Initiation Report

CONNECTM TECHNOLOGY SOLUTIONS, INC.

26 February 2025
Company Sponsored Research
Initiating Coverage | Sector: Technology

ConnectM Technology Solutions, Inc. – Targeting the $2 Trillion Electrification Transformation with AI-Powered Energy Intelligence, a Robust Vertically Integrated Business Model, and Strategic Acquisitions to Unlock Exponential Growth and High-Margin Recurring Revenue Streams

ConnectM Tech. Solutions, Inc. (NASDAQ: CNTM)

Share Price: $0.73

Valuation: $3.25

Key Statistics

52 Week Range	$0.67 - $12.47
Avg. Volume (3 months)	372.31K
Shares Outstanding	29.09M
Market Capitalization	$21.19M
EV/Revenue	2.47x
Cash Balance*	$1.88M
Analyst Coverage	1

***Cash balance as of September 2024**

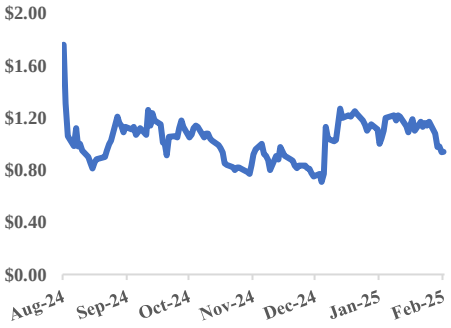
Revenue (in $mm)

Dec - FY	2023A	2024E	2025E
1Q	5.27	5.76	11.30
2Q	5.83	5.47	12.12
3Q	4.38	6.07	12.89
4Q	4.38	8.30	13.65
FY	19.97	25.61	49.96

EPS (in $)

Dec – FY	2023A	2024E	2025E
1Q	(0.57)	(1.64)	(0.08)
2Q	(0.94)	(1.39)	(0.06)
3Q	(0.12)	(0.61)	(0.05)
4Q	(3.70)	(0.06)	(0.03)
FY	(5.76)	(1.18)	(0.22)

Stock Price Chart (in $)



Investment Highlights

- **Diversified Innovative AI-Powered Platform Driving Scalable and Recurring Revenue Streams:** At the core of ConnectM's strategy lies its proprietary Energy Intelligence Network (EIN), which integrates AI-powered heat pumps, EV solutions, and distributed energy systems. The platform enables efficient cross-selling across diverse verticals, thereby enhancing customer lifetime value and lowering acquisition costs. This results in predictable, high-margin revenue streams derived from product sales, software subscriptions, and managed services agreements.
- **Pioneering Leadership in the $2 Trillion Electrification Transformation:** ConnectM is strategically positioned at the forefront of the global shift from fossil fuels to renewable energy, tapping into a $2 trillion electrification market. Its early mover advantage is strengthened by a robust 10-patent IP portfolio and over 120,000 connected assets that drive powerful network effects and data intelligence. This pioneering stance not only differentiates ConnectM but also establishes a solid foundation for sustainable long-term growth.
- **Robust, Vertically Integrated Business Model Fueling Consistent High Growth:** ConnectM has achieved 20 consecutive quarters of revenue growth, with a current run rate projected at $26 million and break-even cash flow expected by 2025. Its vertically integrated approach, encompassing product design, AI technology, and owned service networks, minimizes dependence on third-party providers. Moreover, a shared revenue model with service partners further amplifies potential profitability while mitigating operational risks.
- **Strategic Acquisitions Accelerating Synergistic Market Expansion:** The company has strategically augmented its market presence through targeted acquisitions, including MHz Invensys, projected to contribute $15 million in revenue by 2027. Additional acquisitions, such as DeliveryCircle and Green Energy Gains, have significantly strengthened its foothold in last-mile logistics and building electrification. This well-defined M&A pipeline is potentially set to unlock further synergistic growth opportunities across the smart energy solutions landscape.
- **Solid Financial Foundations Supported by Strong Institutional Backing:** ConnectM benefits from robust institutional support, with shareholders as of recent filings including Cowen, Geode Capital, Polar Asset, and Jane Street, while insiders hold a significant 33% stake. The company's de-leveraged balance sheet, achieved by a recent conversion of $13.7 million in debt to equity, reinforces its financial resilience. Furthermore, the secured $25 million in strategic financing positions ConnectM for continued expansion and technological innovation.
- **Capturing Exponential Growth Prospects Amid Robust Market Tailwinds:** The electrification of buildings, transportation, and distributed energy systems is still in its early stages, offering substantial exponential growth potential. AI-powered heat pumps, a key component of the EIN, represent an opportunity comparable to the EV market but with superior potential margins of 30–40% and lower competition. These favorable market tailwinds are expected to drive sustained demand and accelerate ConnectM's expansion trajectory.
- **Valuation:** ConnectM is targeting the $2 trillion energy transition with its AI-powered Energy Intelligence Network (EIN), optimizing electrification, distributed energy networks, and smart mobility. Its platform-driven strategy positions it for accelerated growth, operational efficiency, and sustained profitability. We have assessed ConnectM's valuation using a blended approach, incorporating discounted cash flow (DCF) and comparable company analyses. Under our DCF approach, we assumed a 12.5% discount rate and a terminal growth rate of 1.5% to estimate the present value of projected free cash flows. For the comparable company analysis, we utilized the EV/Revenue multiple of similar renewable energy products and technology companies to establish a market-based valuation benchmark. By integrating both these approaches, we have arrived at a valuation of $3.25 per share contingent on successful execution by the company.

