



Investor Presentation

22 November 2021

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Key Messages/Highlights



2021 momentum continues to build on the back of a strong Q1



X2M's South Korea subsidiary wins tender to deploy its technology to 20,278 households in the city of Jeonju through the Korean Water Resources Corporation



Contracted revenue for FY22 is already at \$7.8m - Total revenue for FY21 was \$5.7m



Enterprise and Government customers now up to 40



Momentum to continue as customer base is harvested and pipeline is converted



X2M's patented platform continues to offer market differentiation

The Jeonju City Tender

What we have secured – the details

- This is a contract between X2M's South Korea subsidiary and the Korea Water Resources Corporation (K Water) Jeonju Branch further cementing our relationship with the Korean government owned water authority
- The contract is for the deployment of X2M technology to 20,278 households to a value of 2.3bn Korean Won, approximately \$AUD 2.6m
- The Total Addressable Market in Jeonju is 232,028 households and the estimated potential value of future tenders for remaining households is \$AUD 25m
- With the size of this deployment, X2M is well positioned to bid for the remaining tenders as they arise
- We have until 8 December to finalise and execute contracts for which the main terms are as set out in the tender documents
- The Jeonju tender brings the total of Q1 and other contracted revenue to S7.8m and compares with a FY21 full year result of \$5.7m

Jeonju builds on an impressive start to the 2022 FY

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 EastTone (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 already announced in Q2 expected to deliver an incremental \$4.1m 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.

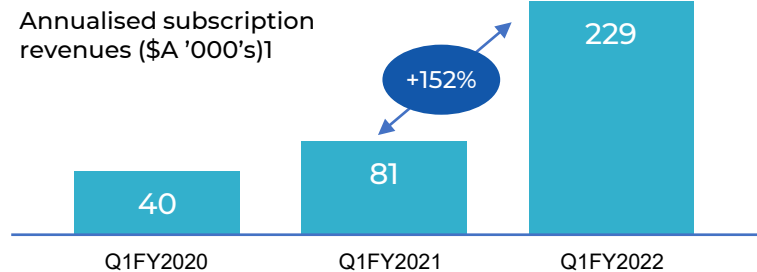
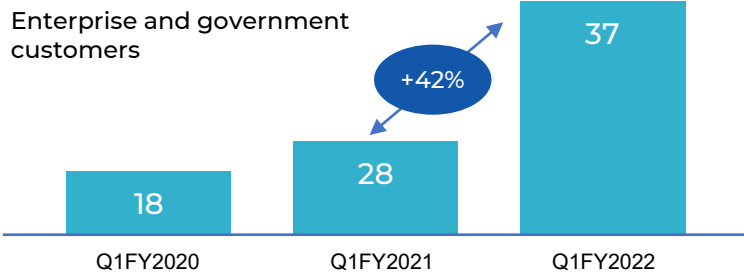
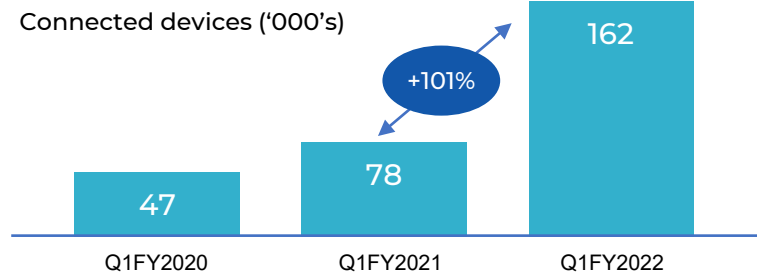
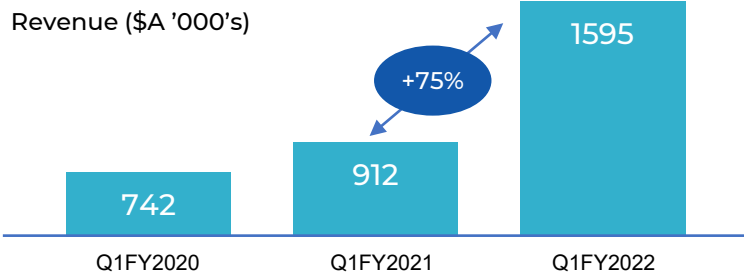
Q1 KPI's reflect a strong performance

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



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

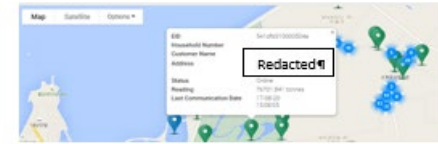


X2M in the field – what we do

Doing more of what we know – tried, tested and proven

Now servicing 19 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:

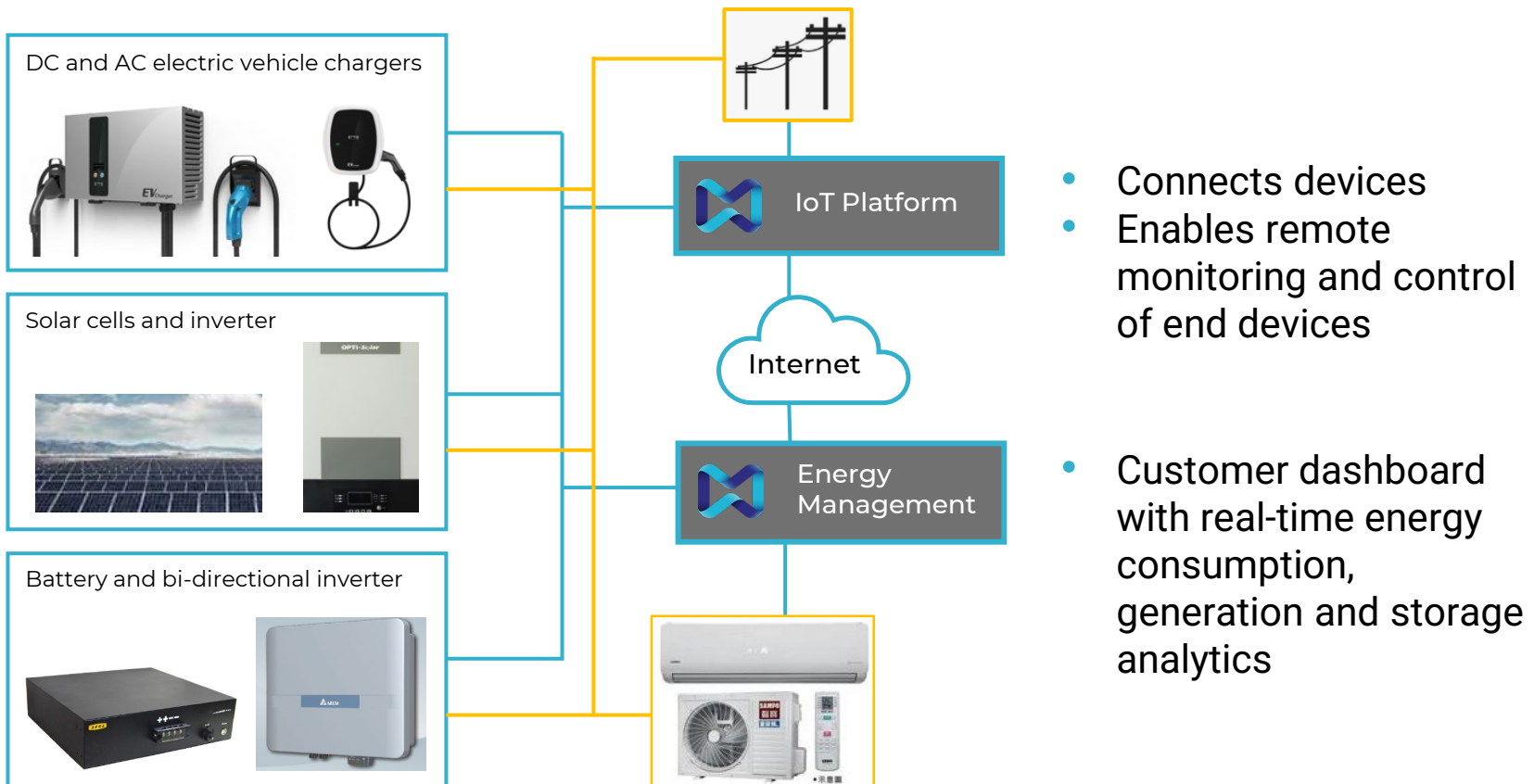
- Service to their end customers
- Safety and efficiency data
- Data analytics
- Infrastructure management and leak detection
- Billing and process automation

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





Strategy



Continued focus on the Asia Pacific utility market

APAC utility market typically uses ageing analogue infrastructure in an environment of increasing population and demand for services.

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

1. Navigating the Pandemic: A Multispeed Recovery in Asia; Regional Economic Outlook: Asia and Pacific; Oct 2020.
2. United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Prospects 2019, Online Edition. Rev. 1
3. <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>.

5 Core Pillars of the X2M Strategy



Consolidate strong position in existing markets

- **Korea** – continue contract additional municipalities
- **Japan** – aggressively grow connected devices
- **Taiwan** – expand into adjacent verticals
- **China** – commercialise
- Existing customers to be a significant source of revenue growth



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

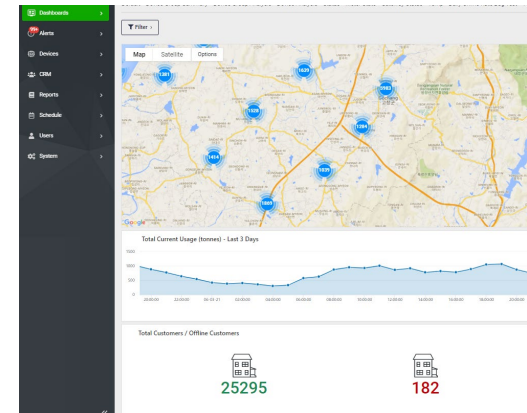


Manage margin and cash burn

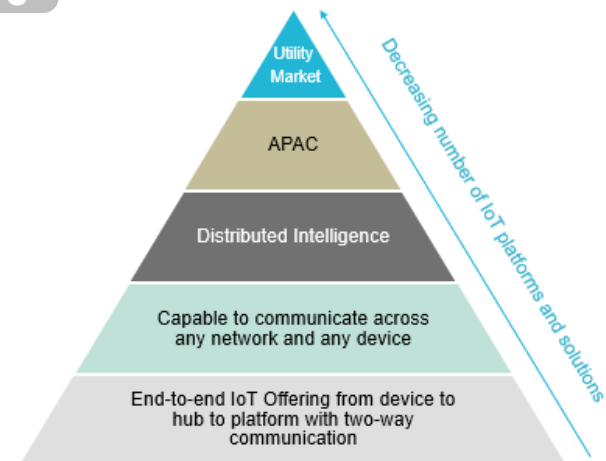
- Strong focus on operational and financial controls and efficiency

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



Summary

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



Jeonju is a significant tender win with a large addressable market



Growth story continues post Q1 – \$7.8m already contracted for FY22 against a FY 21 full year result of \$5.7m



Addressable market is being converted with existing customers giving repeat orders and X2M's penetration is getting deeper



Solid base being established for future subscription revenues



X2M CONNECT

GET IN TOUCH



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