



ASX Announcement | 6 December 2023 X2M Connect Limited (ASX:X2M)

X2M announces entitlement offer for \$1.5 million

Investment Highlights

- \$1.5 million non-renounceable 1 for 6 Entitlement Offer of approximately 38.1 million New Shares at an issue price of \$0.04 per New Share
- X2M signs non-binding MOU with GreenRock. The MOU includes
 - Scalable energy management platform
 - Partnering in Australia, Taiwan, Japan and South Korea
- Connected devices on the X2M platform extends past 500,000

Australian Internet of Things (IoT) technology company **X2M Connect Limited (ASX:X2M)** (“X2M” or “the Company”) is pleased to announce an entitlement offer for \$1.5 million and the signing of a non-binding MOU with GreenRock Energy Co. Ltd. of Taiwan (“GreenRock”)

Entitlement offer

The Offer is for New Shares under a non-renounceable Entitlement Offer. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 6 Shares held as at the Record Date, at an issue price of \$0.04 each. The Offer will raise up to \$1.52 million through the issue of up to 38.1 million New Shares. The key purpose of the Offer is to fund platform enhancements for renewable energy, smart communities and ongoing operations. It will also fund strategically important initiatives such as the GreenRock opportunity.

The issue price for the Entitlement Offer is a 15% discount to the closing price of Shares on 1 December 2023.

The Closing Date and time for acceptances and payments is 5.00pm AEDT on 27 December 2023. The full timetable for the Entitlement Offer is shown below.

MOU with GreenRock

X2M is pleased to announce that it has signed a non-binding memorandum of understanding (MOU) with GreenRock, a large renewable energy generation and battery storage company located in Taiwan. GreenRock currently has 900MW of renewables power under management and 300MW in deployment.

GreenRock and X2M intend to collaborate and develop an energy management system solution business together. The business development terms of the MOU are:

- GreenRock acquires a scalable energy management platform for Taiwan from X2M
- GreenRock will be the battery owner for Australian deployments starting with X2M’s previously announced smart community projects in Echuca (1,000 households) and Yarrawonga (800 households)
- X2M and GreenRock will jointly develop an energy management system business in the target markets of Australia, Taiwan, Japan and South Korea

As advised, the MOU is non-binding. The parties are actively discussing final agreements to give

effect to the MOU and the Company will update the market as any of these are completed.

The energy management system (EMS) market is very substantial and forms part of the Battery Energy Storage System (BESS) market. In Taiwan, the BESS total addressable market is estimated to be A\$500 million in 2023 increasing to A\$10 billion in 2030¹. The EMS makes up between 2% and 3% of the BESS market suggesting a total market of A\$15 million in 2023 increasing to A\$300 million in 2030. In Australia, AEMO outlined that 61GW of storage capacity is required by 2050 which is 17 times the current capacity². This indicates that the BESS market for Australia could be equivalent to a value of around \$40 billion with the associated EMS market being \$1.2 billion. Considering the size of the Taiwan and Australian markets and likely similar sizes in Japan and South Korea, the opportunity for this collaboration is significant.

Business update

X2M has delivered record results in FY23 and followed up with a strong first quarter in the 2024 financial year. The Company has successfully grown its existing markets and increased the penetration of its existing customer base. The existing operations represent a significant addressable market which we continue to penetrate and remain the key focus area for the company.

The number of devices connected to the X2M IoT platform now exceeds 500,000 with more than 60,000 devices added in the last three months. These connected devices form the foundation for future recurring Software as a Service (SaaS) revenues.

Our strategy is to stay focused on the utility sector where X2M has proven performance and to tap the growing artificial intelligence, renewable energy generation and battery storage areas of this market with our proprietary data collection platforms.

X2M CEO Mohan Jesudason said: “Signing the non-binding MOU with GreenRock Energy Co., Ltd is an important strategic step in our renewables journey and is very exciting for X2M. If completed, this partnership has the potential to transform X2M and provides the opportunity to leverage GreenRock’s extensive pipeline of projects. Our entitlement offer forms part of the Company’s plans to fund strategically important initiatives such as this MOU and support working capital.”

Entitlement offer timetable

Activity	Date
Announcement of Offer Lodgement of Appendix 3B with ASX Lodgement of Offer Letter with ASX	6 December 2023
Record Date for the Offer	11 December 2023
Offer Document despatched to Shareholders Company announces the despatch has completed	14 December 2023
Opening Date for Offer	
Last day to extend Offer closing date	20 December 2023
Closing Date of the Offer	27 December 2023
Announcement of results of Offer	4 January 2024

¹ <https://www.infolink-group.com/energy-article/Taiwan-could-hit-20-GWh-energy-storage-and-200-bn-economic-scaleby-2030>

² <https://www.energycouncil.com.au/analysis/storage-across-the-nem/>



Lodge Appendix 2A for Securities issued under the Offer	4 January 2024
Quotation of Shares issued under the Offer	5 January 2024
Expected despatch of holding statements	8 January 2024

These dates are subject to change and are indicative only. X2M reserves the right to amend this timetable including, subject to the Corporations Act and the Listing Rules, to extend the Closing Date.

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. 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 510,000 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 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.

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