

Shareholder Presentation



Entitlement offer - August
2024

Disclaimer

This Presentation (“Presentation”) has been prepared by X2M Connect Limited (Company). You must read and accept the conditions in this notice before considering the information set out in or referred to in this Presentation. If you do not agree, accept or understand the terms on which this Presentation is supplied, or if you are subject to the laws of any jurisdiction in which it would be unlawful to receive this Presentation or which requires compliance with obligations that have not been complied with in respect of it, you must immediately return or destroy this Presentation and any other confidential information supplied to you by the Company. By accepting this document, you acknowledge and agree to the conditions in this notice and agree that you irrevocably release the Company from any claims you may have (presently or in the future) in connection with the provision or content of this Presentation. Statements in this Presentation are made only as at 19 August 2024 and the information in this Presentation remains subject to change without notice. The information in this Presentation is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither the Company nor its representatives have independently verified any such market or industry data provided by third parties or industry or general publications, and they take no responsibility for it.

No representation or warranty, express or implied, is made by any person as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this Presentation. This Presentation does not purport to summarise all information that a recipient should consider when making an investment decision and should not form the basis of any decision by a recipient. Recipients should carry out their own investigations and analysis of the Company and verify the accuracy, reliability and completeness of the information contained in this Presentation or any other form of communication to which the recipient is permitted access in the course of evaluating the Company.

Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) or any recommendation to acquire shares of the Company and does not and will not form any part of any contract for the acquisition of shares of the Company.

Not financial product advice

This Presentation is for informational purposes only and is not a financial product or investment advice or recommendation to acquire any securities in the Company (or any new holding company of the Company) and does not take into consideration the investment objectives, financial situation or particular needs of any particular investor. Recipients of this Presentation should make their own assessment of an investment in the Company and should not rely on this Presentation. Recipients should conduct their own research into the financial condition, assets and liabilities, financial position and performance, profits and losses, prospects and business affairs of the Company and its business, and the contents of this Presentation. Recipients should seek legal, financial, tax and other advice appropriate to your jurisdiction. Cooling off rights do not apply to the acquisition of X2M Connect Limited Shares.

Investment risk

An investment in Shares is subject to known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the Company nor does it guarantee the repayment or maintenance of capital or any particular tax treatment.

Past and future performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

This Presentation may contain certain forward-looking statements with respect to the financial condition, operations and business of the Company and certain plans and objectives of the Company. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects”, “predicts”, “intends”, “plans”, “targets”, “aims”, “outlook”, “guidance”, “forecasts”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. Such forward looking statements involve known and unknown risks, uncertainties and other factors that because of their nature may cause the actual results or performance of the Company to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the political and economic environment in which the Company will operate in the future (including in respect of the COVID-19 pandemic, which makes all forward-looking statements highly uncertain), which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements speak only as at the date of this Presentation and the Company is under no obligation to, and will not, update them. This document should be read in conjunction with other publicly available information.

This document provides information in summary form only and is not intended to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Disclaimer

To the maximum extent permitted by law, the Company and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in an investment in the Company and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, the Company and its respective advisers, affiliates, related bodies corporate, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation. Statements made in this Presentation are made only as the date of this Presentation. The information in this Presentation remains subject to change without notice.

Executive summary

Company overview

- X2M is a technology company that uses the internet to deliver productivity improvements, cost savings and improved public safety to enterprise and government customers
- X2M's current focus is servicing the utility sector in the Asia-Pacific (APAC) utility market through the provision of technology which connects devices over the internet, such as water meters and gas pressure sensors and which enables data exchange and control of these devices

Investment highlights

- 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
- FY24 Gross profit \$4.9 million, up 30% pcp
- Connected devices as at 30 June 2024 were 537,706, up 25% pcp

Equity raising overview

- \$2.0 million non-renounceable 1 for 7 Entitlement Offer of approximately 50 million New Shares at an issue price of \$0.04 per New Share
- The Offer will be used to scale up business development in Australia, market entry into the Middle East and India, renewable energy platform customisation, customer support and ongoing operations.
- Announcement of Offer 19 August 2024; Record Date of Offer 22 August 2024; Closing date of Offer 11 September 2024

X2M Connect Limited



X2M has commercialised a unique patented software platform for machine connectivity



We are digitising utilities in Asia. Our target countries represent > 20% of the world's population



Our platform is a core enabler of data collection, for automation, Artificial Intelligence and human free control of machines, meters and sensors



We are capitalising on a global trend of digitisation, data capture and AI in the utility sector