Company Description

ConnectM Technology Solutions, Inc. is a vertically integrated holding company based in Marlborough, MA that provides digital platforms and services for electrification and decarbonization across the U.S., offering solutions for solar energy, HVAC, EV integration, and smart energy management.

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Company Overview

ConnectM Technology Solutions, Inc. is a Massachusetts-based vertically integrated holding company that focuses on the electrification of residential, commercial, and transportation markets by integrating electrified energy assets with proprietary technology to improve energy efficiency and reduce carbon emissions. With a network of more than 120,000 connected assets, ConnectM seeks to capitalize on a market opportunity estimated at around $2 trillion. ConnectM's business model centers on combining digital technology with physical energy assets. At the core of its operations is the Energy Intelligence Network (EIN), a digital infrastructure that enables real-time monitoring and management of distributed energy assets. This network underpins the company's three main focus areas: building electrification, distributed energy systems, and last-mile transportation. By deploying AI-enhanced solutions in these segments, ConnectM provides products and services that include more efficient heat pumps, solar installations, EV charging stations, and smart energy management systems.

ConnectM Technology Solutions, Inc. is a Massachusetts-based vertically integrated holding company using AI to drive the shift from fossil fuels to renewables. With over 120,000 connected assets, it integrates electrified energy systems to improve efficiency, reduce emissions, and targets a $2 trillion market opportunity

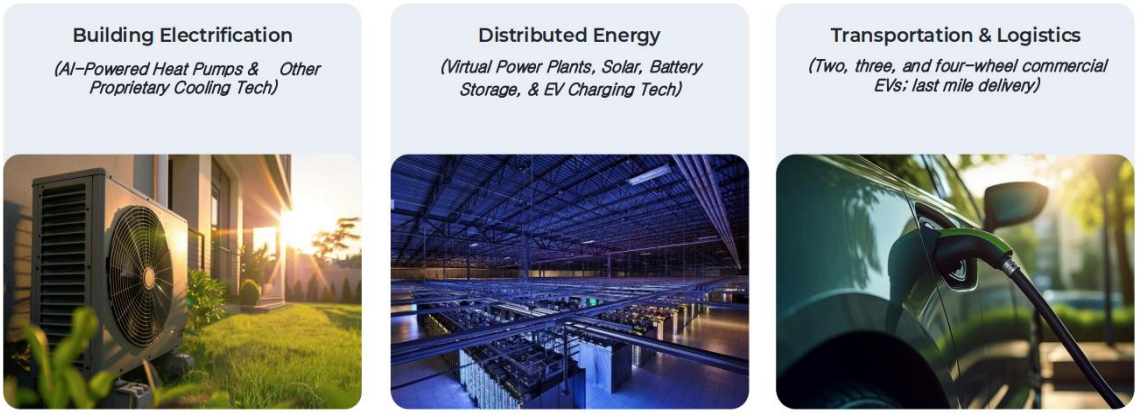


Exhibit 1: ConnectM Technologies Customer Segments. Source: Investor Presentation

A notable aspect of ConnectM's strategy is its vertically integrated structure. The company manages multiple stages of the value chain, from marketing and customer engagement to installation, maintenance, and ongoing support. This integrated approach is designed to reduce customer acquisition costs while improving service consistency. Additionally, the ability to cross-sell complementary products such as battery storage systems and energy management services helps boost customer lifetime value over time. ConnectM's technology platform is built on a comprehensive stack that includes artificial intelligence, IoT connectivity, and data analytics. The company collects data from its connected assets, which allows it to continuously refine its algorithms and improve the performance of its energy solutions. For instance, its AI-powered heat pumps are engineered to operate more efficiently than traditional models, potentially reducing energy usage and lowering operating costs for users. The company offers a diverse product portfolio across its core segments. In residential and light commercial settings, ConnectM provides advanced electrification solutions that cover heating, cooling, weatherization, solar energy, and battery storage. In the transportation segment, its offerings include EV charging infrastructure and smart vehicle control applications.

ConnectM's position in the electrification market is underscored by its consistent revenue growth and diversified product offerings. The company has achieved 20 consecutive quarters of revenue

growth, a track record that reflects its ability to scale operations in a competitive and dynamic market. Its focus on generating recurring, predictable revenue streams is particularly attractive in an industry marked by rapid technological advancements and evolving customer demands. The company's vertically integrated model has contributed to margin expansion by minimizing external dependencies and capturing a larger share of the value chain. This operational efficiency is expected to become an increasingly important factor as the company scales its network of localized service hubs, which are critical to both market penetration and customer service delivery.

