - data analytics
 - infrastructure management and leak detection
 - billing and process automation



and expanded deployments in Japan

- Driving growth in our Japanese licensing customers monitoring gas bottles
 - centralised platform acting as point of coordination to remotely monitor usage and levels
 - enterprise productivity improvement through data analytics and improved logistics management
 - customisation additions to the platform to enhance gas bottle distributor appeal



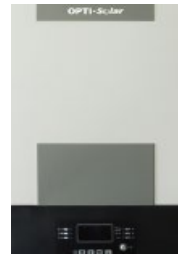
Energy management - the path to net zero emissions

X2M's solution optimises energy generation, storage and usage

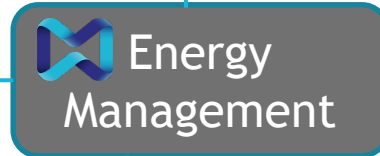
DC and AC electric vehicle chargers



Solar cells and inverter

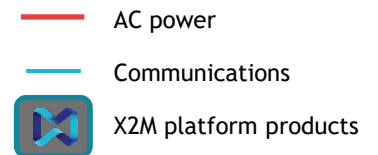


Battery and bi-directional inverter



- Connects devices
- Enables remote monitoring and control of end devices

- Customer dashboard with real-time energy consumption, generation and storage analytics





Outlook

Tender wins in South Korea continue the momentum

- IoT adoption and the overall utility vertical expected to experience continued growth

- X2M well positioned to capitalise on this

- In October, X2M secured two tender wins in South Korea valued at \$1.49m

- X2M business strategy is strongly focused on continued growth
 - It should be noted that Q2FY21 was a very strong quarter

- Q1 revenues plus contracted revenue is already at \$5.2m
 - Revenue for whole FY21 was \$5.7m







Strategy

APAC utility market typically uses ageing analogue infrastructure in an environment of increasing population and demand for services. X2M currently being well rewarded

Market Overview

- Utilities and governments in the APAC region are migrating to sophisticated internet based technology solutions in search of productivity improvements, environmental sustainability, waste reduction and enhanced public safety
- To meet demand, hardware and sensor manufacturers supplying the sector are seeking access to leading edge technology platforms to enhance their product offerings

Key Drivers

- **GDP growth**
 - Growth in Asia is forecast to be solid, both in near term and coming decade and economic activity is expected to grow by 6.9 percent in 2021⁽¹⁾
- **Population growth**
 - APAC Utility market is the largest in the world in terms of population
 - As of 2019, Asia had 4.6b people, comprising approx. 60% of world population⁽²⁾
- **Urbanisation**
 - Rapid urbanisation across the continent especially in India and China⁽³⁾
- **Infrastructure rollout by telco providers**
 - Telco providers worldwide are rolling out NB IoT and Lora networks to connect sensors and devices over the internet
 - Advent of 5G is expected to be a turning point that propels smart city tech. into mainstream and accelerates deployments

5 Core Pillars of the X2M Strategy



Consolidate strong position in existing markets

- Korea - continue to contract additional municipalities
- Japan - continue to aggressively grow connected devices
- Taiwan - continue to expand into adjacent verticals
- China - establish hardware re-selling arrangements



Expand into compatible verticals in existing markets

- Remote battery energy monitoring
- Integrated sustainable energy management



Continue development of SaaS business

- Replicate model implemented in Japan within other markets
- Maintain market leading IoT platform offering with high customer focus



Expand into new geographies

- China - POC's completed, initial hardware contracts as reseller executed
- Philippines - leverage POC's completed
- Watching brief on other APAC markets



Manage margin and cash burn

- Strong focus on operational and financial controls and efficiency

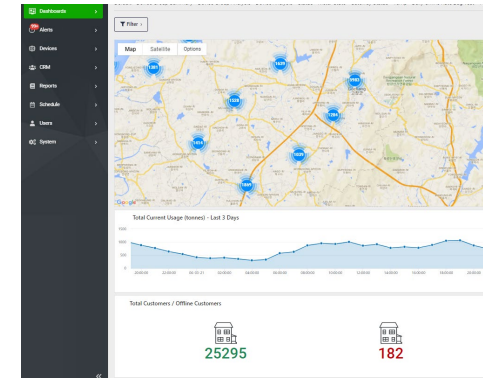
Capitalise on key market differentiators

Leading edge patented platform - making dumb devices smart, distributed intelligence autonomously monitors and controls devices, IoT platform provides visibility, control, aggregation, predictive and pre-emptive device management

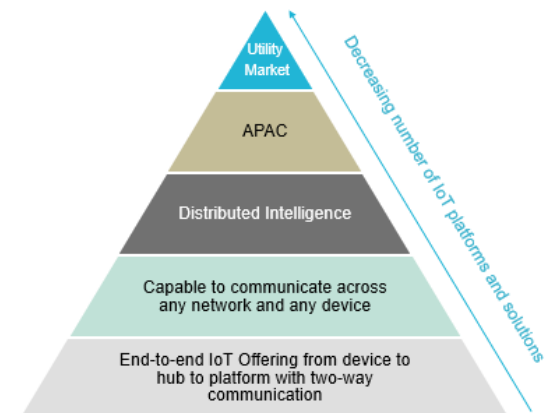
Many devices, radios, networks - operating simultaneously across short range, long range, cellular, unlicensed communications and radio networks

Maintain patent portfolio - building on > 60 patents with 5 additional applications pending

Competitive advantage - few competitors with the same capabilities



 WiSUN | NB-IoT | ZigBee | LoRa



X2M is a technology disrupter changing the game for utilities in APAC and achieving good growth



Already contracted \$5.2m revenue - achieved in the first four months of FY22



Strong growth - 75% revenue and 101% connected device growth on pcp



Growth strategy - business strategy is focused on growth in revenue with enhanced margins



Addressable market - continues to expand with further pipeline conversion and entry into the energy management market



Positioned for growth - in the acceleration phase with platform and product features providing competitive leverage



X2M CONNECT

GET IN TOUCH

Shareholder Enquiries
Automic Pty Ltd

Email: hello@automic.com.au
+61 (2) 9698 5414

Media and Investor Relations
Mohan Jesudason, CEO

Email: investor.relations@x2mconnect.com
1 800 926 926 (1 800 X2M X2M)

