



ASX Announcement | 20 June 2022

X2M Connect Limited (ASX:X2M)

X2M's Asia footprint continues to build with new contracts in China and South Korea

Investment Highlights

- New tender wins in China and South Korea valued at approximately A\$2 million
- Hebei province added as new China customer taking the number of contract wins in this all-important Asian market to nine
- Enterprise and Government customers across the Group is now 46
- China contract is approximately A\$1.34 million with delivery to occur within 30 days of contract award
- South Korean tender win of approximately A\$0.66 million is the second order from Incheon City

Australian Internet of Things (IoT) technology company **X2M Connect Limited (ASX:X2M)** (“X2M” or “the Company”) is pleased to announce a significant tender win in Baoding City in China’s Hebei province and a second tender win for Incheon City in South Korea.

The China tender win further strengthens X2M's customer base

The new China contract resulting from the tender win, valued at a total of approximately A\$1.34 million, will see the deployment of approximately 22,000 water meters with valve control into the Qingyuan district of Baoding City. This tender is part of a river water replacement project in the district which has a population greater than 620,000. Baoding City itself has a population of greater than 9 million and is part of the Hebei province near Beijing. There has been a significant effort in China to improve water distribution and management from the source to the consumer.

X2M's China growth strategy continues to take shape

This latest tender win, broadening the China customer base, represents another step towards the delivery of X2M's clearly enunciated China market growth strategy. This involves the Company initially establishing a business base in this country through the sale of hardware and then following up these sales with connection of devices to the X2M IoT platform. Over time, the successful execution of this growth plan is expected to impact favourably on customer growth and margin metrics.

X2M's penetration into existing South Korean customers continues

This latest tender win of approximately A\$0.66 million in the South Korean city of Incheon for



the delivery to 7,777 households demonstrates the continued X2M penetration into existing customers following their initial orders. This tender win follows on from an initial Incheon contract for approximately 600 households and delivery will be completed by November 2022. Incheon City, with more than 400,000 water meters, is the municipality with the second largest number of water meters in South Korea.

X2M CEO Mohan Jesudason said: “These new tender wins broaden our China customer base and build on our success to date in the South Korea, Taiwan and Australian markets. We are thrilled with the growth that continues to be recorded by our Greater China business and we expect a portion of the revenue from this deal to add to our current year to date China revenues of \$3.3 million, which is more than three times what we delivered in FY21.

The 2022 financial year is showing up as an unprecedented year for X2M with respect to all our key metrics including revenue growth, customer acquisition and device deployments. All of this positions the Company very well for the 2023 financial year with significant contracts on hand for delivery in FY23.”

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 220,000 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](#).

