

ASX Announcement | 10 April 2024

X2M Connect Limited (ASX:X2M)

X2M receives first EMS commitment from its announced partnership with GreenRock Energy

Investment Highlights

- X2M signs NTD50m (approximately AUD2.3m) project for the provision of its 'energy management solution' for GreenRock Energy Co., Ltd ("GreenRock") in Taiwan.
- The project is for use in a 94MW Battery Energy Storage System ("BESS") in southern Taiwan.
- 80% of revenue is expected to be recognised in FY25 with balance as 3 year service revenue.
- This new announcement further builds on the strategic partnership previously announced.

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") is pleased to announce it has secured a project with GreenRock for the supply by X2M of energy management system ("EMS") hardware and software.

The X2M GreenRock partnership

X2M previously announced it had entered into a strategic partnership with GreenRock (ASX announcement 29 January 2024). GreenRock is a Taiwan based company whose core business is renewable energy generation, battery storage and trading systems. The partnership agreement contemplates four key initiatives as follows:

- GreenRock takes equity in X2M. GreenRock issued with an 11% stake in X2M on 12 February 2024.
- GreenRock to be the community battery owner for X2M's Smart Community solution in Echuca and Yarrawonga. Refer ASX announcement 2 April 2024.
- X2M to be the software provider for GreenRock's Taiwan renewable energy projects. This release forms part of this initiative.
- The two parties team up to develop renewable energy generation and Virtual Power Plant operations in Taiwan, Australia, South Korea and Japan. These are markets where X2M has established operations and distribution capability.

This project

GreenRock is building a 94MW battery energy storage installation in southern Taiwan. X2M will provide hardware and software to GreenRock to perform the energy management functions for the site. The project is worth approximately \$A2.3 million to X2M and is the second largest project in the history of X2M. The features to be delivered include those such as platform information systems, site management systems, frequency and load shifting operation and site monitoring systems plus supporting infrastructure. Delivery is expected to be completed before June 2025 and includes three years of services.

The payment terms agreed are as follows:

- 35% upfront

- 20% on hardware delivery
- 25% on completion of system test
- 20% progressively as three year services are completed

Battery Energy Storage System (BESS) Markets

The renewable energy markets in Taiwan and Australia, like the rest of the world, are expected to grow strongly over the next few years. AEMO outlined that 61GW of storage capacity is required by 2050 which is 17 times the current capacity¹. 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. The market for BESS in Taiwan is expected to hit \$A10b by 2030². GreenRock has 300MW in deployment equating to approximately A\$285m of BESS and A\$8.5m of EMS. Recurring SaaS expected to be 15% of the EMS upfront revenue.

X2M CEO Mohan Jesudason said: “X2M’s focus is on the utility sector across water, gas and electricity. In the electricity sector, we have a particular interest in renewable energy and the associated ecosystem. The renewable energy markets in Taiwan and Australia, like the rest of the world, are expected to grow strongly over the next few years. X2M is well positioned to capture a significant share of these markets and in time expand this capability to other geographies.”

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.

¹ <https://www.energycouncil.com.au/analysis/storage-across-the-nem/>

² <https://www.infolink-group.com/energy-article/Taiwan-could-hit-20-GWh-energy-storage-and-200-bn-economic-scaleby-2030>



X2M now has more than 530,000 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.

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