



Investor Presentation

July 2024

About us



X2M is an Australian technology company that has developed and commercialised a patented world-leading Internet of Things (IoT) solution



We enable smart cities by digitising and integrating seamless communication between property, industry and government organisations on one centralised platform



Our platform enables AI and Machine Learning by providing data collection and control points for automation algorithms



We are capitalising on a global trend to digitisation, data capture and AI in the utility sector, commencing with the Asia Pacific market



Our platform can be rolled out to any vertical market

The landscape and opportunity

The landscape

Asia generally and APAC in particular has seen a seismic shift in social and economic structures

- Strong GDP growth delivering economic prosperity
- Urbanisation that is seeing population moving into cities and requiring infrastructure investment
- Highly educated middle class demanding more of governments and associated providers
- A competitive scenario that is seeing utility operators focus on cost optimisation and a desire for detailed customer insights which is creating new monetisation opportunities for data based platforms

The opportunity

X2M is uniquely positioned to be a data aggregator and enabler on a new 'powered-on' Asia

- APAC the largest and fastest growing population cluster in the world
- X2M has established positions in South Korea, Taiwan, Japan and Australia
- **Government incentives** driving digitisation
- Growth in AI applications driving demand for data in real-time
- **Large consumer bases and addressable markets**
- Essential community service with potential **long term and 'sticky' contracts**
- Addressing **market inefficiency** in the utility sector (manual processes, labour intensity, energy loss, insufficient collection, insecurity of data)
- **Blue-chip** data hungry customers.

Why X2M?

- A **fully commercialised technology** deployed in multiple markets and geographies
- We have one of the **world's most sophisticated IoT solutions** capable of powering smart cities through one centralised system
- Our IoT platform and solutions are **device and platform agnostic**, able to securely integrate with any communication medium and provide **rich real time data**
- Our platform can operate **faster than centralised servers** offering similar services by making decisions in the cloud or in the fog at the edge of the cloud
- **Our platform is future proofed** – providing enterprise customers with peace of mind against technology redundancy as can seamlessly add new technologies and software upgrades that can be managed remotely
- We have a highly **competitive platform cost structure** which delivers a competitive advantage
- X2M has a large established customer base that represents a large addressable market

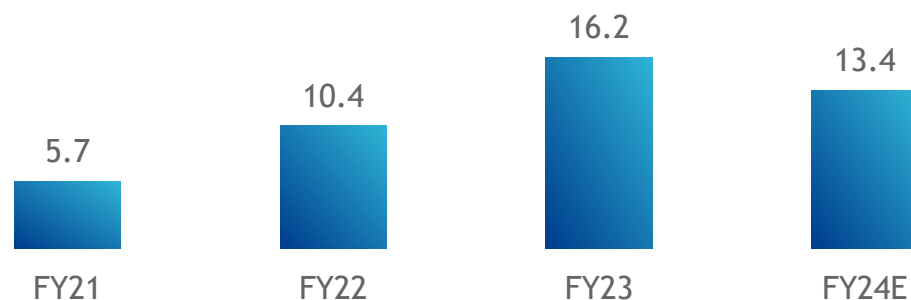
We are doing it now, displacing local operators in some of the world's most sophisticated utilities markets



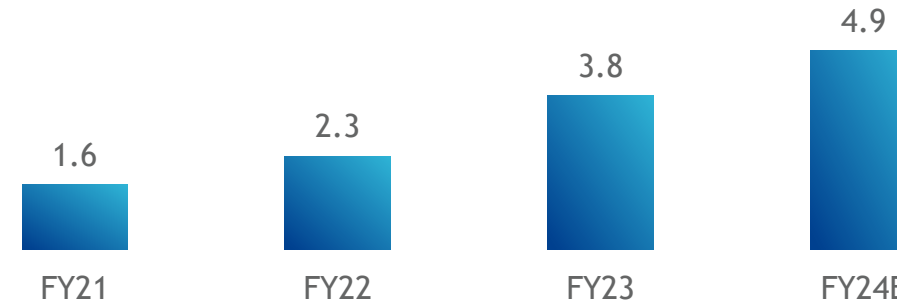
Performance since listing is driving towards positive cashflow

Growth in gross profit, ARR and flat Opex has the company on path to positive cashflow and earnings. Drop in FY24 revenue driven by discontinuation of low margin hardware sales and focus on margin generation