Our existing enterprise and government customers represent a very large addressable market and our new markets takes this to a higher level

Purpose of this raise - support transformation strategy: Horizon 3



Expand in Australia



Develop scale in renewable energy, battery storage and smart communities



Commercialise Middle East



Enter India market



Enhance platform and customer support

X2M is now in the third horizon of its strategy

Horizon 1

Build and commercialise



Platform built & proven

Extensive patent portfolio

Multiple geographies

Capability in place

Horizon 2

Land and expand



Large customer base & addressable market

Connected devices growing

Recurring revenues growing

Cash burn reducing

Costs reducing

Horizon 3

Transform - position for data explosion & AI - Now Entering

Harvest current markets

Tap renewable energy & battery storage

Expand in Australia

Enter Middle East

Enter India

Harvesting current markets - 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

77% of FY24
Revenue



Water meters in underground pits with added communication capability

More than
240,000
households monitored and controlled

Total addressable
market
\$950m H/W upfront¹
\$46m pa recurring²

TAM of contracted
customers
514m H/W upfront¹
25m pa recurring²

1. Assumes customer installs X2M current bundled services to all its households and based on \$120 per unit

2. Assumes customer installs X2M SaaS services to all its households at \$6 per household per annum

Australia and renewable energy

Leveraging the GreenRock partnership for energy management

- X2M and GreenRock Energy Co., Ltd, a major renewables company based in Taiwan, signed a strategic partnership for energy management
- We are expanding Echuca and Yarrawonga smart community deployments to eastern seaboard in Australia
- Developing Renewable energy and battery storage market in APAC with GreenRock
- GreenRock is now X2M's largest shareholder
- GreenRock has established Australian entity

New
Revenue
in FY25



Solar and Battery Storage

Battery storage market in Australia

AEMO outlined that 61GW of storage capacity is required by 2050. 17 times the current capacity¹ which represents about \$40 billion

Battery storage market in Taiwan

Estimated to hit A\$10b in 2030²

1. <https://www.energycouncil.com.au/analysis/storage-across-the-nem/>
 2. <https://www.infolink-group.com/energy-article/Taiwan-could-hit-20-GWh-energy-storage-and-200-bn-economic-scaleby-2030>

New geography - gas in United Arab Emirates

Recently launched in UAE with Dicode Technologies LLC
Expansion opportunities to Saudi Arabia and Oman

Licensed 'Meter as a Service' customer who will be delivering to multiple gas customers and where X2M provides:

- Meter digitisation
- Billing and process automation
- Data analytics and customer profiling
- Leak detection and waste reduction
- Smart gas metering mandated for new buildings. Current penetration approx 7%.

New
Revenue
in FY25



Digital gas meter with integrated LoRaWAN communications module

2.5m
households

Total addressable market
**\$24m pa
recurring¹**

1. Assumes customer installs X2M SaaS services to all its households at \$4 per meter per annum

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

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

UAE pricing model

The UAE model is based on a low capital, low expense, software based SaaS business model with each 100k devices added expected to generate future annual EBITDA of approx. A\$0.4 million



Upfront platform establishment license fee for each installation



Annual license fee per instance for platform access
Annual support fee per platform instance deployed



Per connected device monthly license fee for contract term



Customisation and support fees paid on daily rate



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

India market - new revenue potential

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 setting up integration of our platform with a large entity in India

