



ASX Announcement | 20 February 2025

X2M executes first commercial contract in the Middle East

Highlights

- X2M executes first commercial contract in the Middle East with Dicode Smart Connect Electronics (DSCE) following a Term Sheet secured with Dicode Technologies in August 2024
- The 10-year contract is for use of X2M's data aggregation platform, "Vision by X2M" for gas operations in the United Arab Emirates (UAE)
- The software licensing contract is high margin with first revenues expected this financial year
- X2M anticipates around A\$0.4 million EBITDA per annum for every 100,000 smart devices installed on the "Vision by X2M" utility solution in the Middle East
- UAE presents a significant market opportunity with a population of 10 million people across 2.5 million dwellings with potential applications across the gas, water and electricity sectors
- The parties intend to expand this offering beyond the UAE into the broader Middle East region
- DSCE has now been awarded its first commercial 'Metering-as-a-Service' contract by Dubai based gas company, Ocean Gas

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") has executed a contract with Dicode Smart Connect Electronics LLC (DSCE) to license the X2M Utility platform, "Vision by X2M", for operations in the UAE.

The contract follows a Term Sheet with Dicode Technologies LLC (Dicode) in August 2024 to use X2M's platform in the Middle East (see ASX Announcement dated 5 August 2024). Dicode has selected its associate entity, DSCE, to execute this.

DSCE will use 'Vision by X2M' as the only platform in the Metering as a Service offering for an initial period of ten years. The parties intend to expand this offering beyond the UAE into the broader Middle East region.

The contract revenue structure includes upfront charges; an annual per instance licensing fee; an annual per device monitoring fee; and additional charges for customisation and ad-hoc support services. Revenue from the contract is expected to exceed A\$250,000 during the first 12 months of operation with the first revenues to occur in the current financial year.

DSCE has recently been awarded its first commercial Metering as a Service contract by Dubai based gas company, Ocean Gas, at a new development in the Wadi al Safa 2 and is expected to have 800 households connected. Ocean Gas has executed over 200 pipeline projects in Dubai over the last three years. DSCE also has gas meters deployed and connected to the X2M platform in three other gas companies and expect a further five gas companies to deploy soon.

X2M CEO Mohan Jesudason said: "This contract forms the backbone of our strategy to launch our IoT platform as a Software as a Service (SaaS) offering in select markets throughout the Middle East with gas utilities a prime sector to target.

"From its base in Dubai, DSCE intends to source Metering as a Service contracts with gas utilities and install and manage digitised meters using our market-leading platform for the next 10 years.



“With a population of 10 million across 2.5 million dwellings, over four million water and electricity meters and an estimated 500,000 piped gas connections in Dubai alone, the UAE is the logical entry point into the Middle East for X2M.

“The UAE Government has mandated piped gas be fitted to all new buildings to transition away from bottled gas. With only 7% market use of ‘smart’ gas meters and a heavily fragmented gas market with many small gas companies, the market opportunity is considerable.

“This is a high-margin software licensing agreement and we expect around A\$0.4 million EBITDA per annum for every 100k smart devices that are installed on the ‘Vision by X2M’ utility solution.

“Our unique platform will provide the digital infrastructure needed to facilitate the transition to smart cities in the whole region by digitising and integrating seamless two-way communication between property, industry and government organisations on one centralised platform.”

Dicode Smart Connect Electronics LLC CEO Satish Chandran added: *“We are thrilled to share that DSCE has been awarded its first commercial smart gas metering project by Ocean Gas in Dubai at a new development in Wadi Al Safa 2. This marks the true beginning of the digital revolution in gas metering in the UAE. The Middle East market represents a significant opportunity for utility digitisation. DSCE’s bundled Meter as a Service offering is new and unique to the region with X2M’s proprietary platform being a core enabler to our offering. Early market acceptance has been most encouraging with a number of leading utilities progressing early deployments. It is our intention to expand this offering beyond the UAE in the near term.”*

The X2M platform will provide the ability to monitor and control gas and other meters and eliminate expensive manual reading as well as delivering large amounts of data for artificial intelligence and analytic applications.

In addition to the UAE, the Middle East market is vast with countries such as Saudi Arabia having around eight million dwellings mostly supplied by bottled gas and a burgeoning water market as new connections are introduced.

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. The strategy is to stay focused on the utility sector where X2M has proven performance and tap the growing artificial intelligence, renewable energy generation and battery storage markets’ demand for data collection, analytics and device control.



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 collection of large volumes of data from meters or sensors and our ability to go back and control devices also provides the basis for artificial intelligence or machine learning applications to build upon our platform. The Company generates revenue from the sale of hardware and monthly subscription fees under Software as a Service arrangements.

X2M now has more than 540,000 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 communications 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. The addressable market across the region is large and importantly, the addressable market within X2M's existing customer base is also large with penetration growing. Going forward, X2M will look to continue its global expansion, with subsidiaries already operating in Japan, South Korea, Taiwan and, most recently, China.

X2M is now extending its focus into the Middle East by licensing its platform to Dicode Smart Connect Electronics LLC, a Dubai based business.

To learn more about X2M click here: www.x2mconnect.com or follow us on [LinkedIn](#).