

FY24 Results Presentation

August 2024



About Us



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

FY24 highlights



Revenue of \$13.4 million, down 17% (FY23: \$16.2 million), reflecting the Company's targeted and previously announced strategy to exit low margin hardware-only sales



Recurring SaaS and maintenance revenue of \$1.7 million, up 50% (FY23: \$1.15 million)



Gross profit \$4.9 million up 29% (FY23: \$3.8 million), reflecting profitable conditions in Japan and South Korea



Adjusted EBITDA¹ loss of \$3.2 million, improved 31% (FY23: \$4.6 million)



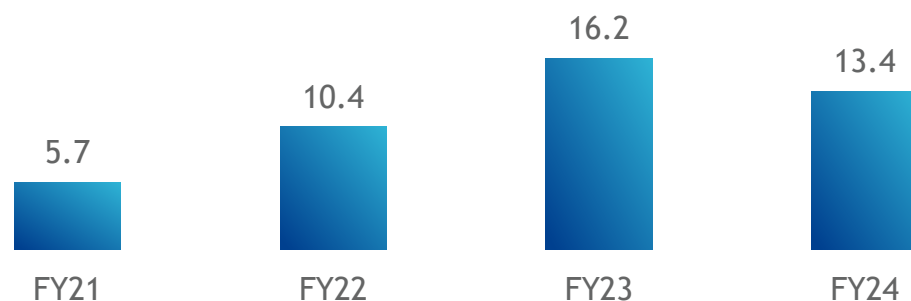
Connected devices as at 30 June 2024 were 537,706, up 25% (FY23: 428,801)
Enterprise/government customers increased to 75, up 15%, (FY23: 64)

¹. Adjusted EBITDA is a non IFRS measure and excludes Share based payments and one-off costs

We are driving towards positive cashflow

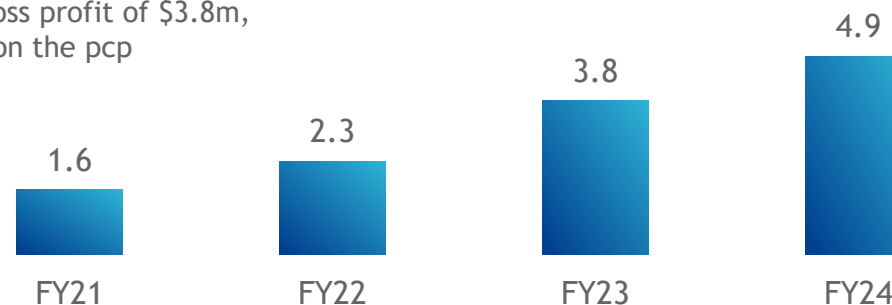
Growth in gross profit, recurring SaaS and maintenance revenue and flat Opex has the company on path to positive cashflow and earnings. Drop in FY24 revenue driven by discontinuation of low-margin hardware sales and focus on margin generation

Revenue (\$M)

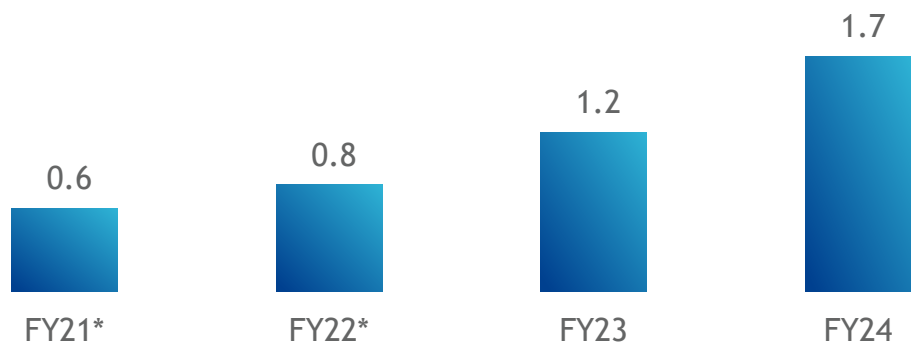


Gross profit (\$M)

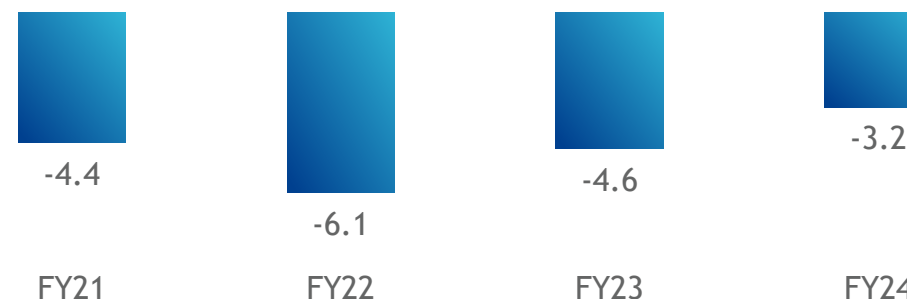
FY23 gross profit of \$3.8m, up 64% on the pcip



SaaS and maintenance revenue*



Adjusted EBITDA¹ (\$M)

