ASX Announcement | 19 July 2022
X2M Connect Limited (ASX:X2M)

X2M enhances its strong start to FY23 by adding five new customers in South Korea

Investment Highlights

- Orders across the X2M group for revenue recognition in H1FY23 now exceed $9.6 million

- Jangsu County in South Korea contracts for its complete addressable market of households valued at approximately A$1.25 million

- Contract provides water monitoring and control to 9,754 households with installation to be completed within six months

- Four other customers secured with contracts totaling approximately A$0.7 million

- Number of Enterprise and Government customers reaches 50

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") is pleased to announce further significant contracts in South Korea.

X2M continues success in securing South Korean municipalities as customers

X2M has secured five new customers in the South Korean water monitoring market with the combined value of the contracts totaling almost A$2 million. This brings the number of Enterprise and Government customers across the X2M group to 50 and the number of South Korean municipalities utilising the X2M IoT platform to 26.

The largest contract is for water monitoring and control for the county of Jangsu. This contract valued at approximately A$1.25 million is for the complete county addressable market of 9,754 households. This is the second municipality in South Korea to contract with X2M for its entire addressable market.

Four other municipalities have contracted to install the X2M IoT platform for water monitoring and control for a total of 3,252 households and valued at approximately A$0.7 million. These four municipalities, Paju and Seosan cities and Wanju and Sunchang counties, have a combined addressable market of approximately 113,000 households. These municipalities provide the potential for approximately A$13 million of revenue in the future if X2M was successful in securing contracts for all these households.

X2M's addressable market for South Korean existing customers is significant

Once a municipality has decided to digitise its water, the logical process is to convert all households to digital remote water monitoring and control in order to realise the full benefits. In this case, Jangsu County have elected to convert the entire addressable market in the county in one contract allowing them to obtain the full benefits immediately. The total addressable market for households with water meters in X2M's existing South Korean customer base is

approximately 3.6 million households, with a potential value of more than $440 million in revenue if all those households were contracted to be fitted with remote water meter monitoring and control. One of X2M's strategies is to continue to convert that addressable market with recent contracts from Bucheon City (see ASX announcement 7 July 2022) and Okcheon County (see ASX announcement 24 June 2022) confirming success in that conversion.

X2M builds on the strong start to FY23

Following on from the Bucheon City contract (see ASX announcement 7 July 2022), these contracts add to the significant base of contracts expected to deliver revenue in H1FY23. X2M now has contracted revenue of A$9.6 million which is approximately 95% of the forecast FY22 revenue of A$10.1 million. This positions X2M well with a strong start to FY23.

X2M CEO Mohan Jesudason said: "Our success in securing more and more municipalities in South Korea and progressively converting each of their addressable markets onto the X2M IoT platform is very pleasing. Jangsu County have elected to convert the entire addressable market in the county in one contract allowing them to obtain the full benefits of water digitization immediately."

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 245,000 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.