250m
households

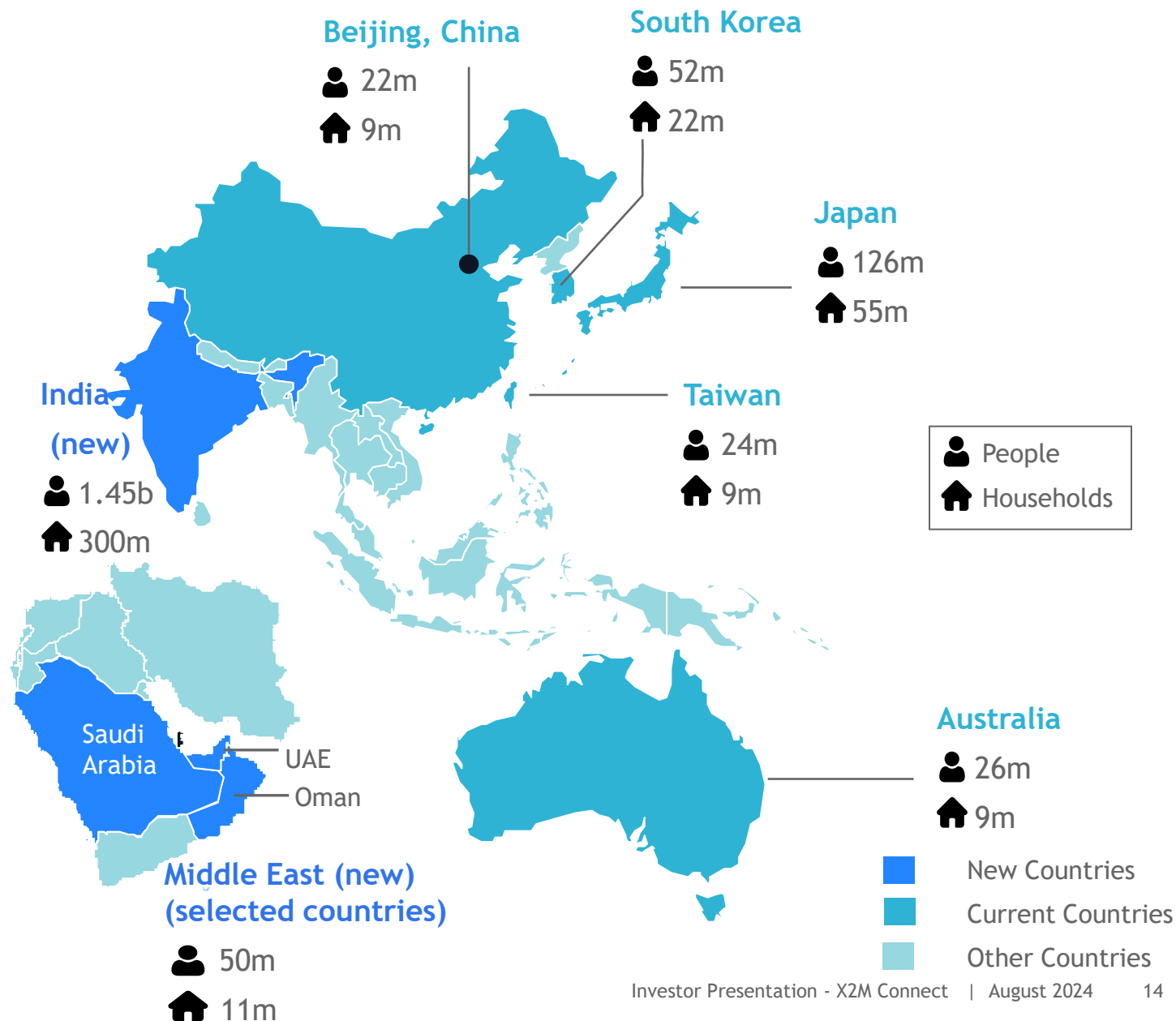
Total addressable market
\$500m pa recurring¹

1. Assumes customer installs SaaS services to all its households at \$2 per meter per annum

Addressable markets to potentially expand materially in Horizon 3

- 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
- Addressable Market in new geographies: 1.5 billion people, 311 million households
- Annual recurring revenue potential across new geographies²:
Approximately \$625m per annum

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



Our solution – the results we deliver to our customers



**Increased
operational
efficiency**

Platform streamlines utility management and reduces manual interventions.



**Cost
reductions**

Automated monitoring and accurate, real-time data eliminates the need for manual meter readings, reduces errors, and optimises resource allocation.



**Enhanced
public safety**

Real-time alerts and automated responses to hazards, reduces 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



