ASX Announcement | 14 March 2023
X2M Connect Limited (ASX:X2M)

New mandates in South Korea

HIGHLIGHTS

- "Expand" success continues - Jeonju extends contract from 20,278 households to 25,564 households increasing the total value of this contract by $575k to approximately $3.1 million.

- "Follow on contracts" for SaaS and maintenance signed by Bucheon, Dangjin, Gimje and Okcheon worth a total of $0.2 million for the 2023 calendar year.

- Total value of this announcement worth approximately $0.8 million.

- Excellent Product Certification achieved and effective 16 March 2023.

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") is pleased to advise it has secured new contracts and extensions to existing contracts in South Korea.

X2M CONTINUES TO EXECUTE ITS STRATEGY IN SOUTH KOREA

X2M advises that it has secured a number of new mandates for remote water meter monitoring in South Korea.

"Expand" strategy continues to demonstrate the opportunity in Korea:

- The Korea Water Resources Corporation (K Water) Jeonju branch has extended its contract for remote water monitoring from 20,278 households to 25,564 households with the addition of 5,286 households to the initial contract executed in November 2021 (ASX announcement 19 November 2021). The contract extension is worth approximately $575k bringing the total contract value to approximately $3.1 million. Of this extension contract, $40k is allocated for SaaS based monitoring services to those households for 12 months. Jeonju has approximately 205,000 households remaining on old technology which provides opportunities for further growth. This contract extension demonstrates the success of the Company's land and expand strategy as customers deliver repeat orders to add new households onto the X2M's platform following an initial contract.

"Follow on contracts" a significant contribution to revenues:

- X2M has also received annual "follow on" Software as a Service (SaaS) and maintenance contracts from Dangjin, Gimje and Okcheon totaling approximately $100k across 13,000 households. These contracts follow X2M's successful installation of hardware and monitoring services in these municipalities. Similarly, the City of Bucheon has signed a contract for approximately $100k for X2M's SaaS and maintenance services for 12 months across 25,000 households.

- The Company expects to see SaaS and maintenance contracts renewed annually, with the service fees varying depending on the contracted services.

Gochang has contracted X2M to migrate its cloud-based services to a set of dedicated on-premise servers:

- X2M has now installed server infrastructure in 17 municipalities where the preference is for on-premises operation rather than cloud-based operation. These on-premise servers are dedicated to operating the X2M platform and this forms part of their ongoing operations and plans for further deployments. This further entrenches X2M's position and incumbency with these customers.

AWARD OF EXCELLENT PRODUCT CERTIFICATION IMPROVES POSITION IN SOUTH KOREA

X2M has been awarded the Excellent Product Certification for its offering in South Korea. This certification becomes effective on 16 March 2023 and allows X2M to receive larger value contracts without the local government customer having to perform a tender process and provides an opportunity to increase prices on certain products. This certification was achieved after an extended process and forms an additional accreditation as part of the South Korean Government Public Procurement System portal (PPS) which is an online ordering system for local governments.

X2M CEO Mohan Jesudason said: "The South Korea business continues to excel in the execution of our land and expand strategy as customers place repeat orders for our products. In addition, securing the Excellent Product Certification is expected to further assist our sales efforts in this market in this market."

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. X2M generates revenue from the sale of hardware and monthly subscription fees under Software as a Service arrangements.

X2M now has more than 370,000 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 significant 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.