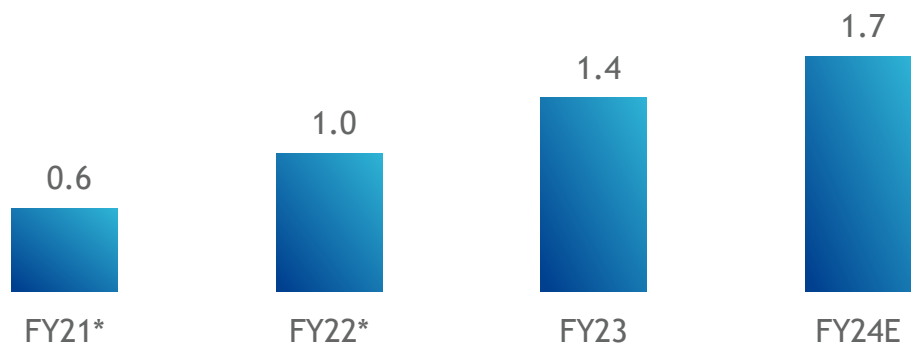
Revenue (\$M)



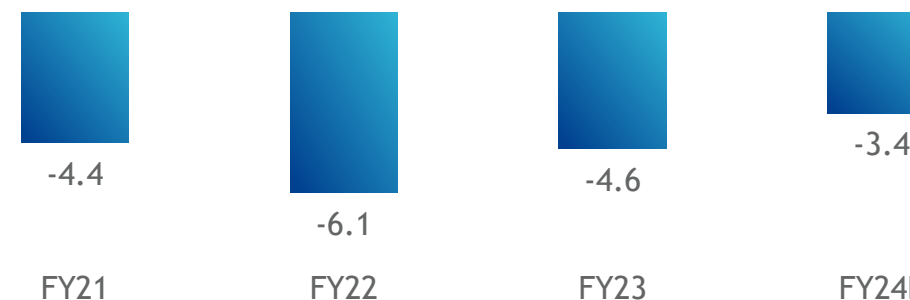
Gross profit (\$M)



Annualised recurring revenue* (ARR, \$M)



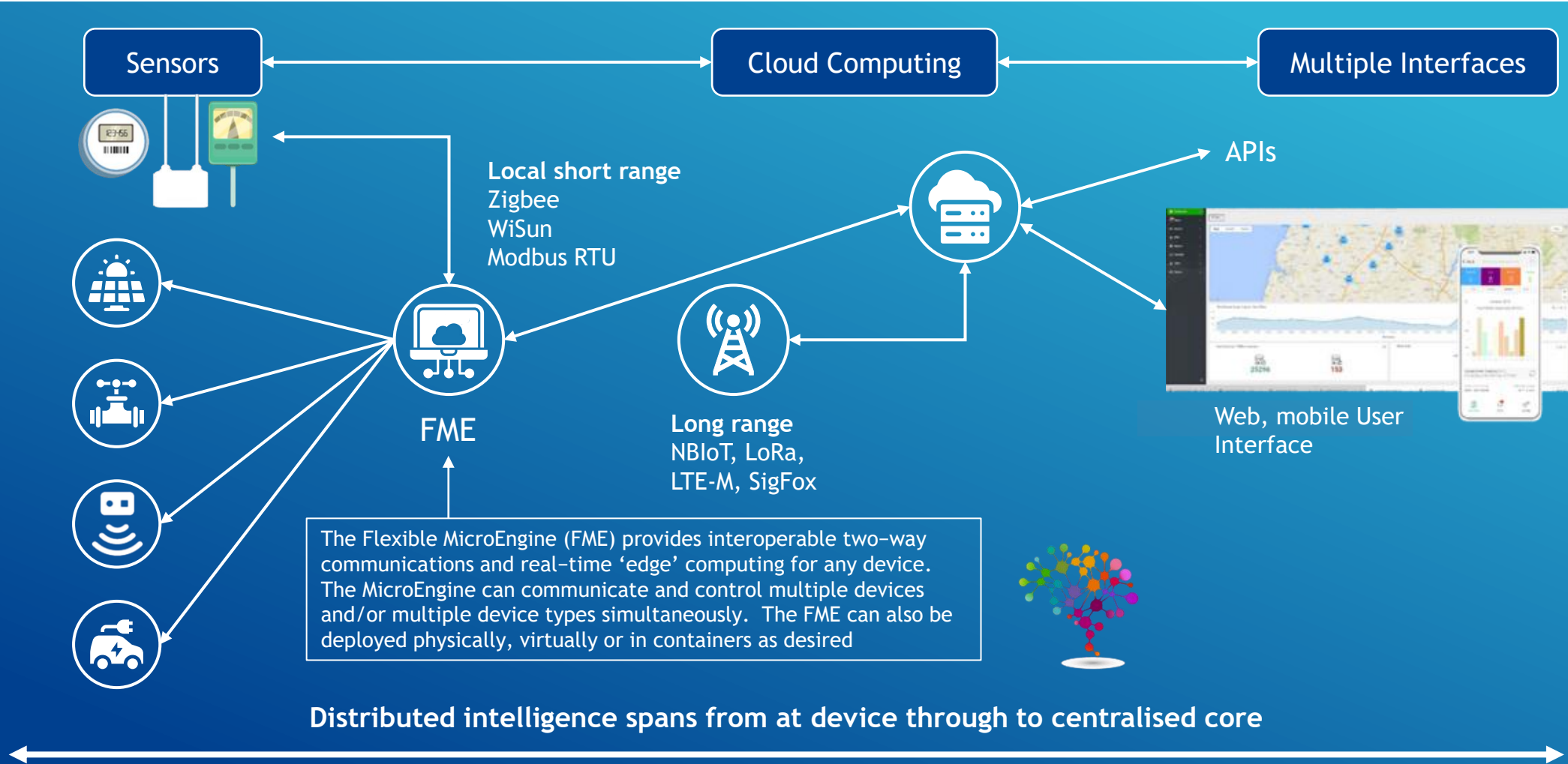
Adjusted EBITDA (\$M)