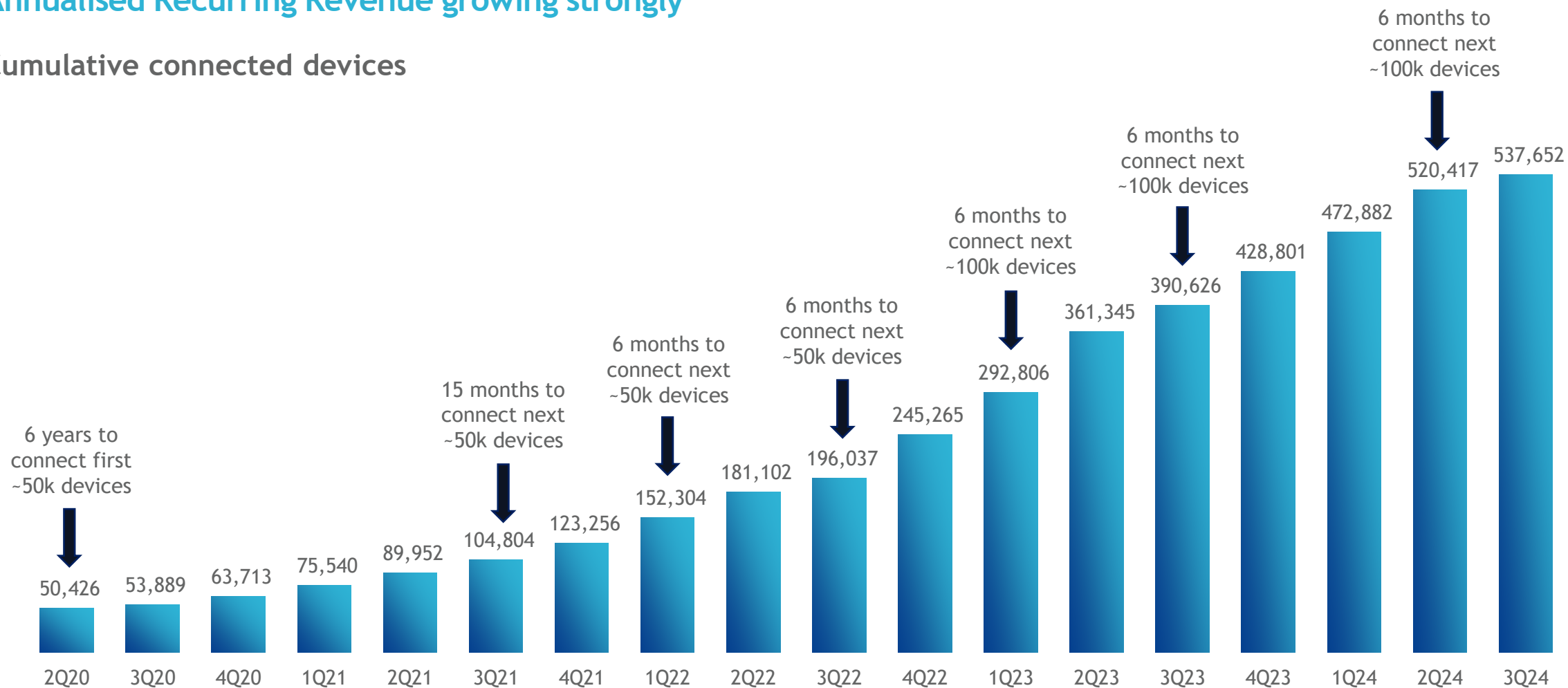
**Improved
data flow and
analysis**

Data collected can be used by a wide range of automation and Artificial Intelligence applications and to trigger individual or group actions with or without human intervention

The company has momentum

Annualised Recurring Revenue growing strongly

Cumulative connected devices

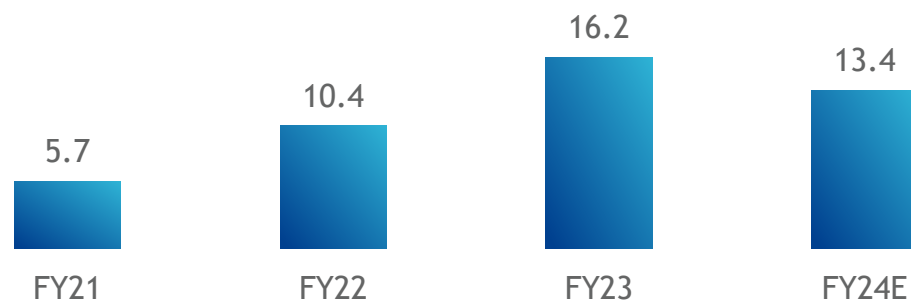


1. Q2 FY20 data is from periods when X2M subsidiaries were operated by a prior owner

We are driving towards positive cashflow

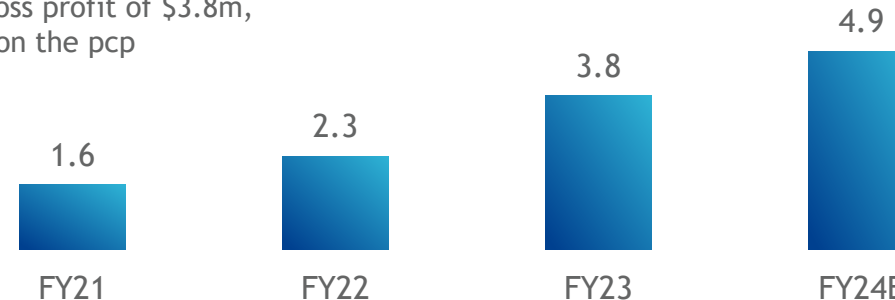
Growth in gross profit, ARR and flat Opex has the company on path to positive cashflow and earnings. Drop in FY24 revenue driven by discontinuation of low margin hardware sales and focus on margin generation

