



18 September 2023

Dear Shareholders

X2M Connect Limited General Meeting

The Notice of General Meeting of X2M Connect Limited (**X2M or the Company**), to be held at 10am Melbourne time on 20 October 2023, is now available at www.x2mconnect.com/investor-centre/.

The meeting will be held by way of live video conference.

The Company is pleased to be able to provide shareholders with the opportunity to attend and participate in a hybrid Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online. There will also be a facility to ask questions and comment during the meeting.

To access the videoconference:

1. please go to www.investor.automic.com.au and use the meeting ID and Shareholder identification contained in the enclosed proxy form;
2. Questions concerning the business of the meeting should be submitted to investor.relations@x2mconnect.com in advance of the meeting. There will be a facility to put questions in writing and speak during the meeting using a Q&A facility;
3. The resolutions will be determined by way of a poll. The poll will be conducted based on votes submitted by proxy and by Shareholders who have indicated that they intend to vote at the Meeting. The Company's share registry will be facilitating voting during the Meeting.

Shareholders are strongly encouraged to lodge a proxy form to vote at the meeting at least 48 hours before the meeting.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ol. Carton'.

Oliver Carton
Company Secretary

X2M CONNECT LIMITED
ABN 72 622 979 275
NOTICE OF GENERAL MEETING

Notice is given that the General Meeting of the members of X2M Connect Limited (**X2M or Company**) will be held by video conference, at 10am Melbourne time on 20 October 2023.

BUSINESS

RESOLUTION 1 - RATIFICATION OF ISSUE OF SECURITIES

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- 1.1 *“That for the purposes of ASX Listing Rules 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company under ASX Listing Rule 7.1A of the Shares to the recipients set out in Section 1.1 of the Explanatory Statement.”*
- 1.2 *“That for the purposes of ASX Listing Rules 7.4, and for all other purposes, Shareholders ratify the issue and allotment by the Company under ASX Listing Rule 7.1 of the securities to the recipients set out in Section 1.2 of the Explanatory Statement.”*

Short Explanation

Shareholders are able to ratify shares issued during the year by the Company under its placement capacity under Listing Rule 7.1 and 7.1A. The effect of that ratification is to re-set that placement capacity.

Voting Exclusion Statement The Company will disregard any votes cast in favour of these resolutions by or on behalf of a person who participated in the Securities issues, or any associates of that person.

However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 – APPROVAL OF ISSUE OF SECURITIES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 7.1 and all other purposes, the issue of securities as referred to in section 2 of the Explanatory Statement, is approved.

Short Explanation

On 28 August 2023 the Company announced the Capital Raising by way of Convertible Notes. Part of the securities to be issued under the Convertible Notes requires Shareholder approval and this resolution seeks that approval.

Voting Exclusion Statement

The Company will disregard any votes cast in favour on Resolution 2 by or on behalf of the recipient of the securities, or any person who may obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associates of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- The Chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board:



Oliver Carton
Company secretary
Dated: 18 September 2023

NOTES

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

1. A Member entitled to attend and vote at the General Meeting has the right to appoint a person (who does not need to be a Member) as the Member's proxy to attend and vote at the meeting.
2. A Member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Member appoints two proxies and the appointment does not specify the proportion or number of the Member's votes each proxy may exercise, each proxy may exercise one half of the Member's votes.
3. The proxy form must be signed by the Member or the Member's attorney. Proxies given by corporations must be executed under seal or signed under the hand of a duly authorised officer or attorney.
4. To be valid, the enclosed proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of it) must be lodged:
 - a) In Person at the offices of the Share Registry – Automic Level 5, 126 Phillip Street Sydney NSW 2000
 - b) By Email: meetings@automicgroup.com.au
 - c) By Mail: Automic GPO Box 5193 Sydney NSW 2001
 - d) Online at <https://investor.automic.com.au/#/loginsah>

not later than 48 hours before the time for commencement of the meeting being 10.00 am Melbourne time **on 18 October 2023**

5. A proxy may decide whether to vote on any motion, except where the proxy is required by law, the ASX Listing Rules or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as they think fit.
6. Amendments to the Corporations Act were made which apply to proxy voting. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this meeting. Broadly, the changes mean that:
 - (a) if proxy holders vote, they must cast all directed proxies as directed; and
 - (b) any directed proxies which are not voted will automatically default to the Chairman of the meeting, who must vote the proxies as directed.
7. A proxy form accompanies this Notice of Meeting.
8. The proxy form accompanying this Notice of Meeting contains detailed instructions regarding how to complete the proxy form if a Shareholder wishes to appoint the Chairman as his or her proxy. You should read those instructions carefully.
9. The Chairman of the meeting intends to exercise all available proxies by voting in favour of all resolutions.
10. A person may attend the meeting under an appointment of corporate representative pursuant to section 250D of the Corporations Act or Power of Attorney only if a copy of that duly executed appointment or Power of Attorney is lodged with the Share Registry or produced prior to the commencement of the meeting.