* ARR is annualised SaaS and maintenance revenues and excludes Gochang hardware subscriptions in FY21 and FY22

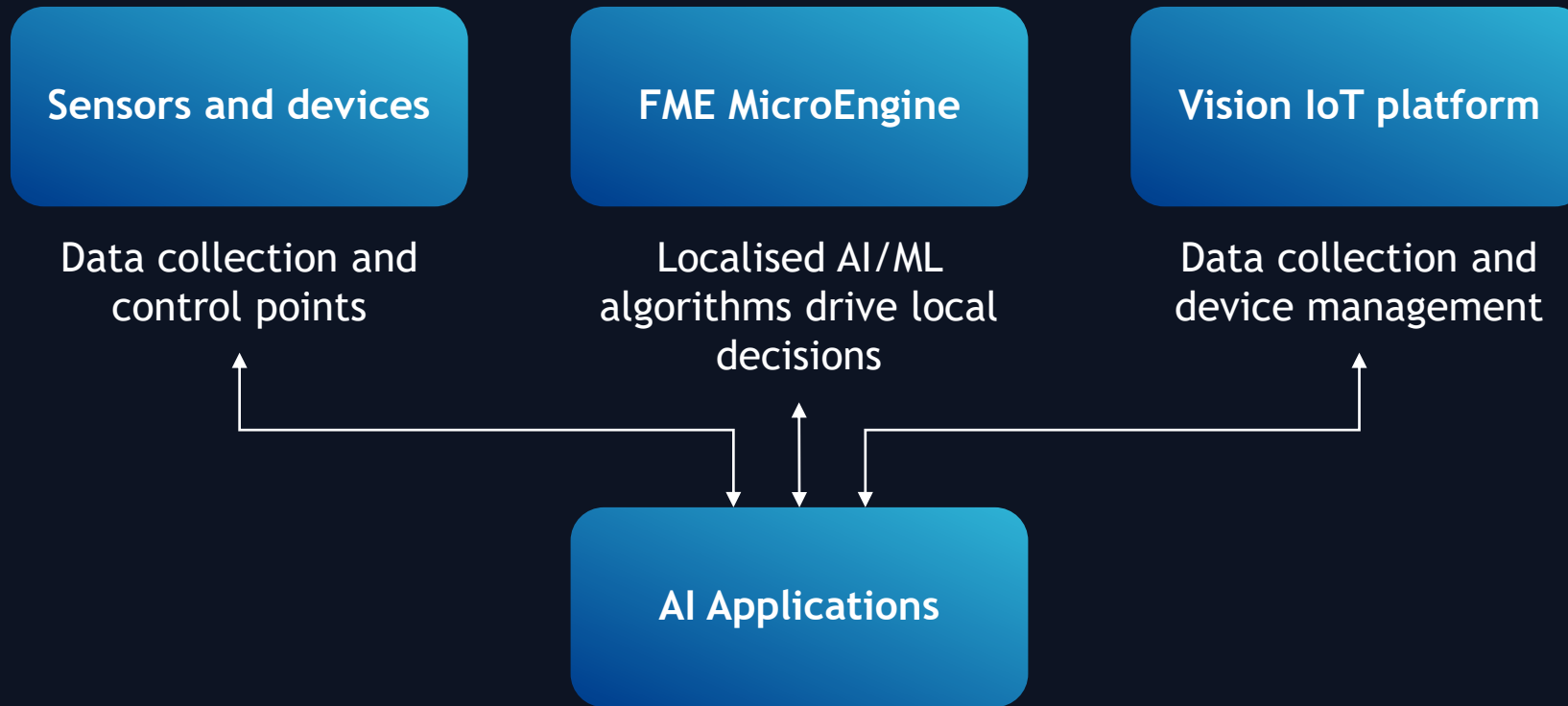
1. All FY24 data are estimates and unaudited and adjusted EBITDA is a non IFRS measure and excludes Share based payments and one off costs

Our solution: One platform, many applications



X2M and AI

We are enabling the global explosion in data to empower the use of AI



Centralised AI/ML algorithms provide analysis and determine automated control actions or provide decision support