ConnectM's vertically integrated model, spanning marketing to ongoing support, reduces acquisition costs and enhances service consistency while enabling seamless cross-selling. This positions the company for targeting sustainable growth and a near-term cash flow breakeven

ConnectM has actively combined organic growth with targeted acquisitions to broaden its technological capabilities and expand its market reach. The acquisition of MHz Invensys, for example, has enhanced the company's smart metering capabilities, while earlier acquisitions such as Florida Solar Products and Airflow Services have further diversified its expertise in clean energy solutions. These strategic moves have enabled ConnectM to integrate complementary technologies into its portfolio, thereby strengthening its competitive position.

Looking forward, ConnectM Technology Solutions, Inc. is well-positioned to benefit from the global trend toward efficient energy supply and decarbonization. The company's comprehensive suite of products and services, combined with its robust technological platform and integrated business model, provides a strong foundation for future growth. The anticipated cash flow breakeven in 2025 represents a critical milestone for ConnectM. Notably, achieving meaningful revenue and reaching cash flow breakeven at this early stage is a significant accomplishment for a company of its size, reflecting strong financial management and effective strategic execution.

Incorporation Structure

ConnectM Technology Solutions, Inc., initially incorporated in Delaware as "Monterey Capital Acquisition Corporation" (MCAC) on September 23, 2021, was established as a special purpose acquisition company (SPAC) targeting business combinations with one or more entities. Following its initial public offering on May 13, 2022, ConnectM finalized a merger on July 15, 2024, through a merger agreement signed on December 31, 2022, and subsequently amended. The merger involved MCAC, its wholly owned subsidiary Chronos Merger Sub, Inc., and Legacy ConnectM, with Legacy ConnectM surviving as a wholly owned subsidiary post-merger. Concurrent with the merger's completion, MCAC was renamed ConnectM Technology Solutions, Inc.

The Energy Intelligence Network: A Proprietary AI-Driven Platform

ConnectM's Energy Intelligence Network (EIN) is an advanced, cloud-based B2B electrification platform designed to displace fossil fuels at scale by connecting and orchestrating a growing digital network of smart energy solutions. The software's AI-powered architecture integrates cutting-edge edge computing products, cloud solutions, and a patented analytics engine. EIN is delivered under both managed services agreements (MSAs) and white-labeled options, allowing ConnectM's partners—OEMs, installers, and operators, to embed or rebrand the platform for their own offerings. The following are the key characteristics of the company's EIN platform:

IoT Platform Integration

- Edge Computing Products: Designed to operate in real-time at the device level, enabling instantaneous data processing and analytics.
- Cloud Business Solutions: Centralized data collection and analysis for scalability and ease of deployment across geographically dispersed assets.
- Patented, AI-Powered Analytics: A proprietary data model that supports predictive maintenance, load forecasting, and energy optimization.
- White-Labeled Capabilities: OEMs and service providers can customize the platform's interface and functionalities under their own brand, enabling faster go-to-market strategies.

Equipment and Product Coverage

- Heat Pumps and Accessories: Central to the EIN's "Building Electrification" segment, with the recent introduction of ConnectM's own AI-powered residential and light-commercial heat pump.
- Solar Kits (Panels, Inverters, Balance of System), Batteries, EV Chargers, and Charging Stations: Forming the backbone of ConnectM's "Distributed Energy Resources" segment.
- Fiber and Communication Infrastructure: Supporting robust connectivity and data transfer for high-volume IoT deployments.

ConnectM's EIN is a cloud-based AI platform displacing fossil fuels with orchestrated smart energy solutions. Offered under MSAs or white-label, it integrates edge computing, cloud, and analytics for OEMs, installers, and operators

Omnichannel, Install & Care

- Cross-Selling Opportunities: EIN allows seamless integration of multiple energy systems—solar, battery storage, HVAC, EV charging—enabling service providers to offer bundled electrification packages.
- Install Base Mining: Real-time insights into equipment performance allow ConnectM and its partners to proactively identify upgrade or replacement opportunities.
- Lead Generation: EIN's analytics pinpoint new sales prospects based on usage patterns, geographical trends, and seasonality.

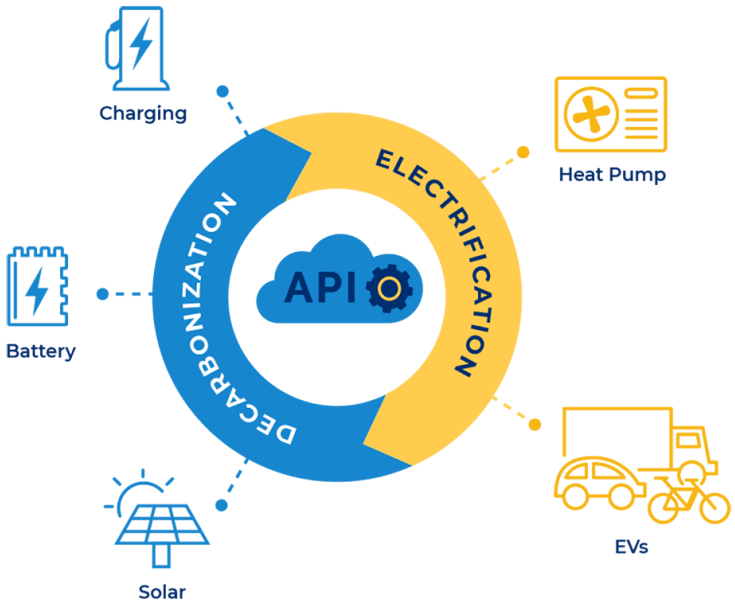


Exhibit 2: ConnectM's Technology Platform Use-case. Source: ConnectM

EIN Flywheel Business Model

ConnectM's EIN Flywheel is built on three interconnected benefits that reinforce each other, driving continuous adoption and energy savings:

1. **Lower Cost of Energy and Strong Public Goodwill:** Decreasing renewable energy costs, attractive government incentives, and widespread public support for decarbonization are prompting end customers to procure, install, and operate all-electric assets.
2. **Reduced Energy Consumption and Carbon Emissions:** All-electric assets, such as heat pumps and electric vehicles, cut energy consumption by approximately 60% and carbon emissions by around 40% compared to equivalent fossil-fuel equipment. However, as more assets transition to electricity, overall grid demand can spike by 100–300%, creating a need for intelligent asset management and distributed energy resources.
3. **Mitigation of High Electricity Demand via Distributed Resources:** To offset the increased load on the grid, customers are incentivized to install energy storage solutions (for example, solar plus battery systems) and adopt strategies to shift or flatten peak consumption. By lowering the levelized cost of energy (LCOE) as measured in kWh by about 50%, these decentralized solutions improve return on investment and overall energy resiliency.

ConnectM's EIN Flywheel harnesses lower renewable costs and incentives to drive all-electric adoption. While these assets reduce energy use by 60% and emissions by 40%, they can spike grid demand 100–300%. Distributed energy resources offset demand surges, cut LCOE by approximately 50%, and enhance ROI

ConnectM's network contribution margin exhibits distinct tiers depending on the nature of the partnership. For OEM partners, it ranges from 6%–12%, and for Service Provider Partners, it ranges from 60%–90%. Meanwhile, ConnectM's corporate-wide steady-state gross profit margin remains around 40%. These strong margins reflect both the value-add of EIN's AI-driven insights and the managed services structure that underpins the platform.

ConnectM's EIN is principally used by:

- **OEMs:** Manufacturers looking to embed AI-driven monitoring and optimization capabilities into their electrified product lines.
- **Installers and Service Providers:** Companies needing a robust platform for real-time equipment management, proactive repairs, and cross-selling opportunities across HVAC, EV charging, and solar installations.
- **Operators:** Entities managing fleets of heat pumps, solar arrays, or EV chargers who require predictive insights into system performance to reduce downtime and total cost of ownership.
- **End Customers:** typically include homeowners, commercial building owners, and fleet operators, who benefit from energy savings and strong payback periods resulting from systematically transitioning away from fossil fuels.

EIN Operational Highlights and Network Growth

ConnectM's EIN has seen significant adoption, with the company continually enhancing the platform and expanding its reach. As of 2024, ConnectM's EIN network has demonstrated the following operational and network growth:

1. **Platform Subscription Growth**
   - EIN Platform subscriptions jumped to 11,000+ in 2024, a major increase from 5,500 in 2023.
   - Yearly active customers grew to 20,000+ in 2024, up from 13,000 in 2023, indicative of ConnectM's expanding service footprint.
2. **Electrification Metrics**
   - 95.5 GWh of Electrification in 2024, reflecting a 331% increase compared to the previous year. This level of energy consumption is equivalent to powering 35,000 homes per day.
   - 73,506 Metric Tons of CO_2 Displaced, marking a 391% rise over 2023 and equivalent to the amount of CO_2 3.4 million trees can absorb in a year.
   - 6.7 Million Gallons of Fossil Fuel Displaced, an impressive 343% increase over last year. This metric is equivalent to driving around the world roughly 7,000 times.

These statistics underscore both the rapid uptake of the EIN platform and ConnectM's tangible impact on carbon reduction and fossil fuel displacement.

ConnectM's EIN unifies three core segments: building electrification, fleet electrification, and distributed energy. By integrating AI and cloud analytics, EIN drives sustainable growth and positions ConnectM at the forefront of the electrification economy

Strategic Importance of EIN in ConnectM's Portfolio

ConnectM has divided its operations into three primary growth segments, with EIN serving as the unifying technological backbone:

1. **Smart Heating & Cooling (Building Electrification):** AI-driven heat pumps, advanced HVAC control systems, and energy monitoring solutions.
2. **Two-, Three-, and Four-Wheel Commercial Electric Vehicles; Last-Mile Delivery (Transportation & Logistics):** EIN helps manage fleet electrification by balancing real-time charging demands, maintenance scheduling, and route optimization.
3. **Distributed Energy Resources (Distributed Energy):** Solar panels, batteries, and EV chargers all feed into the EIN platform, unlocking new layers of data visibility and revenue generation for asset owners.

By focusing on vertical integration across these segments and coupling that approach with robust AI and cloud-based analytics, ConnectM ensures that its EIN continues to drive sustainable growth, enhance operational efficiencies, and position the company at the forefront of the global electrification economy.

