

ASX Announcement | 30 May 2022

X2M Connect Limited (ASX:X2M)

X2M enters Australia's energy management market via term sheet with Resi Ventures and MOU with RACV

Investment Highlights

- X2M Connect has entered the Australian energy management market with the signing of two key initial agreements:
 - ❖ A term sheet with land developer Resi Ventures to be the exclusive energy management provider for their new 1,000 lot McMahon's Place estate in Echuca
 - ❖ A memorandum of understanding with RACV to explore the delivery of innovative cleaner energy solutions into residential, commercial and rural environments
- X2M Connect will provide the in-home gateway and IoT platform to link Resi Venture's McMahon's Place estate homes together in a smart community that provides benefits to homeowners and the community
- The technology solution builds on the success of the X2M Connect deployment of its energy management technology in Taiwan for the Taiwan Government owned company ETC (Electronic Testing Center)
- X2M Connect sees significant future opportunities to secure additional development estates with Resi Ventures and other land developers

Australian Internet of Things (IoT) technology company **X2M Connect Limited (ASX:X2M)** ("X2M" or "the Company") is pleased to announce its entry into the Australian energy management market, opening the way for further diversification of its revenue base.

X2M secures first Australian energy management customer

Land developer Resi Ventures has become X2M's first client in the Australian energy management space. It has signed a term sheet appointing X2M as the exclusive energy management provider for the McMahon's Place estate in Echuca, which covers approximately 1,000 lots. The transaction is subject to the finalisation of definitive agreements. Under the term sheet, Resi Ventures has agreed to include certain sustainability equipment into the design standards for the estate and X2M will provide a smart community energy management solution. Homeowners will be able to elect to participate in the estate energy scheme that will be provided through X2M's ecosystem and will be able to obtain energy savings and other benefits as part of subscription to the scheme.

The agreement provides further evidence that X2M is making a meaningful contribution to Australia's move towards 'net zero' via the delivery of innovative energy management solutions for residential, commercial and rural customer environments. It will see the Company help Resi Ventures meet its objective of being socially and environmentally responsible through the creation of an ecofriendly residential development.

X2M is working to establish a clean energy partner ecosystem

X2M fully understands that any push towards 'net zero' via the provision of clean energy solutions to communities and other customers requires a partner ecosystem. To this end, X2M continues to work on assembling a group of partners to participate in delivering these outcomes. RACV, a well-known Victorian organisation and major player in the supply of solar and energy related solutions, has entered into a MOU with X2M to explore the delivery of innovative cleaner energy solutions into residential, commercial and rural environments.

X2M builds on Taiwan energy deployment

X2M is not new to energy management having deployed an integrated energy management solution for the Taiwan government owned Electronic Testing Center in 2021 and a battery monitoring solution, for RCE Batteries in Taiwan, where battery usage for cellular base stations is remotely monitored. Both deployments paving the way for this Australian deployment.

Another plank of X2M's stated growth strategy is now being delivered

Early in the current quarter, X2M reiterated plans to diversify its revenue base by consolidating its strong position in existing markets (including an expansion into compatible verticals), ongoing development of the SaaS business and entry into new geographies and markets. The term sheet with Resi Ventures commences the implementation of the next plank of this diversification strategy. X2M will continue to pursue further potential revenue growth opportunities now in its pipeline over the coming months. The Company is, at the same time, remaining focused on managing both margin performance and cash burn.



X2M CEO Mohan Jesudason said: "This is an important time in Australia for energy management solutions in an environment of increasing energy prices and public focus on environmental sustainability, reduction in carbon emissions and use of renewables. X2M has been evaluating

opportunities in the Australian market for some time now. Our entry into the Australian energy management market via this term sheet with Resi Ventures sees X2M take the first steps to a further diversification of its revenue base. X2M believes that there are future opportunities to extend its energy management model to other developers and other clients. The signing of the MOU with RACV will allow X2M to explore delivery of cleaner energy solutions with a major player in the solar energy market. Both initiatives represent yet another way X2M is playing a role in Australia's drive towards 'net zero'. The success of efforts to decarbonize the Australian economy requires a broad-based commitment to this objective from all retail and commercial energy users as well as the groups supplying energy to them. X2M has leverage to both parts of this equation, as has been clearly demonstrated by our agreements with Resi Ventures and RACV."

Resi Ventures principal Anthony Braunthal said: "Partnering with a leading technology provider was a socially and environmentally conscious commitment for us to create an ecofriendly residential development in Echuca. Homeowners will appreciate the benefits this home energy solution will provide with the availability of real time information, device control and delivered cost savings."

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.

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 Company generates revenue from the sale of hardware and monthly subscription fees under Software as a Service arrangements.

X2M now has more than 200,000 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 number of government and enterprise customer relationships already in place. 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](#).

About Resi Ventures

Resi Ventures is a leading residential land developer who specialises in partnering with landowners under a Land Development Agreement to transform greenfield land into thriving communities. The company has more than \$800 million under development in Rockbank, Plumpton, South Morang, Sunbury, Warragul, Echuca, Miners Rest and Hervey Bay with plans for new estates.

Resi Ventures has offices in Melbourne and Southeast Queensland. www.resiventures.com.au

About RACV

RACV provides products and services to over 2.2 million Victorians and also operates significant businesses in other states. RACV is focused on three core sectors; products and services in Motoring and Mobility notably Roadside Assistance and Car Insurance; Home and Energy notably Home Insurance, Home Trades and an increasing range of businesses in the Cleaner Energy space such as RACV Solar. Our Leisure Business has 10 major properties across Australia and investments in digital travel companies such as Designer Journeys. www.racv.com.au/