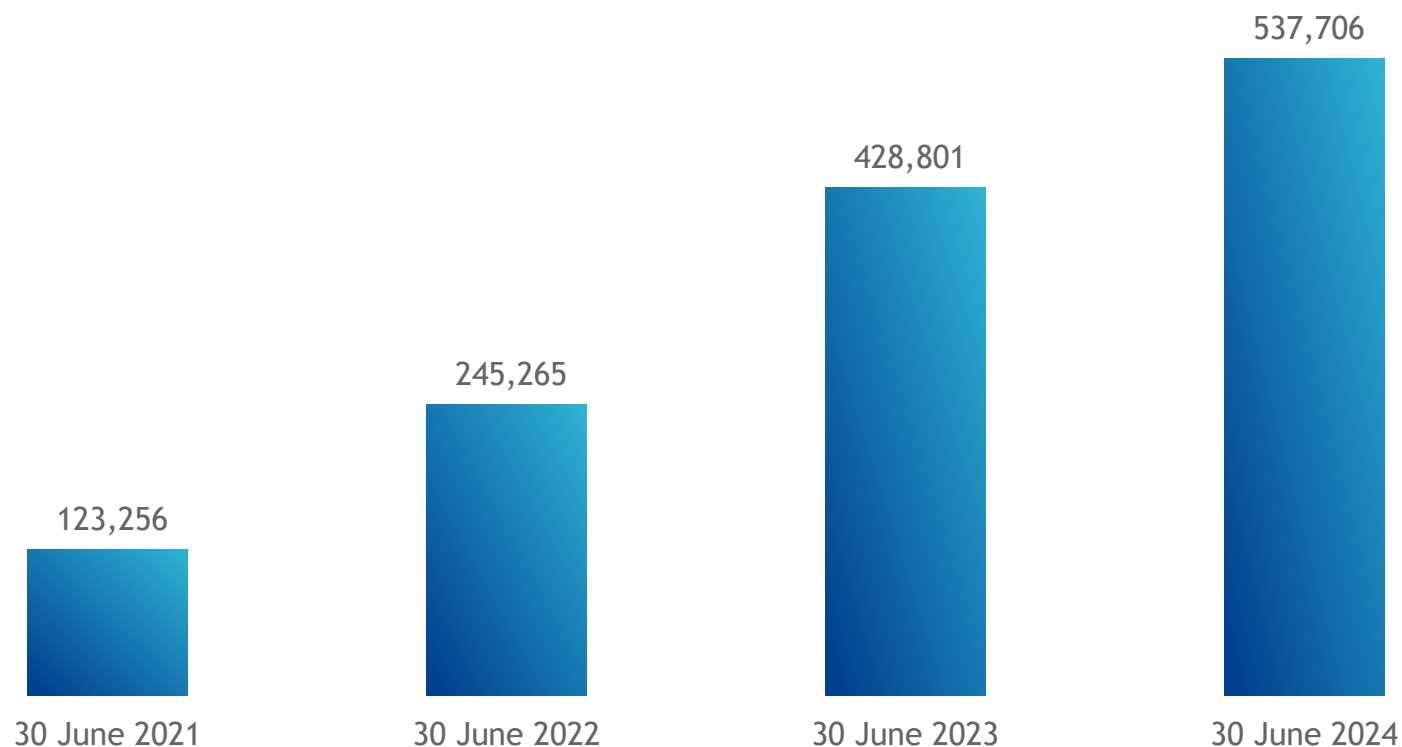


* FY21 and FY22 SaaS and maintenance revenue excludes Gochang hardware subscriptions

1. Adjusted EBITDA is a non IFRS measure and excludes Share based payments and one-off costs

Strongly growing connected devices

A key focus for X2M is continued growth in the number of connected devices which provide the base for future recurring SaaS revenues under long-term contracts. The rise in connected devices is driven by the Company's core enterprise and government customers. Total connected devices at 30 June 2024 reached 537,706 an increase of 25% on the 30 June 2023 figure.



