ASX Announcement | 6 December 2022
X2M Connect Limited (ASX:X2M)

X2M strengthens FY23 revenue outlook

Makes Tech Fast 50 list

HIGHLIGHTS

- X2M has been awarded new contracts worth approximately $1 million including a new smart water contract in Taiwan

- Enterprise/government customers increased by 11 in the last five months to reach 57

- Contracts to the value of approximately $13 million are in place with this revenue expected to be recognised in the current financial year

- X2M has been named as a Rising Star award winner in the Deloitte Tech Fast 50 with 690% growth in revenue since X2M's incorporation in 2019

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") is pleased to advise it has secured two new customers and four repeat orders.

X2M CONTINUES TO GROW ITS CUSTOMER BASE AND PENETRATION

X2M advises that it has secured two new customers in South Korea and Taiwan further expanding the addressable market in these countries. The two contracts include the provision of water monitoring solutions. The value of these two contracts is approximately $0.5 million.

The Company has also secured repeat orders from four customers with a total value of approximately $0.5 million, further penetrating the Company's existing customer base, providing added validation of the Company's value proposition and demonstrating the X2M continuing growth story across its markets. The number of Enterprise and Government customers across the X2M group is 57 at November 2022, up 11 from June 2022. Whilst each of these new contracts is in itself not material, these contracts together provide material growth in revenue.

FURTHER VALIDATION OF X2M STRATEGY IN SOUTH KOREA

X2M has secured contracts worth a total of approximately $0.5 million for four municipalities in South Korea. The contracts are for remote water monitoring and control for the municipalities of Hoengseong, Yangsan, Okcheon and Hongseong. These contracts include the X2M IoT platform, hardware devices and SaaS based software and device maintenance services for 12 months. The hardware related revenues account for $0.46 million and $0.02 million is for 12 months of SaaS and maintenance services with ongoing subscription services to be negotiated during this period. The contracts are for the deployment of monitoring devices covering approximately 2,850 households and are to be completed within six months of the date of the contracts.

The county of Hoengseong is a new customer and has a total addressable market of approximately 13,000 households. These households provide the potential for approximately $1.4 million of revenue in the future if X2M was successful in securing contracts to monitor all these households.

X2M SECURES NEW CUSTOMER IN TAIWAN AND REPEAT ORDER IN CHINA

X2M has secured a new customer through a contract with the National Chung Cheng University (CCU) in Taiwan for the delivery of a smart water resources management system for the university campus. The contract includes software to monitor the water usage, flows and levels around the campus plus supply, installation and connection of an on-premises server and communications hardware. The contract will be delivered by June 2023. New product released for CCU takes X2M deeper into the customer's eco system and has the potential to be taken into South Korea where X2M has a strong presence in the water sector.

X2M has secured a repeat order from the Hebei province in China. This contract is for approximately 5,000 water meters to be deployed in the Shunping county which is administered by Baoding City. This contract follows the 22,000 water meter contract in Baoding City announced previously (ASX announcement 20 June 2022). The contract is a hardware contract and will be completed in Q2 of FY23.

The CCU and Shunping contracts total approximately $0.5 million.

X2M IS A RISING STAR

X2M has been named as a Rising Star award winner in the Deloitte Tech Fast 50 with 690% growth. X2M is proud to receive this award in recognition of its acceleration through digitisation of utilities in APAC. The award is based on the revenue growth since X2M was incorporated in December 2019.

Deloitte's Technology Fast 50 program recognises, profiles and celebrates Australia's fastest-growing tech companies, ranking the nation's top 50 public and private tech companies based on percentage revenue growth over three years (2020 to 2022).

It introduces the sector's leading innovators, ground breakers and rising stars, celebrates their impact, and discovers how they're shaping Australia's future.

X2M CEO Mohan Jesudason said: "It is fantastic for X2M to be recognised amongst the top 50 tech growth companies in Australia. Our growth is a reflection of the wide customer acceptance of our utility solutions. We are also pleased to see the continued growth in numbers of our customers and ongoing repeat orders."

ENDS

The Board of X2M has approved this announcement.

For further information contact:

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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 300,000 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.