Our solution – the results



Increased operational efficiency

Platform integrates devices and sensors, automating meter readings, maintenance, and fault detection. This streamlines utility management, reduces manual interventions, and enhances overall operational efficiency



Cost reductions

Automated monitoring and accurate, real-time data eliminate the need for manual meter readings, reduces errors, and optimises resource allocation, leading to substantial cost savings



Enhanced public safety

Real-time alerts and automated responses to hazards reduce risk and enhance public safety. Our platform can locally initiate a building gas emergency shut down in the case of a major natural disaster such as an earthquake or tsunami



Improved data flow and analysis

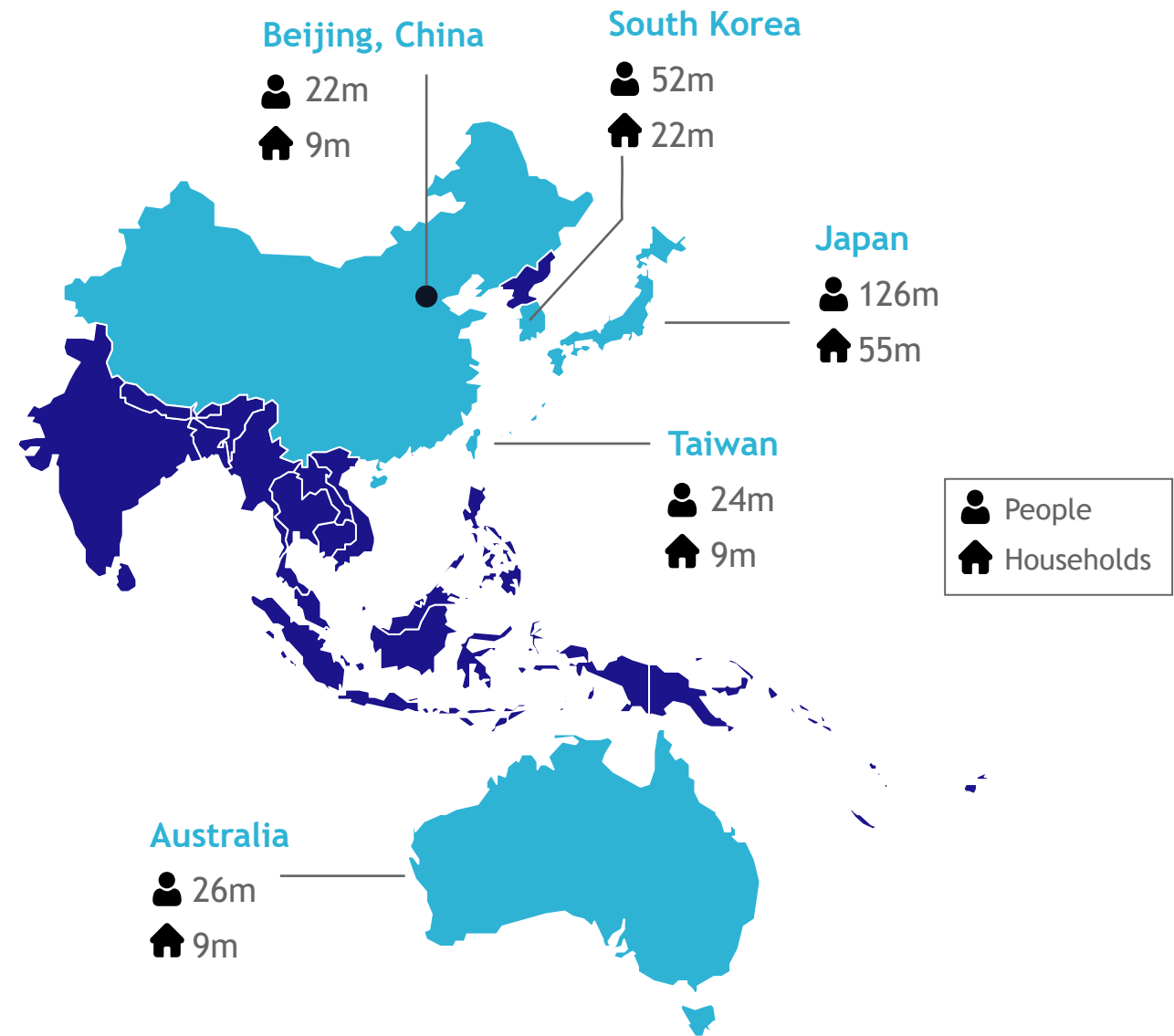
Data collected can be used by a wide range of Artificial Intelligence applications and to trigger individual or group actions with decisions able to be made in the central IoT platform in the cloud or on the edge of the cloud (the fog) with or without human intervention