Revenue (\$M)

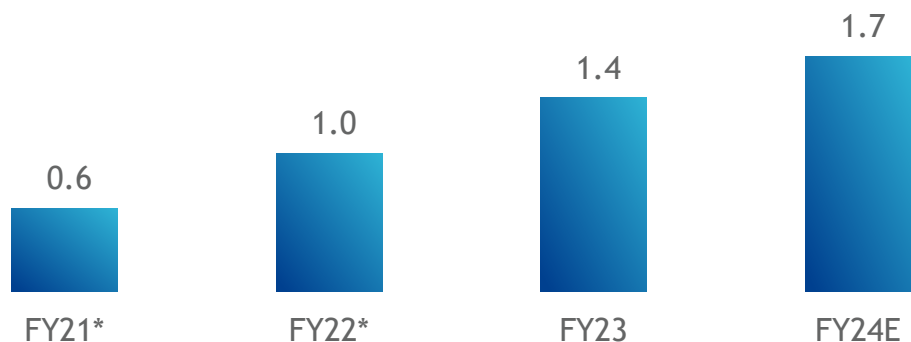


Gross profit (\$M)

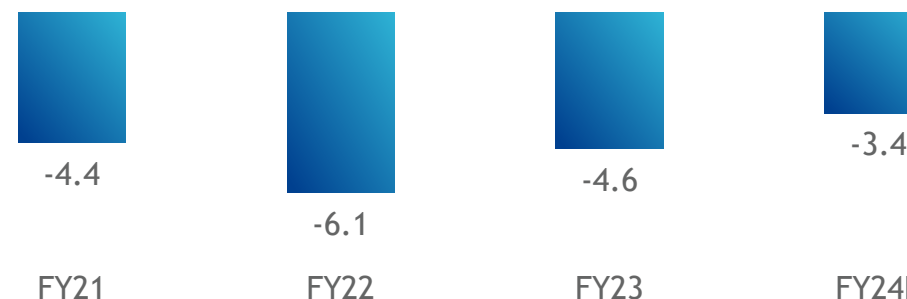
FY23 gross profit of \$3.8m, up 64% on the pcip



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

Revenue model

Upfront revenue



Platform installation fee per instance plus platform customisation fees



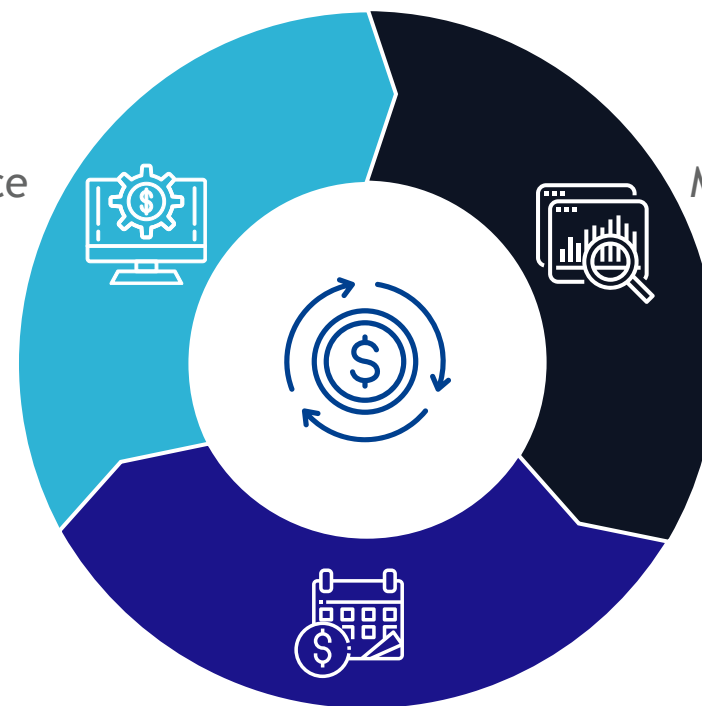
Per new device connection fee or per new device fee for X2M hardware