The ConnectM Product Ecosystem: From Smart Homes to Sustainable Transport

ConnectM Technology Solutions offers a diverse suite of electrification products and services designed to reduce carbon emissions and energy costs across residential, commercial, and transportation sectors. While the Company's Energy Intelligence Network (EIN) underpins these solutions, ConnectM's portfolio extends well beyond software—AI-driven heat pumps for cold climates, an automotive graphics cluster (AGVU) tailored to micro-mobility OEMs, solar kits, battery storage systems, and related installation and maintenance services. These products are designed to address energy efficiency and carbon reduction objectives, offering customers a single source for electrification needs.

ConnectM provides comprehensive electrification solutions across residential, commercial, and transportation, anchored by its EIN platform. Its portfolio spans AI-driven heat pumps, micro-mobility automotive clusters, solar kits, and battery storage, offering a one-stop source for cutting emissions and costs

Building Electrification: AI-Powered Heat Pumps and More

A central component of ConnectM's product lineup is its new generation of AI-driven heat pumps. Designed for residential and light commercial use, these innovative units are developed to reduce energy consumption and improve occupant comfort through advanced data analytics and machine learning. ConnectM's AI-powered heat pumps have the following features:

- **Integrated IoT and AI Engine:** Powered by ConnectM's proprietary large language model (LLM) and cloud-based analytics platform, the heat pump automatically calibrates its performance in real-time to match changing environmental conditions and user preferences.

- **Energy and Cost Savings:** The system leverages AI to optimize heating and cooling cycles, reducing both utility bills and carbon footprint. According to the Energy Information Agency (EIA), 54% of total energy usage in single-family homes goes toward heating and cooling, making efficiency gains in this area immensely impactful.

- **Cold Climate Certification:** ConnectM's AI-driven heat pump has received the AHRI (Air-Conditioning Heating and Refrigeration Institute) Cold Climate Certification, a prestigious validation of its ability to function efficiently in temperatures as low as –15°F. This sets it apart from conventional heat pumps, which often struggle in harsh winter climates.

- **Flexible Energy Sources:** When paired with solar panels, the system can seamlessly tap into renewable energy, further shrinking a home's or building's environmental footprint.

- **Ease of Use & Maintenance:** Featuring quiet operation, a straightforward interface, and remote monitoring capabilities via the Company's EIN platform, the heat pump is backed by a 10-year parts and labor warranty, ensuring long-term peace of mind.

- **Wide Availability:** After its successful cold-weather certification, this heat pump is slated for nationwide rollout through ConnectM's service provider network in 2025.

Exhibit 3: ConnectM's AI-Driven Heat Pump Architecture. Source: Investor Presentation

From a market perspective, the AI-driven heat pump addresses a substantial segment of residential and light commercial energy consumption, since heating and cooling can account for more than half of a single-family home's total energy use. By integrating machine learning algorithms that adjust output in real-time based on weather data, user behavior, and energy prices, the system aims to deliver both operational cost savings and a reduced carbon footprint—factors that can appeal to homeowners, small businesses, and eco-conscious consumers alike.

On a product strategy level, the AI-driven heat pump broadens ConnectM's reach in the building electrification market beyond software integration, placing the company more directly in competition with established HVAC manufacturers. Furthermore, its cold-climate certification and compatibility with renewable energy sources (e.g., rooftop solar) help differentiate the unit in regions where conventional heat pumps are less effective during winter months. Over the long run, this focus on performance, energy efficiency, and data-driven optimization could generate recurring revenue streams through after-sales services and managed upgrades, potentially improving ConnectM's margins and reinforcing its position in a rapidly electrifying global market.

Distributed Energy: Solar, Battery Storage, and Grid Management

In addition to advanced HVAC, ConnectM has built robust expertise in distributed energy resources:

- **Solar Kits (Panels, Inverters, Balance of System):** ConnectM's EIN monitors and manages connected photovoltaic (PV) systems for optimal energy production and grid balancing.
- **Battery Storage & EV Charging:** Through virtual power plants (VPPs) and AI-driven management tools, the Company supports energy storage deployment that can offset peak loads and facilitate decarbonization. EV charging stations tie directly into ConnectM's data platform, allowing real-time monitoring and load management.

- **IoT Platform Integration:** Core to ConnectM's approach is a patented, AI-powered IoT platform. Featuring edge computing products, cloud business solutions, and white-label capabilities, this platform provides OEMs and service providers with a turnkey framework for offering next-generation electrification products under their own brands.

Transportation & Logistics: Micro-Mobility and Beyond

ConnectM's EIN is equally relevant in the transportation space, particularly for micro-mobility and commercial EV fleets. Recent agreements bring ConnectM's total OEM customer count to 41 in the Transportation & Logistics segment, including industry leaders such as VST Tractors, Force Motors, and JBM, alongside legacy clients like Volvo Eicher, Ashok Leyland, and TI Clean Mobility. Additionally, ConnectM's Energy Intelligence Network now supports over 25,000 EVs—a 48% year-over-year increase—with 2,000–3,000 new vehicles added monthly, driving recurring subscription revenue. This growth underscores the expanding demand for IoT-enabled dashboards, battery diagnostics, and predictive maintenance tools.