The Market Opportunity

Addressable market – existing markets

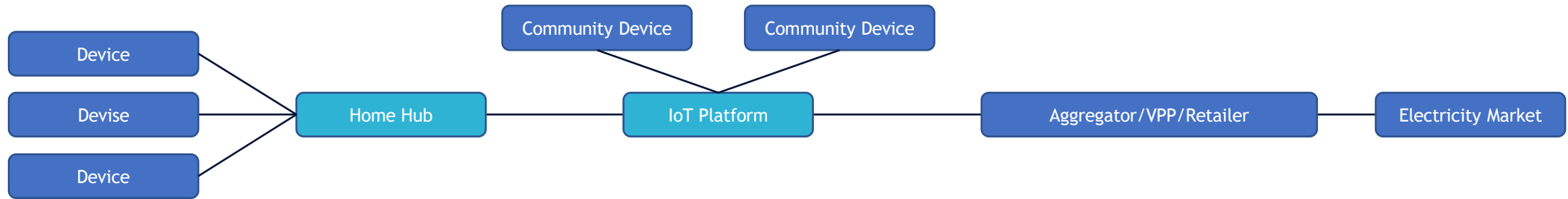
- Addressable market in current geographies: 250 million people, 104m households
- Addressable market across existing customers: >10m households¹
Revenue potential >\$500m
- Annual recurring revenue potential across existing customers²:
Approximately \$40m per annum
- >50% of customers placing repeat orders



1. Assumes customer installs X2M current bundled services to all its households
 2. Assumes customer installs X2M SaaS services to all its households

Current deployments – smart communities Australia

Two mandates: Echuca up to 1000 homes. Yarrawonga up to 800 homes



Monitor and control distributed energy resources devices from Hub. Homeowner has a mobile and desktop user interface

Control multiple home Hubs and community resources from the central platform and interface to aggregator, Virtual Power Plant (VPP) and retailer partners

Partners operate the whole community network, VPP and trade energy in the electricity market



Consumer enjoys a sustainable, eco-friendly, environment and community

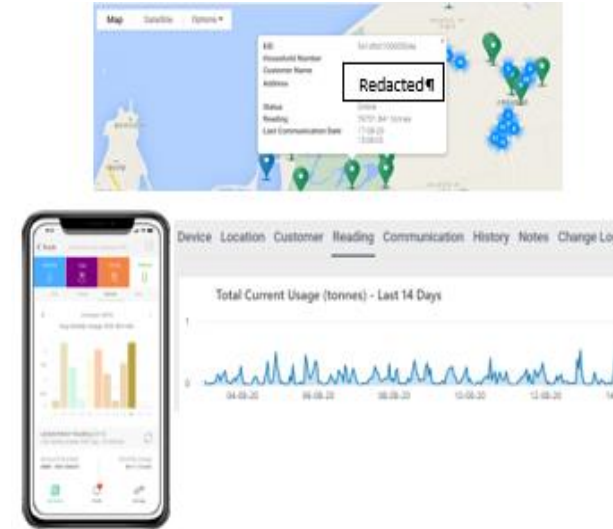
- Significantly reduced energy consumption
 ↓
- Significantly increased use of renewables
 ↑
- Significantly reduced emissions
 ↓

Current deployments - water in South Korea

Currently servicing 33 municipalities for water monitoring and control in South Korea

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

- Billing and process automation
- Data analytics and customer profiling
- Leak detection and waste reduction
- Water quality management and public safety
- Improved service provision
- Infrastructure management



<p>More than 240,000 households monitored and controlled</p>	<p>Total addressable market >7.9m</p>	<p>TAM of contracted customers >4.3m</p>
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GreenRock strategic partnership

- Taiwanese renewable energy generation, battery management and energy trading company
- Partnership to develop renewable energy generation and Battery Energy Storage Systems (BESS) in APAC
- GreenRock is X2M's priority battery partner for Australian Smart Communities
- X2M is the priority energy management platform provider for the monitoring, control and optimisation of their renewable energy and battery storage operations
- GreenRock invested \$1.3 million in X2M and entitled to a Board seat
- X2M acquired \$0.52 million of GreenRock shares
- First commitment received – ~\$2.3m. Delivery from August 2024



Middle East market

There is an immediate opportunity in gas and likely upcoming opportunities in electricity and water monitoring



The gas market in the UAE is fragmented with many small independent gas companies



UAE Government has mandated piped gas be fitted to all new buildings. Smart gas meter penetration is approximately 7%



There are more than 4 million water and electricity meters in the UAE and an estimated 500,000 piped gas connections in Dubai alone



X2M provides the ability to monitor and control gas and other meters and eliminate expensive manual reading



First quantity of smart gas meters are connected and being installed

UAE gas market

The UAE model is based on a low capital, low expense, software based SaaS business model



Upfront platform establishment license fee



Annual license fee per instance



Per connected device monthly license fee



Customisation and support fees paid on daily rate



X2M is entering the Middle East through the UAE with a high margin, software based offering