Recurring revenue

Monthly maintenance fee for support



Monthly SaaS fee for data delivered



Annual licensing fee per platform instance

X2M Team and Corporate Snapshot



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



Mohan Jesudason | CEO and Managing Director

- 11 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



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



John Stewart | Non-Executive Director

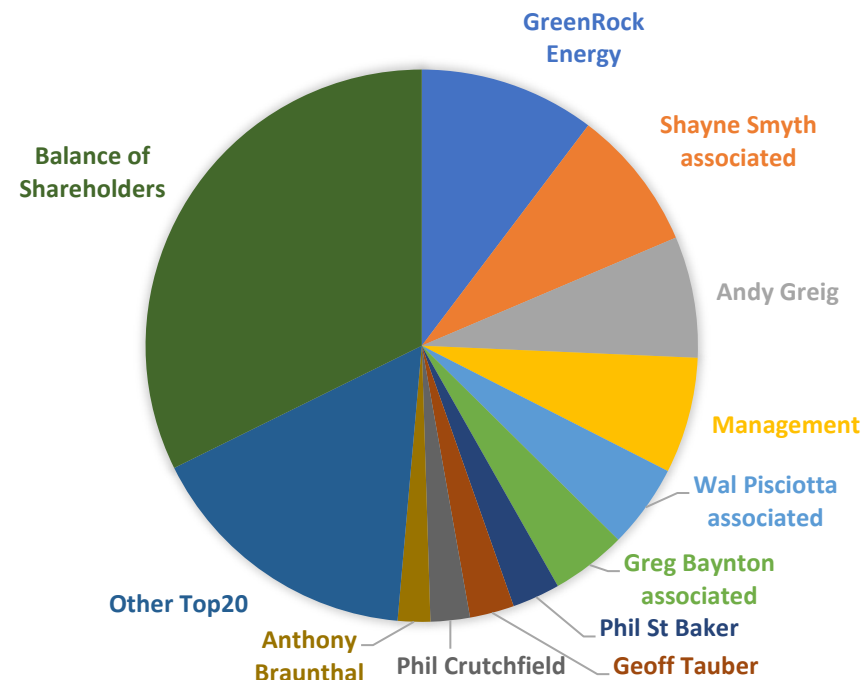
- Extensive Investment banking experience at Gresham, Lazard & JP Morgan
- Founder and Managing director at Health&
- Bachelor of Laws (Honors), Bachelor of Commerce from the University of Melbourne



Keith Jelley | COO

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

INFLUENTIAL SHAREHOLDERS TOP 20 HOLD 67%



Shares on issue: 350 million

Market Cap: \$14 million

Cash at 30 June 2024: \$1.9 million

Debt at 30 June 2024: \$2.98 million

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 team leading the Company to the next horizon

Equity raising overview

Entitlement Offer

- Offer will raise up to \$2.0 million through the issue of approximately 50 million New Shares
- Offer is for New Shares under a non-renounceable Entitlement Offer
- Eligible Shareholders are entitled to subscribe for 1 New Share for every 7 Shares held as at the Record Date of 22 August 2024, at an issue price of \$0.04 each

Key Dates

- Announcement of Offer 19 August 2024
- Record Date of Offer 22 August 2024
- The Closing Date and time for acceptances and payments is 5.00pm AEST on 11 September 2024

Key Terms

- Investors should read the Offer Letter under the Entitlement Offer in its entirety and refer to the releases made by the Company to ASX before deciding whether to apply for New Shares. In particular, investors should consider the risk factors outlined in Section 6 and consider these risk factors in light of their personal circumstances, including financial and taxation issues

Offer timetable

| Activity | Date |
|---|-------------------|
| Announcement of Offer | 19 August 2024 |
| Lodgement of Appendix 3B with ASX | |
| Lodgement of Offer Letter with ASX | |
| Record Date for the Offer | 22 August 2024 |
| Offer Document despatched to Shareholders | 27 August 2024 |
| Company announces the despatch has completed | |
| Opening Date for Offer | |
| Last day to extend Offer closing date | 6 September 2024 |
| Closing Date of the Offer | 11 September 2024 |
| Announcement of results of Offer | 17 September 2024 |
| Lodge Appendix 2A for Securities issued under the Offer | 17 September 2024 |
| Quotation of Shares issued under the Offer | 18 September 2024 |
| Expected despatch of holding statements | 19 September 2024 |



Contact

Mohan Jesudason

Chief Executive Officer

investor.relations@x2mconnect.com

T: 1 800 926 926 (1 800 X2M X2M)

Howard Marks

Automic Markets

howard.marks@automicgroup.com.au

T: +61 402 438 019