Automotive Graphics Visual Unit (AGVU)

AGVU is ConnectM's new offering geared toward both electric micro-mobility and broader automotive applications. The AGVU provides a cutting-edge, automotive-grade instrument cluster that balances cost, performance, and durability. Key features of ConnectM's AGVU include:

ConnectM's EIN supports micro-mobility and EV fleets, with 41 OEM clients tapping IoT dashboards and battery diagnostics. Its new AGVU offers real-time metrics, advanced visualization, OTA updates, and rugged construction, catering to diverse automotive and micro-mobility needs

- **Real-Time Responsiveness:** Critical vehicle metrics such as speed, battery life, and navigation display seamlessly, offering drivers intuitive, at-a-glance information.
- **Advanced Data Visualization:** Support for 2.5D effects, anti-aliasing, and gradient fills improves clarity, enabling quick interpretation of vital metrics.
- **Over-the-Air Updates & Integration:** OEMs can maintain and improve the AGVU via firmware updates, reducing the need for full hardware replacements and future-proofing their EV or micro-mobility products.
- **Durable Construction:** Engineered to withstand heat, moisture, and vibrations common in transportation environments, delivering reliable performance across diverse settings.
- **Customizable Framework:** A robust, pre-built software stack allows rapid adaptation for different OEM workflows, making it easier to create a branded user interface.

Exhibit 4: ConnectM's Automotive Graphics Visual Unit (AGVU) Device. Source: Press Release

The shift to electric and micro-mobility vehicles has heightened the need for sophisticated, data-rich displays that offer drivers real-time insight into battery usage, motor performance, and navigation. Traditional gauges or basic digital readouts often fail to provide the level of detail and adaptability required for these newer vehicle platforms. By delivering metrics such as remaining range, power consumption, and system diagnostics in a user-friendly format, the AGVU helps operators make informed decisions about route planning, charging stops, and overall vehicle health.

In our view, the AGVU represents a compelling growth driver for ConnectM's Transportation & Logistics segment, particularly in the expanding micro-mobility and light EV markets. The product aligns with industry trends emphasizing connected technology, data-centric functionality, and user-friendly interfaces—factors that can differentiate OEM products and potentially command higher margins. By offering over-the-air update capabilities, ConnectM also introduces a channel for aftermarket revenue streams and continued customer engagement. These features together suggest that the AGVU could not only expand ConnectM's addressable market but also help drive incremental revenue growth and reinforce the Company's broader positioning within the electrification economy.

Omnichannel, Install & Care: Meeting the Needs of Partners and Customers

Alongside product development, ConnectM provides installation and maintenance services for its heat pumps, solar kits, and battery systems. This approach is meant to streamline the deployment process for both residential and commercial end users by handling procurement, scheduling, and technical support under one provider.

Many of these services follow a managed-services model, wherein ConnectM oversees vendor management, inventory logistics, and, if needed, human resource support. This is especially relevant for businesses that lack the bandwidth to scale their electrification offerings. By having a single entity manage various aspects of project execution, OEMs, installers, and property owners can focus on their core operations while still benefiting from the latest AI-enabled technologies.

Paving the Road to Scalable Growth: ConnectM's Strategic Focus

ConnectM's overarching aim is to expand its share of the electrification economy by moving from a balanced service and product offering to a more product-forward revenue mix. As illustrated by the company's projections for 2024 and 2026, product-related sales are expected to increase from roughly half of total revenue to 70% within two years. This pivot reflects a deliberate strategy to capitalize on scalable, AI-driven hardware—such as the Company's heat pumps and automotive graphics units—while still supporting end-to-end services (Install & Care) and omni-channel offerings. By emphasizing products that target large addressable markets (e.g., home heating and cooling, micro-mobility) and augmenting these with managed services, ConnectM intends to accelerate recurring revenue streams and elevate its brand recognition in key industry verticals.

Looking ahead, the company has outlined several near-term objectives for its product segment:

- **Achieve $1M/week in Revenue:** A clear financial target that underscores ConnectM's focus on rapid growth.
- **Build Out the Heat Pump and Solar Businesses:** Developing new product variants and expanding market penetration in residential and commercial sectors.
- **Maintain a Full M&A Pipeline:** Identifying acquisition candidates to bolster both product and service capabilities, thereby broadening ConnectM's footprint in adjacent electrification markets.
- **Develop Omnichannel and Product Business Units:** Enhancing brand visibility, strengthening distribution channels, and encouraging cross-selling opportunities within the Green Energy Gains flywheel.

ConnectM streamlines electrification installations and support, aiming for $1M/week as it pivots to 70% product revenue. Plans include expanding hardware lines, pursuing M&A, and developing omnichannel growth

Powering Growth with Vertical Integration, Strategic Acquisitions, and Smart Energy Collaborations

ConnectM Technology Solutions is advancing its market leadership in the electrification economy by building a diverse portfolio through strategic acquisitions and targeted vertical integration. The company's growth strategy is underpinned by several key initiatives: strengthening wireless communication capabilities via the MHz Invensys acquisition, expanding logistics and last-mile delivery operations with DeliveryCircle, and integrating a suite of HVAC and related service providers to enhance its service offering. These moves are complemented by strategic partnerships and smart energy collaborations, positioning ConnectM to capture significant value from emerging energy markets and decarbonization trends.