Middle East market – follow on opportunities

Following success in the UAE, there is a logical extension into other Middle East countries where substantial potential exists



Saudi Arabia has more than 37 million people and 8 million dwellings



Saudi Arabia has largely bottle gas supply which will change to smart metering and there are few water connections in place



Oman has more than 4.5 million people and 650k dwellings



Oman has largely bottle gas supply which will change to smart metering and nearly 25% have no electricity supply



X2M has good connections into these countries in addition to the UAE

India market

There is an immediate opportunity in electricity and likely upcoming opportunities in gas as the India government drives digitisation

01

The India government has embarked on a program to rollout 250 million monitored smart electricity meters over the next few years

02

It is expected that a similar program will also soon apply to smart gas meters

03

There are significant opportunities to participate in these rollouts via cooperation with our partners in India

04

Preparation to enter this market is at an advanced stage

05

Currently X2M is integrating our platform with a large entity in India



Revenue Model and Financials

Revenue model

Upfront revenue



Platform installation fee per instance plus platform customisation fees



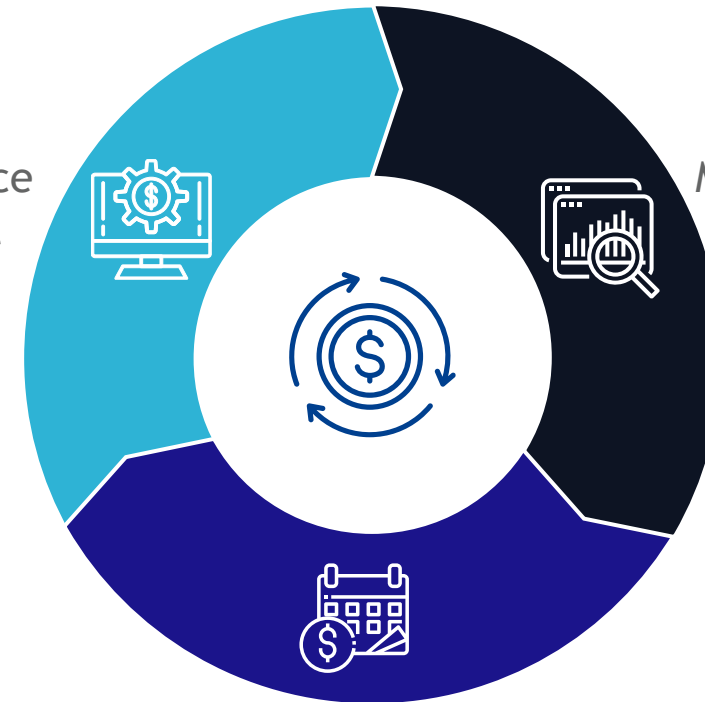
Per new device connection fee or per new device fee for X2M hardware