11. The Company has determined that a person's entitlement to vote at the General Meeting will, in accordance with the Corporations Act, be the entitlement of that person set out in the register of Shareholders as at 7:00 pm Melbourne time on 18 October 2023. This means that any Shareholder registered at that date is entitled to attend and vote at the General Meeting.
12. Shareholders or their attorneys wishing to vote in person should attend the virtual General Meeting.
13. Attorneys should bring with them the original or a certified copy of the power of attorney under which they have been authorised to attend and vote at the meeting, unless it had already been provided to the Share Registry.

EXPLANATORY STATEMENT

INTRODUCTION

The purpose of this Explanatory Statement is to provide Shareholders with an explanation of the business of the meeting and the resolutions proposed to be considered at the General Meeting.

1. RESOLUTION 1 – RATIFICATION OF ISSUE OF SECURITIES

Introduction

The Board is allowed to issue or agree to issue up to 15% of its issued capital without Shareholder approval each 12 months under ASX Listing Rule 7.1, and a further 10% under certain conditions under ASX Listing Rule 7.1A. The Company has issued securities for the purposes as set out in sections 1.1. to 1.2.

Under Listing Rule 7.4, the Company can seek Shareholder ratification of an issue made within the limit of ASX Listing Rule 7.1 and 7.1A, and, if given, the effect of the ratification is to deem that the securities issued were issued with Shareholder approval, meaning that, from the date of the approval, the Board is again able to issue up to a further 15% and 10% respectively of the issued capital without Shareholder approval. The issues of securities set out in sections 1.1 to 1.2 were within the limits of Listing Rules 7.1 and 7.1A.

If shareholder approval is not given, the Equity Securities set out in sections 1.1. to 1.2 will count in calculating the Company's 15% and 10% limits, thereby decreasing the number of Equity Securities it can issue in the 12 months following the issue dates.

1.1 Resolution 1.1

Resolution 1.1 concerns an issue of securities under ASX Listing Rule 7.1A under a placement. The following information is provided to satisfy the information requirements of ASX Listing Rule 7.5. There are no other material terms:

The number of securities issued	12,629,409 Shares
Date of issue	9,688,233 issued on 5 May 2023 2,941,176 issued on 31 May 2023
Issue price per security	\$0.068 per share
Terms of security	Shares are fully paid ordinary shares
Persons whom securities were issued or basis of issue	Clients of Bell Potter Limited, and existing Shareholders
Use of funds raised	Funds raised were used for platform scalability and smart community & smart agriculture expansion, as set out in the ASX Announcement dated 17 April 2023.

1.2 Resolution 1.2

Resolution 1.2 concerns an issue of shares under ASX Listing Rule 7.1 under the Series 1 Convertible Notes.

1.2.1 Background

On 28 August 2023 X2M announced it had entered into the Series 1 and Series 2 Convertible Notes. The Series 1 and Series 2 Convertible Notes have the same terms except that Series 2 Convertible Notes require Shareholder approval. The key terms of the Series 1 Convertible Notes are as follows:

- (a) Each Series 1 Convertible Note has a face value of \$1.00 and a two year term;
- (b) The Series 1 Convertible Note holder can convert Notes at any time into Shares at the rate of \$0.05 per Share. Conversion must at all times be in accordance with applicable laws including the ASX Listing Rules;
- (c) No Series 1 Convertible Note holder is a related party;
- (d) Series 1 Convertible Notes not converted are redeemed at the expiry date of the Notes;
- (e) Interest on Series 1 Convertible Notes not converted or redeemed accrues at the rate of 18% per year, however at least 12 month's interest must be paid despite the conversion date. Interest is capitalised and payable in further Notes;
- (f) The Company may, at its sole discretion, redeem the Series 1 Convertible Notes at any time by repaying the then outstanding unconverted Series 1 Convertible Notes and accrued interest, provided at that time it pays at least 12 months of interest and it notifies and provides the Series 1 Convertible Note holder the opportunity to issue a Conversion Notice for 5 business days prior to any redemption;
- (g) The Series 1 Convertible Notes are partly secured against the Company's FY2024 R&D tax refund amount, and the Company must keep that refund in a trust account until the total amount outstanding under the Series 1 and Series 2 Convertible Notes is less than the trust account amount. The Company can then progressively release funds from the trust account amount provided those funds match or are greater than the total Series 1 and Series 2 Convertible Notes amount outstanding.

