



ASX Announcement | 19 November 2021 X2M Connect Limited (ASX:X2M)

X2M wins major tender in South Korea

X2M continues its South Korean growth with another significant tender win

Investment Highlights

- X2M subsidiary has won a tender in South Korea for remote water monitoring worth 2.3bn Korean Won (approx. A\$2.6m)
- The contracting party is Korea Water Resources Corporation (K Water) Jeonju Branch
- Initial deployment is to 20,278 households with future opportunity of an additional 210,000
- Revenue expected to be recognised within one year
- The potential estimated value of the future implementation across the remaining households is in excess of A\$25m
- X2M's contracted revenues for FY22 now stand at A\$7.8m

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") is pleased to announce that the Korea Water Resources Corporation ('K Water') branch for the city of Jeonju in South Korea has selected X2M's wholly-owned subsidiary as the successful bidder for a significant remote water monitoring tender covering 20,278 households.

Tender is for an initial 20,278 out of a potential 232,028 city households

The tender value is 2.3bn Korean Won (approx. A\$2.6m) which includes the X2M IoT platform, devices and 12 months of remote meter monitoring fees. Prior to the end of this 12 month period, a new monthly SaaS fee will be agreed upon for ongoing monitoring.

The number of households to be fitted with remote water metering in this tender is 20,278 out of the 232,028 households in the city.

Jeonju City is located in the southern province of Jeollabuk-do where X2M has other major remote water monitoring customers of Gochang County and Gimje City.

X2M now has until 8 December to finalise and execute contracts that have largely been set out in the tender documents.

The tender win demonstrates the performance of the X2M solution when assessed against the South Korean remote water monitoring evaluation criteria and follows the two similar K Water wins announced in October [ASX Announcement: 18 October 2021].



Continued progression of growth strategy

X2M's strategy for water in South Korea is to secure deployments across many of the South Korean municipalities and then leverage the initial deployment to penetrate the balance of the municipality's households.

The Total Addressable Market in this new customer city is 232,028 households with penetration following completion of this stage of deployment being 8.7% of households. Were X2M to secure a contract to connect all households throughout the municipality, the estimated value of the future implementation across the remaining households is in excess of A\$25m. The Company expects opportunities to secure this to progressively present themselves over the next two to three financial years. X2M's strong position in this market together with the incumbency this mandate delivers, positions it well to secure future opportunities.

Securing this tender takes the total number of Enterprise and Government customers across the X2M group to 40 with an addressable market of in excess of 25m households.

X2M CEO Mohan Jesudason said: "This is another excellent result for our South Korean subsidiary. Winning a number of these tenders in quick succession shows our leadership position in this market. This also aligns with our long term strategy to secure customers with large numbers of households that will drive future subscription revenues. This tender plus our Q1 and other contracted revenues now total \$7.8m".

Ends

The Board of X2M has approved this announcement.

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About X2M Connect Limited

X2M Connect Limited (ASX:X2M) is an Australian technology company that has developed and commercialised a patented proprietary Internet of Things (IoT) solution which delivers productivity improvements, cost savings and improved public safety to enterprise and government clients in the utilities sector.

X2M's technology connects devices such as water, gas and electricity meters and other utility sensors to the internet, enabling data exchange and the remote control of these devices. The Company generates revenue from the sale of hardware and monthly subscription fees under Software as a Service arrangements.

X2M now has more than 150,000 devices connected to its IoT platform and distributed intelligence solution, providing real-time information and control to a steadily increasing customer base operating over multiple radio technologies.



X2M's current focus is on servicing the utility sector in the Asia-Pacific region, where it has a number of government and enterprise customer relationships already in place. Going forward, X2M will look to continue its global expansion, with subsidiaries already operating in Japan, South Korea, Taiwan and, most recently, China.

To learn more about X2M click here: www.x2mconnect.com or follow us on [LinkedIn](#).

About K Water and Jeonju City

Korea Water Resources Board (K Water) is the principal government agency for the management of water resources in South Korea. K Water distributes water either through participating municipalities who own and manage their water supply or directly manages water on behalf of municipalities. The total number of municipalities directly managed by K Water for water distribution is 23 out of a total of 161 municipalities in South Korea.

Jeonju City is directly managed by K Water. The city is located in the southern province of Jeollabuk-do where X2M has other major remote water monitoring customers of Gochang County and Gimje City. Jeonju has a population of more than 650,000 and more than 230,000 households with water meters.