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ASX Announcement | 15 July 2025

X2M launches a Placement and Entitlement Offer to raise up to $4.9 million

Highlights:

- X2M announces a Placement to institutional and sophisticated investors raising approximately A$2.6 million (before costs), subject to Shareholder approval. Investors will also receive a free attaching Option for every Share allocated.
- Placement issue price of $0.013 per new Share represents a 28% discount to the last closing share price as at 10 July 2025. The Placement was led by Cygnet Capital.
- X2M is also conducting an Entitlement Offer to existing shareholders on a 2 for 5 entitlement basis and on the same terms as the Placement, raising up to approximately $2.3 million. A Prospectus for the Entitlement Offer will be released today.
- Funds raised from the Placement and Entitlement Offer will substantially strengthen X2M's balance sheet, allowing significant reduction in the Company's debt, while also positioning X2M well for its next growth phase.
- Resolution 2.4 of the Notice of Meeting dated 2 July 2025 is withdrawn.
- X2M has recently announced contract wins exceeding $5.5 million which, together with a stronger balance sheet, positions the Company well for the start of this financial year.

Australian Internet of Things (IoT) technology company **X2M Connect Limited** (ASX:X2M) ("X2M" or "the Company") announces a A$2.6 million Placement to institutional and sophisticated investors, led by Cygnet Capital, subject to Shareholder approval.

The Placement for approximately 200 million Shares will raise approximately $2.6 million. Cygnet Capital will also act as lead manager for an Entitlement Offer to Eligible Shareholders on a 2 for 5 entitlement basis on the same terms as the Placement, with Cygnet having a firm right to place any Entitlement Shares not taken up. The Entitlement Offer is expected to raise up to approximately $2.3 million through the issue of up to approximately 174 million Shares. This Offer provides all shareholders the same opportunity to participate in the capital raising and in the future growth of the Company. Details concerning the Entitlement Offer are included in the Prospectus which is to be lodged today.

Participants in the Placement and the Entitlement Offer will receive one free unlisted Option for every New Share subscribed for, with Options having an exercise price of $0.016 and an expiration date of 31 December 2027. The Options are free attaching such that they are being issued for nil additional cash consideration.

X2M's balance sheet will be strengthened substantially through this Placement and Entitlement Offer with the majority of the Company debt to be paid down from the proceeds and other sources. Funds will also be used to drive stronger business momentum and growing addressable market opportunities for X2M across Australia and new markets in renewable energy and AI as well as numerous public safety applications. The total value of contracts X2M has secured in South Korea during the fourth quarter of FY25 and scheduled for delivery before December 2025 now exceeds $5.5 million and this provides significant momentum entering FY26.

The Company issued a Notice of Meeting on 2 July 2025 for a meeting to be held on 31 July 2025. Resolution

2.4 “New Capital Raise” of that Notice of Meeting is hereby withdrawn as it is being replaced by the new Placement.

X2M CEO Mohan Jesudason said: “*I am exceedingly pleased with the support received for this capital raise as it reflects strong investor confidence in our strategy. The $2.6m raised in the Placement, supported by a high-calibre group of investors, strengthens our balance sheet and positions us to accelerate expansion across our existing markets in Asia and the Middle East.*

“With the majority of our debt to be extinguished, we are now well funded to execute our strategy. We’ve already secured new mandates exceeding $5.5m that provide significant momentum as we head into FY26. Our renewable energy AI solutions, through our partnership with Sirius Digitech, are being pursued in Taiwan while the recent addition of a public safety vertical in South Korea has significantly expanded our addressable markets. At the same time, our commercialisation efforts in the UAE are gaining traction.”

The Company will call a Shareholder Meeting as soon as practicable to approve the Placement. The timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Placement and Offer Lodgement of Appendix 3B with ASX Lodgement of Prospectus with ASIC and ASX	15 July 2025
Ex date	17 July 2025
Record Date for the Offer	18 July 2025 (5:00pm AEST)
Entity sends Prospectus to eligible shareholders Company announces the despatch has completed Opening Date for Offer	23 July 2025
Last day to extend Offer closing date	Before 12:00pm (AEST) 29 July 2025
Closing Date of the Offer	1 August 2025 (5:00pm AEST)
Securities quoted on a deferred settlement basis	2 August 2025
Announcement of results of Offer	Before 12:00pm (AEST) 8 August 2025
Lodge Appendix 2A for Securities issued	8 August 2025 (no later than 12:00pm AEST)
Quotation of Shares issued under the Offer and New Options issued under the Offer	11 August 2025

The Board of X2M has approved this announcement.

Ends

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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
Howard Marks
Automic Markets
howard.marks@automicgroup.com.au
T: +61 0402 438 019

Media Enquiries
Rama Razy
Automic Markets
rama.razy@automicgroup.com.au
T: +61 498 440 142

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 has deployed more than half a million 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 China.

X2M has recently extended its focus into the Middle East by licensing its platform to Dicode Smart Connect Electronics LLC, a Dubai based business.

To learn more about X2M click here: www.x2mconnect.com or follow us on LinkedIn.