Recurring revenue

Monthly maintenance fee for support



Monthly SaaS fee for data delivered

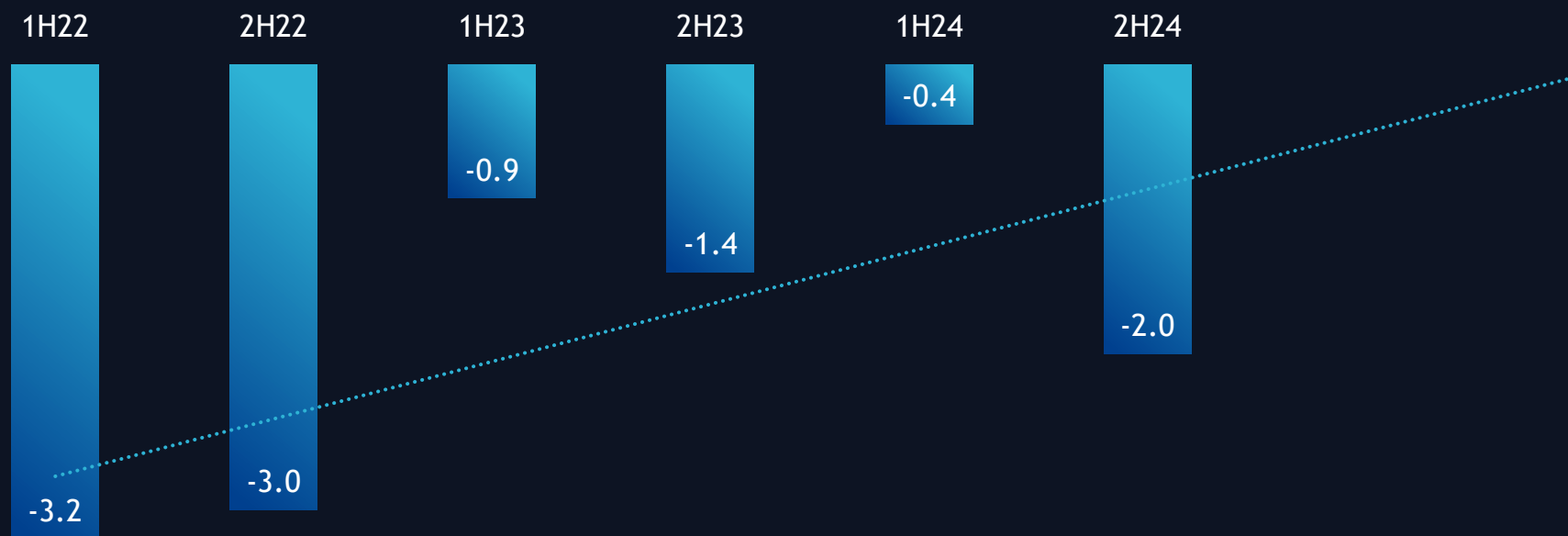


Annual licensing fee per platform instance

Pathway to cash flow positive

Cash flow from operating activities indicates a move toward positive cash flow. The chart below shows the improvement over the last three years with a clear trend. 2H24 increase in cash burn due to delays in cash receipts in South Korea and China

Cash flow from Operating Activities Trend

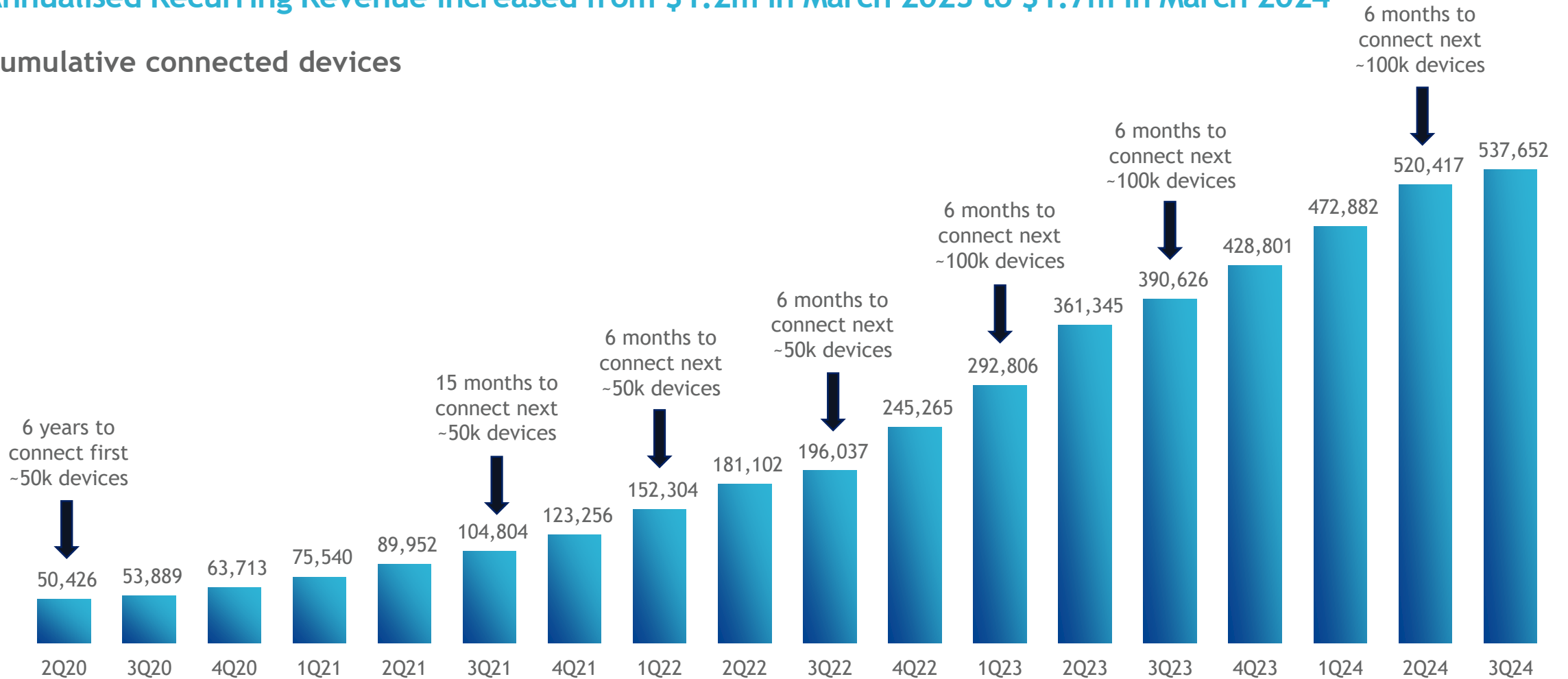


1. 2H24 financial figures are estimated and unaudited

Growing recurring revenue stream

Annualised Recurring Revenue increased from \$1.2m in March 2023 to \$1.7m in March 2024