Strategic Acquisitions: MHz Invensys, DeliveryCircle, and HVAC Acquisitions

MHz Invensys Acquisition: ConnectM's acquisition of MHz Invensys is a prime example of a targeted move to strengthen its wireless communication capabilities. MHz Invensys, known for its advanced radio frequency (RF) mesh-based product designs, has long been a technology leader in the energy sector. Its solutions address the inherent complexities of traditional energy metering

protocols, enabling multi-billion scale meter readings every half hour and robust bidirectional communication for millions of smart meters.

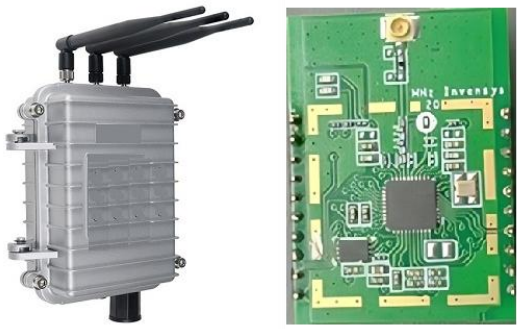


Exhibit 5: MHz Invensys IoT Gateway and LPRF Module. Source: MHz Invensys

This acquisition, executed via an all-stock transaction and incorporating critical intellectual property, not only boosts ConnectM's technical prowess but also directly supports its smart metering/Advanced Metering Infrastructure (AMI) vertical. Industry estimates project that the global AMI market will surpass $47 billion by 2030, growing at a compound annual rate (CAGR) of 16.1% from 2024 to 2030.[1] With the integration of MHz Invensys's assets, ConnectM expects to drive an incremental revenue contribution of approximately $15 million from the AMI vertical by the end of 2027. Furthermore, by retaining the founders as part of the team, ConnectM ensures continuity in innovation and operational expertise, which is critical for the smart metering space.

DeliveryCircle Acquisition: Complementing its foray into wireless solutions, ConnectM has also expanded its footprint into adjacent market segments through the acquisition of DeliveryCircle. This strategic purchase, executed for a purchase price of approximately $5.2 million, marks the company's inaugural M&A move following its public debut. DeliveryCircle's core competency lies in its technology-enabled final mile delivery service, which connects businesses with a vast network of over 500,000 drivers.

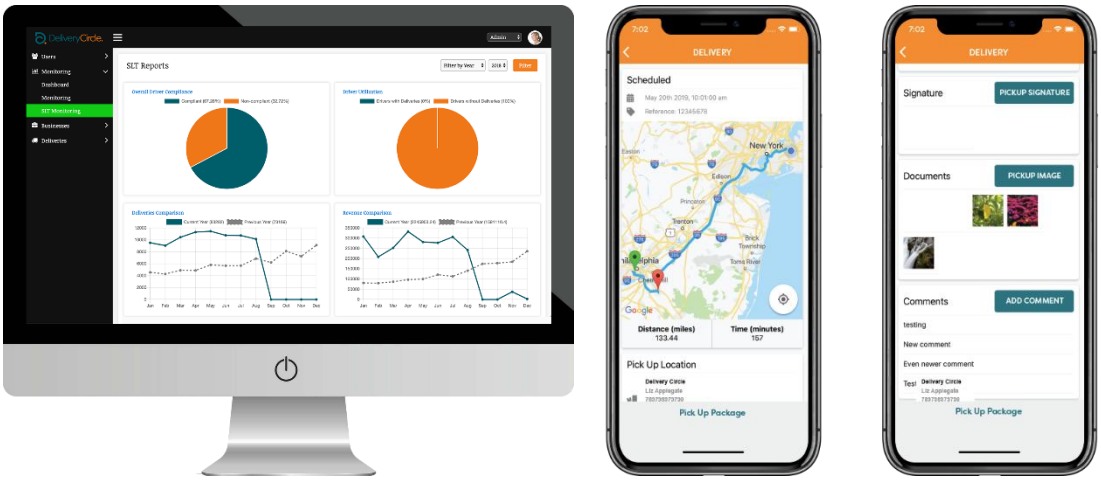


Exhibit 6: DeliveryCircle's Decios Delivery Software and App. Source: DeliveryCircle

[1] Stellar Market Research

Its asset-light, mobile app-based logistics platform—Decios—enables efficient route optimization and dispatch management across the United States. The acquisition is immediately accretive, bolstering ConnectM's operational scale while aligning with its broader mission to optimize connected operations and fleet electrification. This move not only enhances the company's revenue streams through profitable logistics operations but also opens up cross-selling opportunities across its growing suite of energy and electrification services.