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

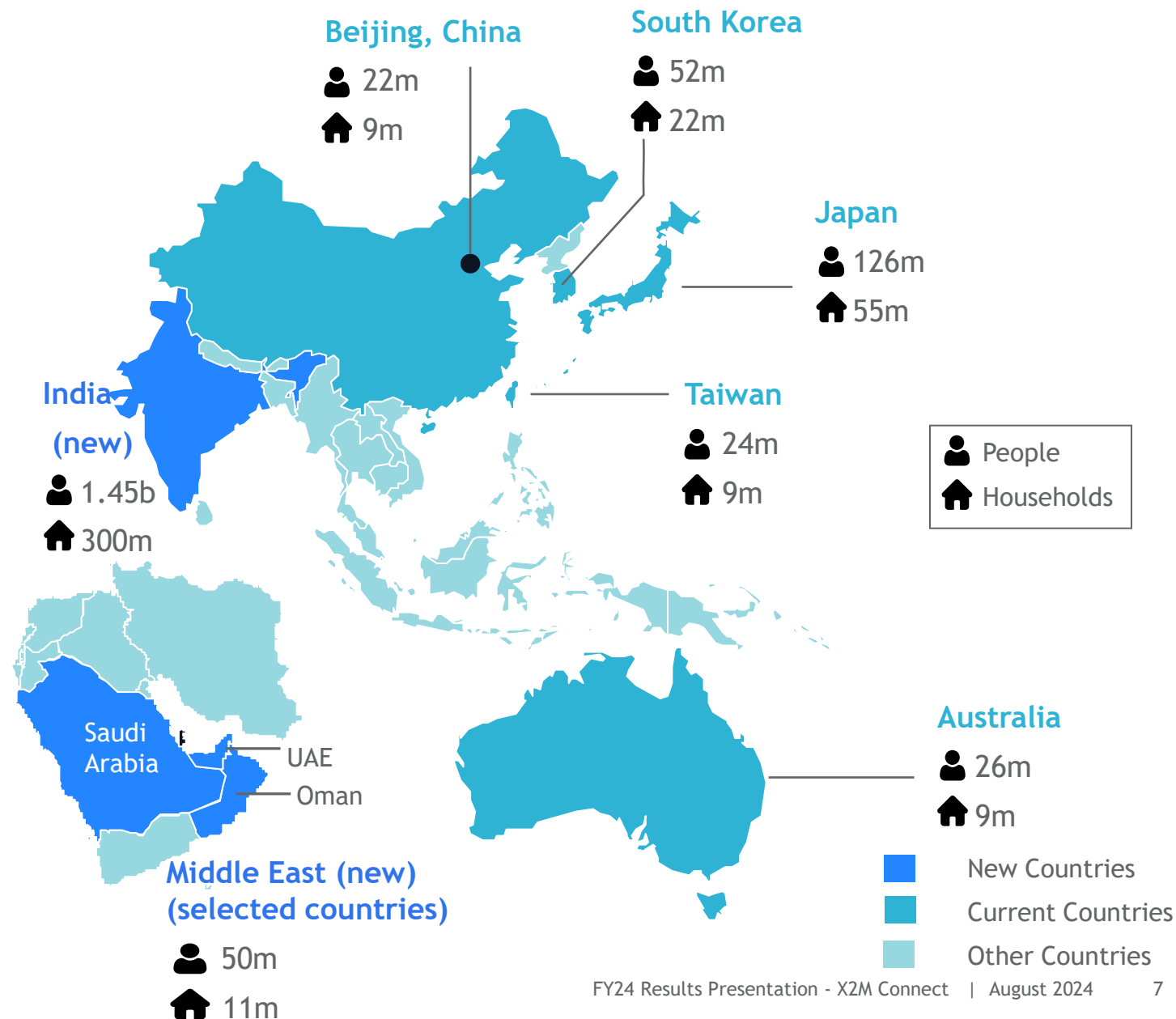
Enter Middle East

Enter India

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.

Revenue model

Upfront revenue



Platform installation fee per instance plus platform customisation fees



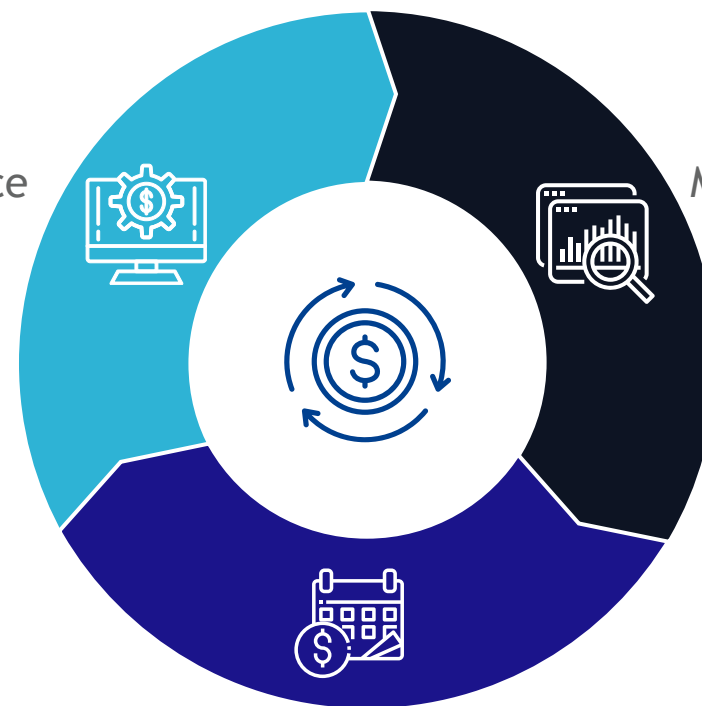
Per new device connection fee or per new device fee for X2M hardware

Recurring revenue

Monthly maintenance fee for support



Monthly SaaS fee for data delivered



Annual licensing fee per platform instance

X2M summary



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



Early mover advantage with significant barriers to entry and majority of customers with repeat orders



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

Contact

Mohan Jesudason

Chief Executive Officer

investor.relations@x2mconnect.com

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

Gabriella Hold

Automic Markets

gabriella.hold@automicgroup.com.au

T: +61 411 364 382

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 30 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.