Cumulative connected devices



1. Q2 FY20 data is from periods when X2M subsidiaries were operated by a prior owner

Growth strategy



Scale up

- Execute on pathway to materially scale up the existing businesses
 - Focus on building scale in Asia-Pacific with existing operations in South Korea, Taiwan, Japan, China
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Market expansion

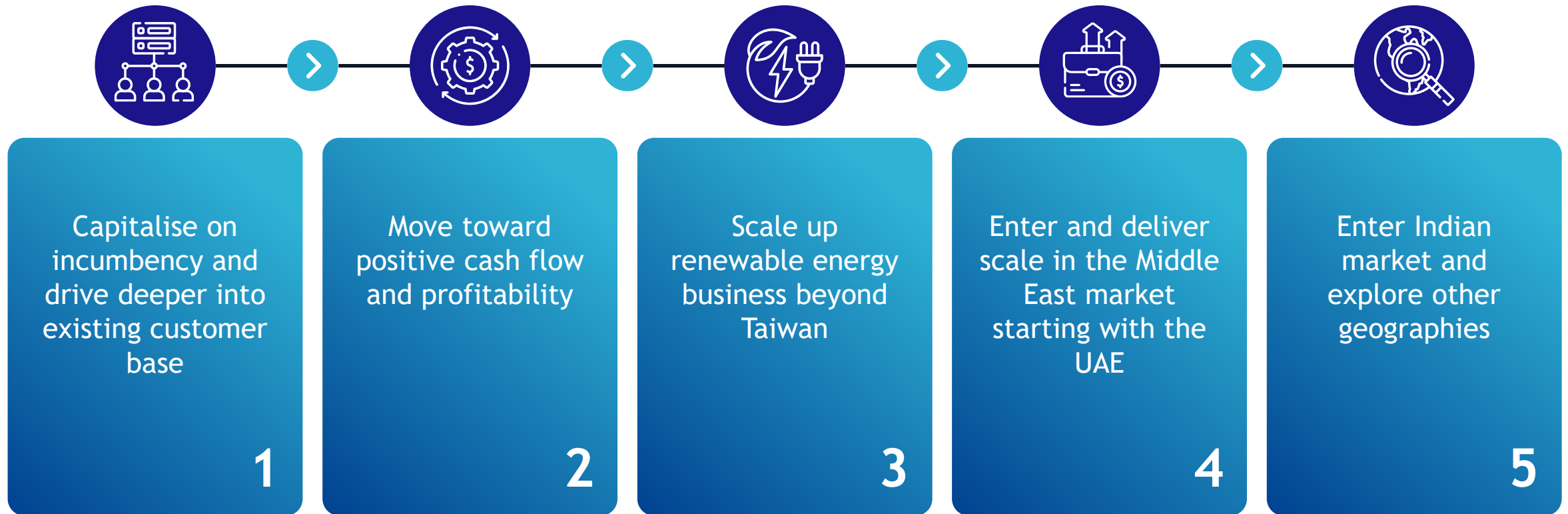
- Execute on Middle East market entry
 - Enter India and target emerging digitisation of gas and electricity meter markets - approximately 250m in each category
 - Accelerate renewable energy market entry
-



M&A opportunities

- Acquire for growth – accelerate organic and new country growth plans with a supporting M&A strategy

FY25 strategic priorities



Board and Senior Management



Hon. Alan Stockdale AO | Non-Executive Chair

- Currently Emeritus Counsel of Medical Research Commercialisation Fund and Chairman Knosys Limited
- Previously Treasurer of Victoria, as well as Investment banking at Macquarie



Keith Jelley | COO

- 9 years in the X2M business
- 40 years of development and operations experience across 9 countries in military, telecommunications and embedded systems industries



Mohan Jesudason | CEO and Managing Director

- 10 years leading the X2M business
- Previously Managing Director Gaming at TABCORP, led Telecom NZ mobiles business and grew AXA/AMP to leading positions in the market



Yongsun Kim | MD Korea

- Previously CEO of Kathrein Korea and Country Manager of NextWindow



Damien Johnston | Non-Executive Director

- Formerly CFO of Tabcorp
- Held several senior finance roles at BHP
- Fellow of CPA Australia and a Member of the Australian Institute of Company Directors



Steve Fang | MD Greater China

- 20 years of experience with Splunk, VMWare, Huawei, Delta Electronica and Ericsson



John Stewart | Non-Executive Director

- Extensive Investment banking experience at Gresham, Lazard & JP Morgan
- Bachelor of Laws (Honors), Bachelor of Commerce from the University of Melbourne

Investment summary



Unique, world-leading, future-proofed IoT solution enabling smart cities and AI



Early mover advantage with significant barriers to entry



Addressable market is large and growing, with significant global potential



Clear path to profitability; recurring revenues growing strongly



Strong Board and Management team

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