

ASX Announcement | 25 May 2026

X2M launches Smart Water Meter in South Korea

Well placed to grow share in an estimated \$1.3b Total Addressable Market and \$52 million in recurring revenue

Key Points:

- X2M secures a manufacturing licence for **South Korea's first AI-enabled integrated smart water meter**, engineered to maintain connectivity in flooded underground conditions
- X2M was **engaged by the largest South Korean water manager to address a national challenge** in residential water meter connectivity and to **reduce the cost of water digitisation**
- Meters are **connected to X2M's patent supported, AI-enabling data processing platform**, driving recurring **SaaS revenue alongside hardware sales**
- **Two years of "private contract" access** provides a **pipeline to South Korean municipalities via the Public Procurement System**, with **no tender process required** to order meters
- X2M is the **only company to achieve a separable integrated meter certification in South Korea**, having now delivered the **most innovative product in the market**

Strategic Rationale:

- The **primary objective is deploying units at scale to build a large, sticky recurring SaaS revenue base**.
- **Hardware sales are the mechanism that drives platform connectivity and locks in long-term revenue**, giving X2M **end-to-end control across one of South Korea's largest infrastructure markets**
- South Korea **mandates water meter replacement every eight years**, creating an **annual replacement market of approximately one million units per annum**
- The **Total Addressable Market for water meters across South Korea** is estimated to be **more than \$1.3b with \$52m in annual recurring revenue**
- X2M's **existing water meter customer base in South Korea** represents an **addressable market opportunity** of approximately **\$750M**, with an estimated **\$30M in annual recurring revenue**

X2M Connect Limited (ASX:X2M) has secured a manufacturing license to produce and sell South Korea's first AI-enabled separable integrated smart water meter.

Engaged by South Korea's largest water manager, X2M's solution is expected to cut hardware costs by 30%. Every meter sold is expected to connect to X2M's platform, generating recurring SaaS revenue across a market of up to one million annual replacements.

An X2M Innovation to Solve a Major Connectivity Gap for a potential \$1.3b market

- Water meters and communications modules in South Korea have historically been sold and installed as separate units, creating duplicated effort, higher unit costs and higher installation costs
- Water meters are installed in pits one metre underground. When these pits flood, communications to the central platform are cut off, disabling data collection, remote meter control and agentic AI applications
- X2M's integrated unit combines the meter and communications module into a single separable device
- At installation, the communications module separates and is positioned above the waterline, maintaining continuous data flow to X2M's platform even when the pit is flooded
- X2M's integrated meter is the only unit in South Korea capable of maintaining communications in underwater conditions
- Each unit includes a built-in water detector, temperature sensor and leak detection capability
- Every connected meter becomes a live, data endpoint on X2M's platform, enabling real-time leak detection, temperature alerts, pit flood monitoring and providing data for AI-driven water management, with human-free control of connected meters.

Integrated Design of Water Meter and Remote Reading Device

The water meter and remote reading device are integrated into a single unit for easy installation and maintenance.



Leak Detection Sensor for Meter Pit

The leak detection sensor at the bottom of the unit detects water leaks and immediately sends an alert to the platform.



Antenna and Antenna Cable Installation

The communication module is installed by extending the antenna and cable from the meter pit to ensure stable communication performance.



Power-Efficient Design for Longer Battery Life

Low-power hardware and duty cycle firmware optimization reduce power consumption and extend battery life compared to existing products, lowering replacement frequency and maintenance costs.



Engaged by South Korea's Largest Water Managers to drive digital adoption

- South Korea's water meter market has approximately 60 licensed manufacturers, most producing meters only. Communications modules are sold and installed separately, creating duplicated effort and higher costs for water authorities
- With no integrated solution available in the market, South Korea's largest water manager engaged X2M under a development program to design and certify a solution
- X2M's integrated unit combines the meter and network interface card (NIC) into a single device, eliminating the need for two separate purchases and cutting hardware (including installation) costs by approximately 30%
- For X2M, the integrated unit generates higher per-unit revenue than selling a NIC alone, while also capturing the meter sale
- X2M is the only company to achieve separable integrated meter certification in South Korea. A dedicated assembly facility has been established and certified to government requirements with full type certification and a manufacturing licence granted
- X2M has secured two years of private contract access which means that meters can be procured directly by water authorities through the Public Procurement System with no tender process required

Well placed to grow share in an addressable market of \$52m in Annual Recurring Revenue

- South Korea mandates water meter replacement every eight years. With 8.7 million meters in use, approximately one million units enter the replacement market each year
- As the only certified integrated meter in South Korea, X2M enters this replacement market with a clear product advantage
- The addressable market across South Korea is estimated at more than \$1.3 billion in hardware, with \$52 million in annual recurring revenue at full connectivity
- X2M's existing municipal water customer base represents an addressable market of approximately \$750 million, with an estimated \$30 million in annual recurring revenue
- Every meter sold connects to X2M's platform, generating recurring SaaS revenue
- AI applications enabled by connected meters include remote monitoring and control, leak detection and shut-off, temperature sensing and pit flood alerts

X2M CEO Mohan Jesudason said: "*Without connectivity there is no data. Without data there is no AI. This meter solves a problem that has blocked water authorities from digitising their networks for years. It is expected to connect directly into our platform, it cuts customer costs by approximately 30%, and every unit connected generates recurring revenue for X2M. With two years of contract access where tenders are not required, a replacement market of around one million meters per year, and an addressable recurring revenue opportunity of \$30 million across South Korea's 8.7 million meters, the commercial opportunity here is significant.*"

Ends



The Board of X2M has approved this announcement.

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About X2M Connect Limited

X2M Connect Limited (ASX:X2M) is a leading Australian smart city technology company delivering patent supported solutions that enhance productivity, reduce operational costs and improve public safety for utility and government customers. Smart cities involve the collection, aggregation and processing of data from a wide range of sensors to automate controls that improve the speed, effectiveness and accuracy of outcomes for cities and their residents.

X2M's platforms enable real-time data exchange, remote control and predictive insights by connecting water, gas and electricity resource devices as well as other critical sensors to edge and cloud based software. X2M delivers a mass of data that enables AI for customers.

X2M's core platform underpins three product families, 'Vision by X2M', 'Hive.AI by X2M' and the 'Help Me' safety device, supporting more than 85 customers across five key geographies. The Company has connected over 500,000 devices to date and continues to expand its footprint, leveraging strong government and enterprise relationships throughout Japan, South Korea, Taiwan and the Middle East. X2M generates revenue through a mix of hardware sales, recurring SaaS and platform fees, and device connection charges.

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