1.2.2 ASX Listing Rule 7.5

The following information is provided to satisfy the information requirements of ASX Listing Rule 7.5.

Persons whom securities were issued or basis of issue	Bond Street Custodians Limited <DAVKRE - D08642 A/C>
	Island Superannuation Fund
	PD Crutchfield <CRUTCHFIELD SUPER FUND A/C>
	ENN Property <CMT FUND A/C>
	Phil St Baker & Peta St Baker <P & P ST BAKER FAMILY A/C>
	Vanew <GM Tauber Family A/C>
	Allegro Capital Nominees <Allegro capital A/C>
	JML Capital
	No securities were issued to a related party
The number of securities issued	1,050,000 Series 1 Convertible Notes converting into up to 28,788,249 Shares
Terms of security	See section 1.2.1
Date of Issue	25 August 2023
Issue price per security	\$1.00 per Series 1 Convertible Note converting into Shares at \$0.05 per Share

Use of funds raised	Funds raised will be used for costs associated with platform scalability, business development and marketing, and general working capital.
Terms of agreement to issue securities	See section 1.2.1

1.3 Board recommendation

All Directors recommend that Shareholders vote in favour of Resolutions 1.1 and 1.2.

2 RESOLUTION 2 - APPROVAL OF ISSUE OF SECURITIES

Introduction

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. There are a number of exceptions to this Rule, including where the company first obtains Shareholder approval to issue the securities.

The effect of Resolution 2 will be to allow the Company to issue the securities referred to in that resolution during the period of 3 months after this meeting, without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

If Resolution 2 is not approved, the Company will not be able to issue the securities referred to as contemplated by those resolutions and the Board may need to further review the Company operations and the Company's utilisation of working capital.

2.1 Background

On 28 August 2023 X2M announced it had entered into the Series 1 and Series 2 Convertible Notes. The terms of the Series 2 Convertible Notes are the same as the Series 1 Convertible Notes except as follows:

- (a) Series 2 Convertible Notes have not been issued as the Company has exhausted its ASX Listing Rule 7.1 placement capacity. Series 2 Convertible Notes will not be issued until the ASX Listing Rules allow the issue of the Series 2 Convertible Notes, ie once Shareholder approval has been obtained;
- (b) If Series 2 Convertible Notes cannot be converted, the Series 2 Convertible Notes are redeemed at the expiry date and the Series 2 Convertible Notes amount plus interest must be repaid by the Company at that time.

If Resolution 2 is not approved, the Company will not be able to issue the securities referred to as contemplated by the resolution and thus will be required to redeem the Series 2 Convertible Notes on the Expiry Date and the Board may need to further review the Company operations and the Company's utilisation of working capital.

2.2 ASX Listing Rule 7.3

The following information is provided to satisfy the information requirements of ASX Listing Rule 7.5 in relation to the issue of the Series 2 Convertible Notes:

Persons to whom securities are to be issued or basis of issue	Clients of Bell Potter Securities Limited, and other sophisticated and professional investors identified by the Company
	No securities will be issued to a related party

The number of securities to be issued	Up to 850,000 Series 2 Convertible Notes converting into up to 23,304,773 Shares
Terms of security	See section 2.1
Date of Issue	Series 2 Convertible Notes will be issued within 3 months of this meeting
Issue price per security	\$1.00 per Series 2 Convertible Note converting into Shares at \$0.05 per Share
Use of funds raised	Funds raised will be used for costs associated with platform scalability, business development and marketing, and general working capital.
Commission and other fees	Bell Potter will be paid a fee of 6% of the total amount raised
Terms of agreement to issue securities	See section 2.1

2.2 Board recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of it.

4. GLOSSARY

In this booklet:

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it as the context requires.
ASX Listing Rules means the listing rules of ASX.
Board means the board of directors of the Company.
Capital Raising means the \$1.7m capital raising comprising the Convertible Notes announced on 28 August 2023.
Constitution means the constitution of the Company.
Convertible Notes means the Series 1 and Series 2 Convertible Notes.
Corporations Act means the Corporations Act 2001 (Cth).
Director means a director of the Company.
Notice of Meeting means this notice of meeting and explanatory statement.
Series 1 Convertible Note means the convertible notes described in paragraph 1.2.1
Series 2 Convertible Note means convertible notes described in paragraph 2.1
Share means a fully paid ordinary share in the Company.
Shareholder or Member means a holder of at least one Share.

Proxy Voting Form

If you are attending the virtual Meeting
please retain this Proxy Voting Form
for online Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (Melbourne time) on Wednesday, 18 October 2023**, being not later than **48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

