

Investor Presentation

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ASX Code: X2M

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X2M posts strong Q3 FY22 results



Q3 Revenue: \$1.5m, up 68%
on pcp



Q1-Q3 Total Revenue: \$6.1m,
up 49% on pcp



Q1-Q3 Total Revenue exceeds
FY21 full year revenue of
\$5.7m



Contracted revenue for
recognition in coming months
at \$3.8m



Enterprise/government
customers: 44, up 29% on 31
March 2021



Connected devices: 196,037,
up 87% on 31 March 2021

Strategy delivering growth across key metrics¹

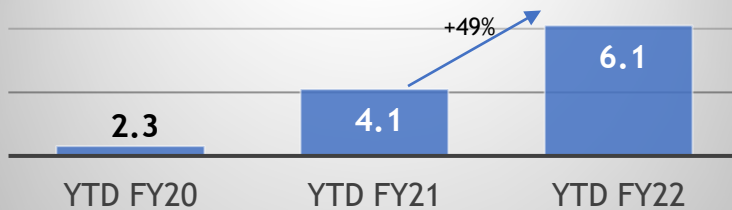
X2M has delivered strong Q1-Q3 FY22 growth in revenues, connected devices, and enterprise and government customers

YTD FY22 revenue of \$6.1m, up 49% on pcp

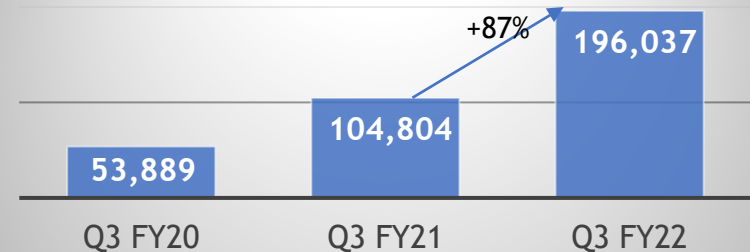
Connected devices totaled 196,037 by 31 March 2022, up 87% on 31 March 2021

Enterprise and government customers rose by 10 to 44 by 31 March 2022, up 29% on 31 March 2021

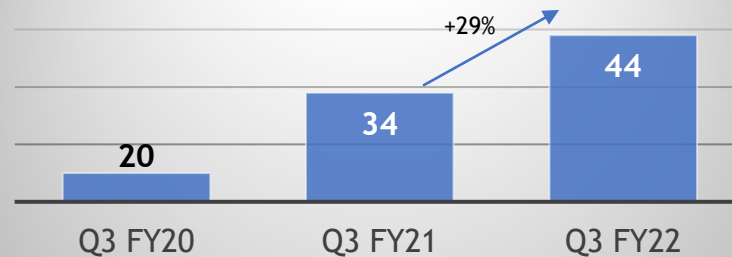
Group consolidated revenue (\$'M)



Connected devices



Enterprise and government customers



1. Some FY20 data is from the period when X2M subsidiaries were operated by a prior owner



What we do - Digitizing
utilities in APAC

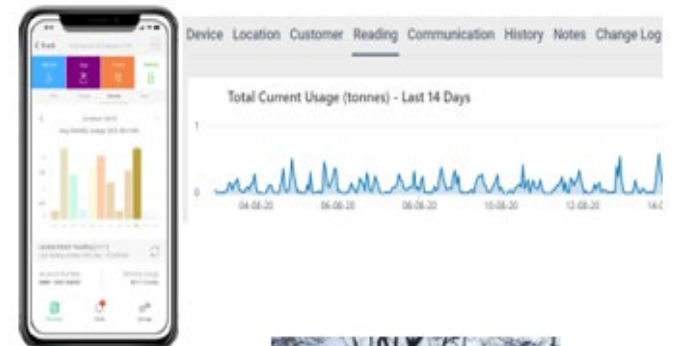
Water digitisation - South Korea leveraging early market entry

Supporting government ambitions to revolutionize water management

Servicing 19 municipalities for water monitoring and control in South Korea

Capturing new government municipalities and repeat orders from existing customers through provision of improved:

