



ASX Announcement | 28 March 2022 X2M Connect Limited (ASX:X2M)

X2M continues to grow its China footprint

X2M set to significantly grow its revenue base in 2H FY22, aided by two contract wins in China

Investment Highlights

- X2M Connect has secured two contract wins in China valued at approximately A\$1 million
- This takes the number of contract wins in this all-important Asian market to six
- Inclusive of these two new contracts, X2M Connect's China-based revenues over financial year 2022 (FY22) to date now exceed \$2.3m, a figure more than double that reported in financial year 2021 (FY21)
- Together with other recognized FY22-to-date revenues, X2M Connect now has contracts in excess of A\$9m, after sales of A\$4.6 million in the first half of financial year 2022.

Australian Internet of Things (IoT) technology company **X2M Connect Limited (ASX:X2M)** ("X2M" or "the Company") is pleased to announce that LianQing in China has placed two further contracts with the Company for water quality sensors and related accessories.

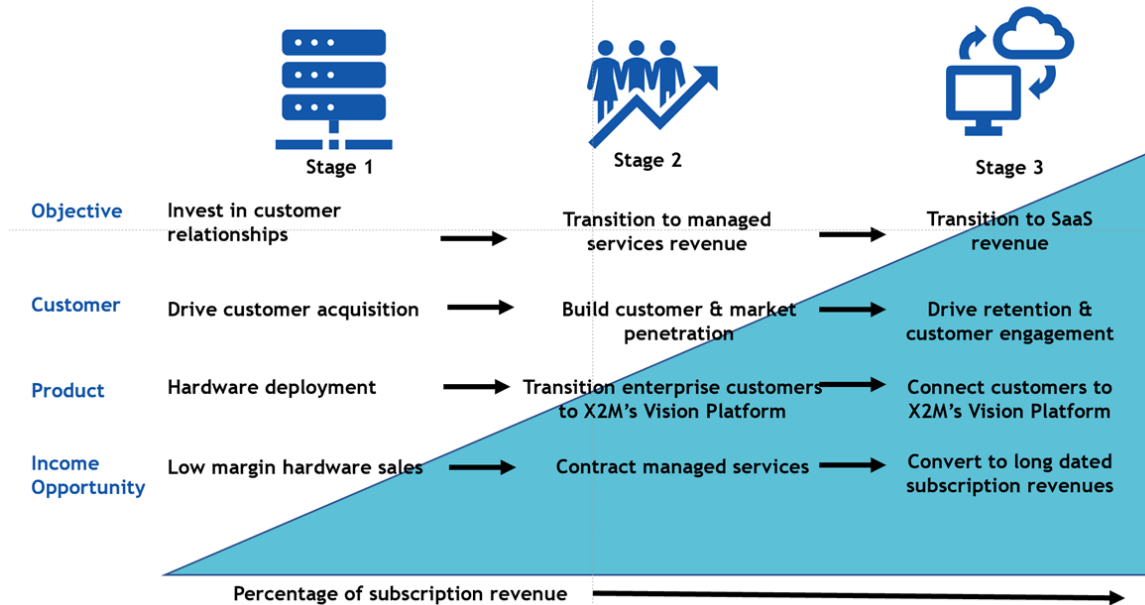
Contracts reflect X2M's strong working relationship with LianQing

The two contracts, comprising the acquisition of water quality sensor hardware and related accessories, are valued at approximately A\$1 million. They follow on from four prior contracts with LianQing secured in late 2020 and early 2021. Revenue arising from the two contracts, one valued at around A\$0.6m, the other at A\$0.4m, will be recognised in March and April respectively. Inclusive of these contracts, over A\$2.3 million of revenues are now expected to be earned from X2M's China operations during FY22, a figure more than double FY21 China revenues of A\$1.1 million.

Further evidence stated growth strategy is being delivered

The two contract wins build on X2M's stated China market growth strategy, which is to initially get a toehold in this country through the sale of hardware and then follow up these sales with connection of devices to the X2M IoT platform. Over time, the successful execution of this growth plan is expected to impact favourably on customer growth and margin metrics.

Conversion of customers to SaaS contracts commenced



X2M's other markets

In addition to China, X2M also operates in South Korea, Taiwan, Japan and Australia, where the Company is also continuing to successfully build a presence, Reflective of this market penetration, X2M reported year on year revenue growth of 44% in its 1H FY22 reporting period. The 2H FY22 reporting period has also started strongly. Together with other recognized FY22-to-date revenues, X2M Connect now has contracts in excess of A\$9m.

X2M CEO Mohan Jesudason said: "We are thrilled with the growth being delivered by our China business. The contracts announced today, which bring our FY22-to-date China revenue to more than \$2.3 million, represent another step in our efforts to validate the X2M strategy. They definitely align with our stated growth plans in the all-important Chinese market. This is to use hardware sales as a base for future recurring higher margin SaaS platform revenues. Success here will deliver an annuity stream that will in turn underpin future profitability. Over the months ahead, we look forward to updating the market on other growth initiatives now in the pipeline.

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 180,000 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](#).