

X2M Placement drives launch into the Middle East

Highlights:

- Placement of \$1.13 million at \$0.04 per share
- Placement strongly supported by associates of X2M's Middle East channel partner Dicode Technologies LLC and other new investors
- Loan facility of \$1.5 million secured with optional conversion to Shares
- Funds raised from the Placement and loan facility to be used for X2M's entry into the Middle East, commencing with the United Arab Emirates (UAE), to develop business opportunities in the region, and for general corporate purposes

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") has completed a Placement to raise \$1.13 million and secured a Converting Loan Facility totaling \$1.5 million.

Funds raised from the Placement and the Converting Loan Facility will be used for X2M's entry into the Middle East – initially the United Arab Emirates – as well as platform enhancements for renewable energy applications and ongoing operations.

As announced in January, X2M entered into a Service Agreement with Dubai-based leading technology solutions provider, Dicode Technologies LLC (Dicode). Dicode has been exploring opportunities for deployment of the X2M platform in the Middle East region and negotiations are advanced with several customers.

The Placement was strongly supported by associates of Dicode and new investors with the former investing \$750,000, validating X2M's prospects in the region.

X2M CEO Mohan Jesudason said: "We welcome the associates of Dicode Technologies and our new investors to the register. This is a strong endorsement of X2M's expansion, strengthening our balance sheet and enabling us to continue to scale our business in line with our growth plans.

"Dicode Technologies is impressed by our unique and innovative technology platform and ability to win new enterprise and government clients in international markets. I am pleased they can further support us with this investment which will drive our next growth phase.

"The UAE is an attractive market for X2M and serves as a springboard for expanding into the wider Middle East. The region's focus and investment in smart cities is a perfect match for our core IP, which provides advanced and integrated technology for utilities providers.

"Our unique technology platform enables automated and cost-effective gas, energy and water management and environmental monitoring. By providing two-way, integrated device communication in real time, X2M improves productivity for utilities suppliers, provides cost savings for councils, and contributes to public safety."

The UAE Opportunity

The UAE Government has mandated piped gas be fitted to all new buildings to transition away from bottled gas. The country has a population of approximately 10 million across 2.5 million dwellings and there are approximately 500,000 existing piped gas connections in Dubai alone.

Smart gas meter usage in the UAE is new, with only approximately 7% of users. In addition, the gas market in the UAE is severely fragmented with many small independent gas companies.

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

X2M is focusing on the UAE as its initial target in the Middle East. Once established, the Company will evaluate other countries in the region. It is anticipated that X2M will solely offer Software as a Service in the UAE.

Loan Facility Terms

The terms of the Converting Loan Facility from Barkers Hawthorn Pty Ltd ATF Barkers Hawthorn Property Trust are as follows:

- (a) facility up to \$1,500,000;
- (b) repayment date is 30 November 2025 unless:
 - a. early payment is requested after 31 October 2024 by the lender;
 - b. the date of receipt of the R&D Incentive Tax refund for 2025 ("R&D Tax Refund") is before 30 November 2025, in which case the date of receipt applies;
 - c. conversion into Shares occurs;
- (c) lender may elect to convert any advanced loan amount to Shares at the following conversion price per share:
 - a. at the 5 day volume weighted average price leading to a request for conversion in the 30 days following execution; or
 - b. at a discount of 15% to the 5 day volume weighted average price leading to a request for conversion after the date that is 30 days following execution;provided no more than 37,500,000 Shares in total can be issued. Once this ceiling is reached further conversions cannot occur;
- (d) any conversion is subject to shareholder approval and if not received, the higher interest rate below applies;
- (e) interest is payable monthly in cash at a rate of 15% per annum or the higher rate of 20%;
- (f) loan amounts advanced are secured against the R&D Tax Refund.

Placement

13,750,000 shares will be issued under the indicative timetable below using the Company's placement capacity under ASX Listing Rule 7.1. The remaining 14,500,000 shares are subject to shareholder approval in accordance with ASX Listing Rule 7.1 (see Indicative Timetable below).

A Notice of Shareholder General Meeting will be distributed shortly and will include shareholder approvals for the Placement and the Loan Facility.

Indicative Timetable

Item	Date
Settlement of Placement	7 June 2024
Allotment and Trading of first tranche of Placement Shares	11 June 2024
Extraordinary General Meeting	3 July 2024
Allotment and Trading of Approved Placement Shares	5 July 2024

**The timetable above is indicative only and remains subject to change at X2M's discretion, subject to compliance with applicable laws and ASX Listing Rules.*

The Board of X2M has approved this announcement.

Ends

For further information contact:

X2M Connect Limited

Mohan Jesudason

Chief Executive Officer

investor.relations@x2mconnect.com

T: 1 800 926 926 (1 800 X2M X2M)

Investor Enquiries

Gabriella Hold

Automic Markets

gabriella.hold@automicgroup.com.au

T: +61 411 364 382

Media Enquiries

Tristan Everett

Automic Markets

tristan.everett@automicgroup.com.au

T: +61 403 789 096

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 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](https://www.linkedin.com/company/x2mconnect).