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



Gas monitoring - Japan driven by the value of data generated

Licensed deployments in Japan continue to increase at pace with compelling use cases

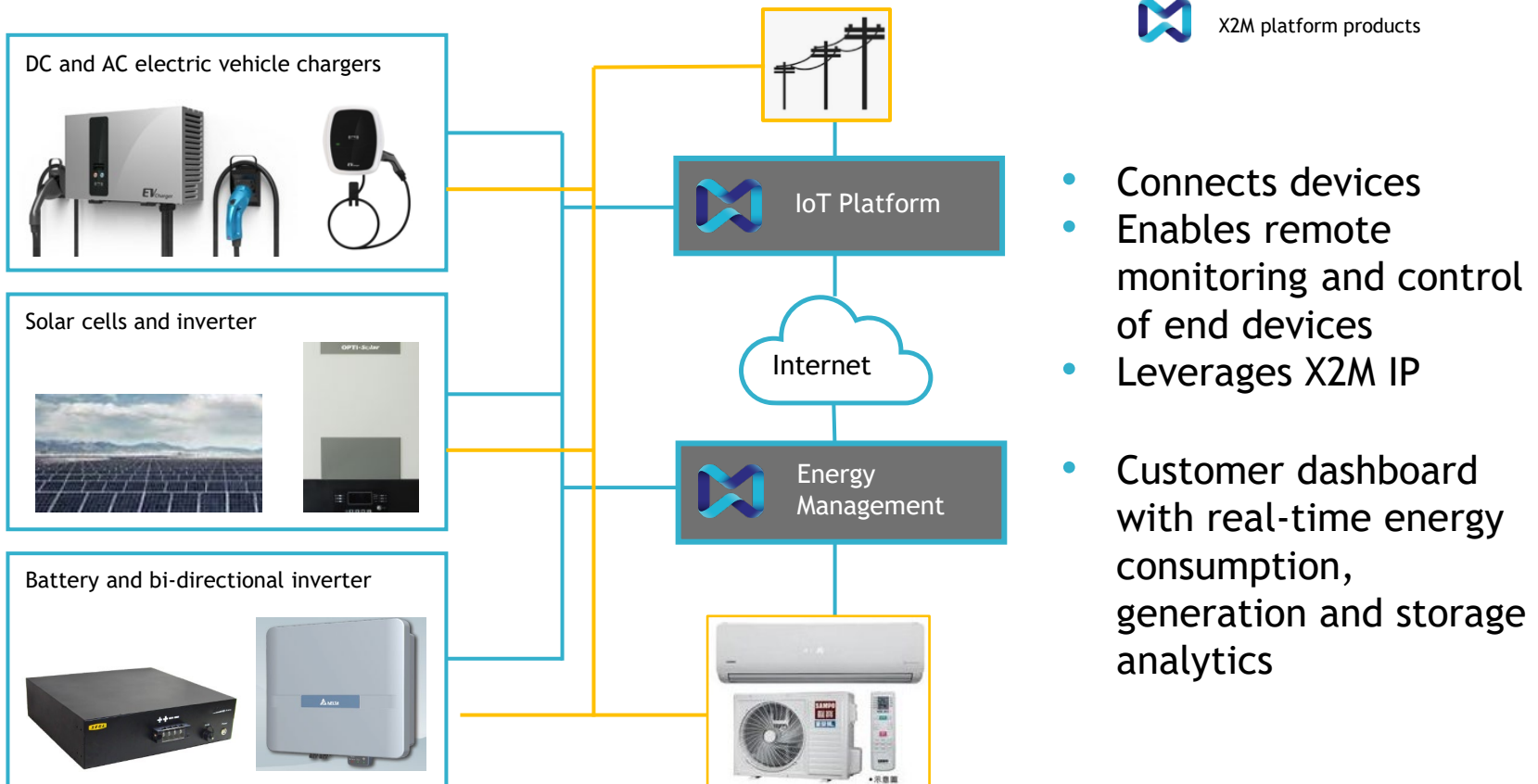
Growth in the Japanese market driven by licensing to customers monitoring gas bottles:

- 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 and net zero emissions - our next opportunity

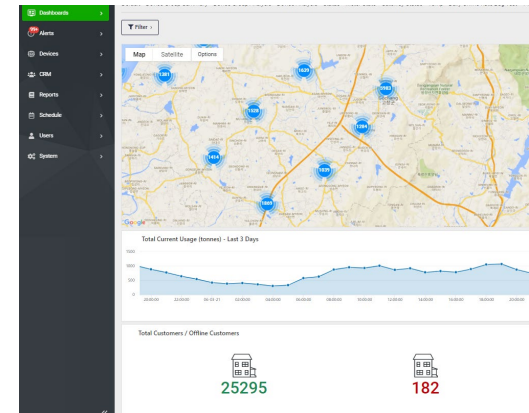
X2M's energy management solution optimises energy generation, storage and usage. Plays to the strength of our patents and platform



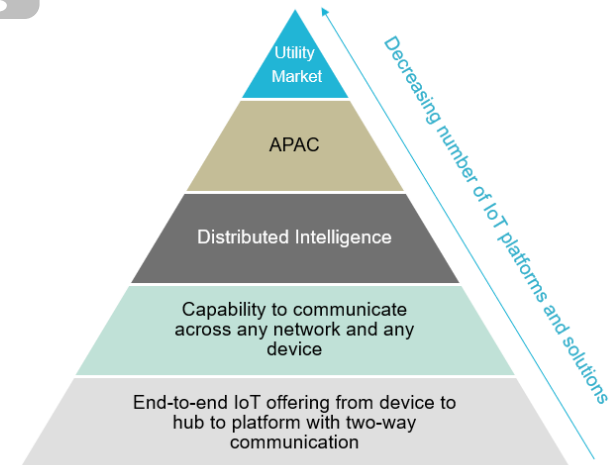
- Connects devices
- Enables remote monitoring and control of end devices
- Leverages X2M IP
- Customer dashboard with real-time energy consumption, generation and storage analytics

X2M's 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





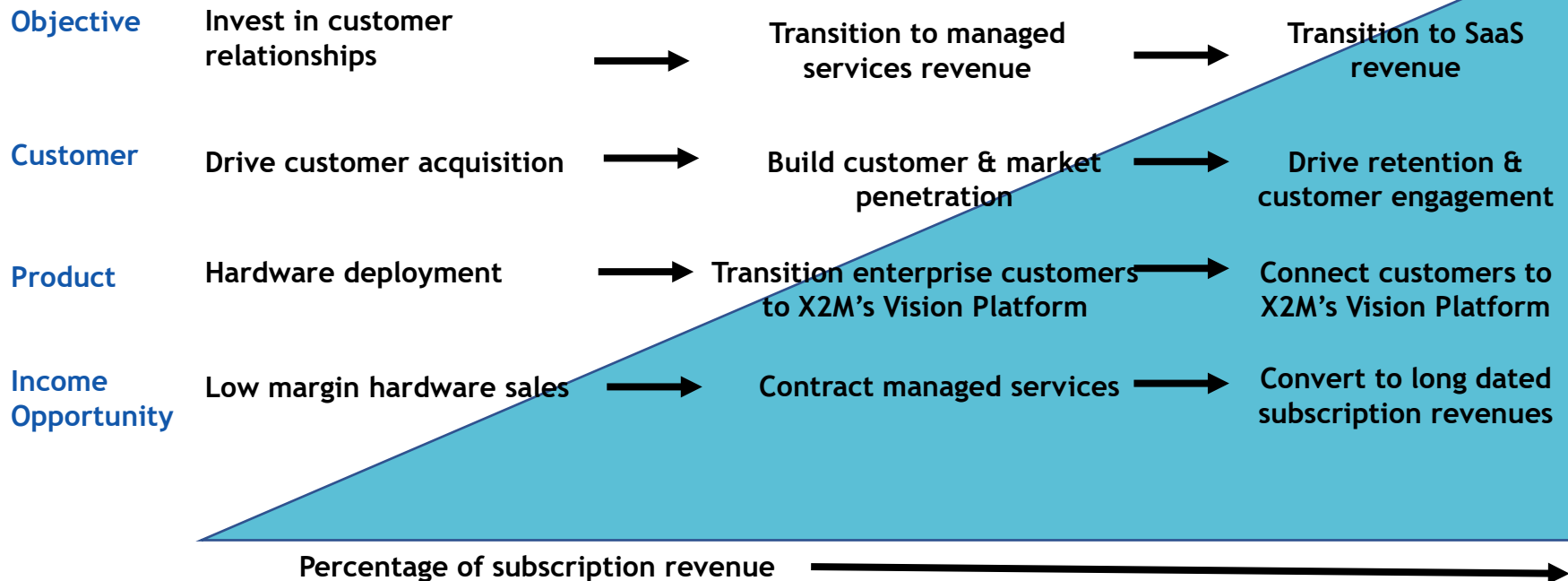
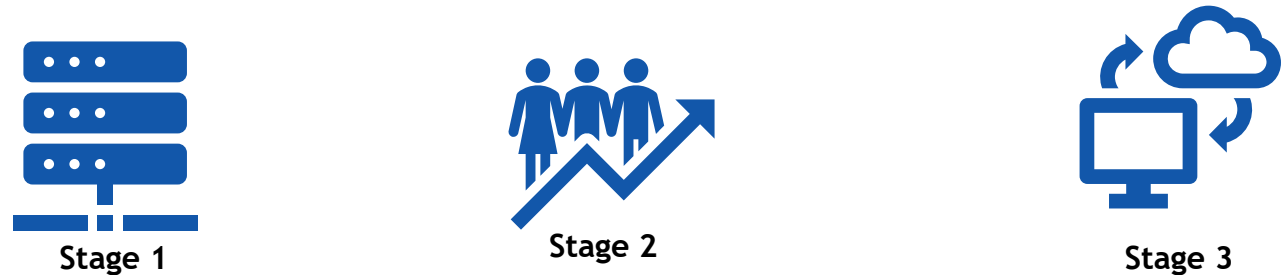
Strategy

X2M commercial strategy

- X2M strategy starts with investment for growth:
 - Secure initial sales of hardware and services to gain a toehold in each customer's total addressable market (TAM) - margins tend to improve with future orders
 - Investment in sales and marketing resources - costs exceed revenue - growth losses (current stage)
 - Leverage incumbency to drive repeat orders, expansion into each customer's TAM, SaaS revenues Y2+ and referral to other customers
 - Use hardware sales to lock in future recurring higher margin SaaS platform revenues
 - As SaaS recurring fees become a larger and increasing proportion of total revenues they drive future profitability

X2M well into stage 2 - on cusp of software scale

Conversion of customers to SaaS contracts commenced



5 core pillars of the X2M strategy



Consolidate strong position in existing markets

- **South Korea** - adding more 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** - Proof of concepts (POCs) completed, initial hardware contracts as reseller - leverage now-completed POCs
- Exploring Australian energy market
- Watching brief on other APAC markets



Manage margin and cash burn

- Strong focus on operational and financial controls and efficiency
- Tight opex management
- Cash burn reductions

X2M's growth outlook is bright



Q1-Q3 Revenue:
\$6.1m, up 49% on pcp



Enterprise/government customers:
44, up 29% on pcp



Connected devices:
196,037, up 87% on pcp

3 strong quarters in FY22 lays solid foundation for further growth



Consolidate strong position in existing markets - lock in government enterprise customers with large utility client bases



Expand into compatible verticals in existing markets - get an increased number of households using the X2M solution



Continue development of SaaS business - convert all households over time to the platform



Expand into new geographies - exploring Australia's energy management space

Targeting strong growth in revenue, delivering 'stickiness' to its revenue base and setting up future SaaS revenue growth

Why X2M is an attractive investment proposition



A good year so far delivering consistent performance



The pipeline and customer base together with their available market suggests a sustainable growth trajectory going forwards



The strong growth in connected devices sets X2M up well for future subscription revenues



Exploring Australian market extension with patented technology



X2M CONNECT

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