HVAC Acquisitions and Integration: Complementing its investments in wireless and logistics, ConnectM has pursued a series of strategic acquisitions in the HVAC and clean energy services space. These acquisitions not only broaden ConnectM's service portfolio but also create significant cross-selling opportunities and economies of scale across its operations. The company's HVAC-related acquisitions include:

ConnectM advances electrification leadership through strategic acquisitions and HVAC integrations, bolstered by partnerships in smart energy. This positions the company to capture significant value in emerging decarbonization markets

- **Green Energy Gains, Inc.:** Acquired in 2024, it is a service provider of energy and weatherization assessments and is instrumental in the distribution and installation of ConnectM's AI-powered heat pumps, thereby augmenting the Company's Building Electrification segment.
- **Florida Solar Products, Inc.:** Acquired in December 2022, FSP specializes in solar and heating solutions, including photovoltaic power systems and battery backup systems, addressing both commercial and residential needs.
- **Blue Sky Electric, Inc.:** Acquired in August 2022, BSE complements ConnectM's service offerings by providing electrical contracting services in the Boston, Massachusetts area.
- **Airflow Service Company, Inc.:** Acquired in May 2022, AFS delivers reliable repairs and upgrades for heating and cooling systems in the Manassas, Virginia area.
- **Bourque Heating & Cooling Company, Inc.:** Acquired in February 2022, BHC provides HVAC repair, installation, and maintenance services in Cape Cod and southeastern Massachusetts.
- **Cazeault Solar & Home, LLC:** Acquired in January 2022, CSH serves the north shore of Massachusetts with integrated solar and roofing services, positioning ConnectM to benefit from growing residential solar installations.
- **AC Medics, LLC:** Acquired in November 2021, this company has been instrumental in enhancing installation and repair services in the air conditioning segment.
- **Babione's Air Conditioning & Heating, Inc.:** Acquired in October 2020, BAC focuses on professional HVAC services in the Levy County, Florida area, addressing both emergency and routine repair needs.
- **Designed Temperatures, Inc.:** Acquired in March 2020, DT provided round-the-clock servicing for heating systems utilizing propane, oil, natural gas, and air conditioning. Although DT was wound down during 2023, its integration provided critical early-stage insights into regional energy service management.
- **Absolutely Cool Air-Conditioning:** Acquired in April 2021, when ConnectM purchased a 90% controlling interest, ACA further strengthens the company's presence in the HVAC sector by delivering innovative and efficient cooling services in the Treasure Coast, Florida region.

Through these acquisitions, ConnectM has effectively assembled a vertically integrated suite of services that spans the entire heating, ventilation, and air conditioning (HVAC) value chain. This integration not only enhances operational efficiencies but also supports cross-platform service delivery, particularly as the company moves toward integrated smart energy solutions.

Vertical Integration: Creating Synergies Across the Value Chain

ConnectM's growth strategy is underscored by its deliberate push toward vertical integration. By acquiring companies that provide complementary services—from high-end wireless communication systems to logistics and fleet management, the company is integrating multiple layers of the supply chain. This approach offers several key advantages:
Operational Efficiency: Integration of MHz Invensys's technology into ConnectM's AI-powered platform not only improves data acquisition and management across the AMI vertical but also streamlines communications between smart meters and utility companies. This results in more efficient energy usage monitoring and predictive maintenance capabilities.

Economies of Scale: By consolidating technology assets and operational networks, ConnectM can leverage economies of scale, reducing per-unit costs while simultaneously expanding its product and service offerings across both the energy and logistics sectors.

ConnectM integrates multiple layers of the supply chain to boost efficiency, reduce costs, and broaden market reach. This vertical strategy strengthens its competitive edge, positioning the company as an end-to-end provider across emerging decarbonization trends

Market Expansion: The company's ability to tap into emerging sectors—such as solar grid monitoring, IoT/Industrial IoT, renewables, and water and gas metering, illustrates its capability to serve not only current markets but also rapidly growing adjacent industries. This multi-vertical approach minimizes risk and positions ConnectM as a diversified player in the electrification economy.

Enhanced Competitive Positioning: Vertical integration reinforces ConnectM's competitive edge, as the company becomes one of the few firms capable of offering an end-to-end solution that encompasses everything from meter data management and real-time communication to last-mile delivery and energy asset management.

Smart Energy Collaborations and Decarbonization Initiatives

ConnectM's integrated strategy *extends beyond acquisitions into collaborative efforts* that drive smart energy solutions and decarbonization. The company is actively pursuing collaborations that combine its technological capabilities with niche service providers specializing in clean energy. Key initiatives include:

Integrated Energy Plans: ConnectM is orchestrating multi-year rollouts that bundle heat pumps, solar battery systems, and EV charging stations into cohesive energy solutions. These projects are reinforced through partnerships with utility companies and OEMs, ensuring that deployment is both scalable and financially viable.

Expansion into Renewable and IoT Markets: The integration of HVAC, solar, and battery services positions ConnectM to tap into the burgeoning renewable energy sector. Its portfolio now

spans solar grid monitoring, IoT/Industrial IoT applications, renewables, and water and gas metering—each of which benefits from enhanced data analytics and real-time monitoring.

Operational and Economical Synergies: By leveraging advanced analytics and AI-powered platforms, ConnectM optimizes the performance of its integrated assets—from smart meters to HVAC systems, thereby reducing energy costs and minimizing carbon footprints for end customers. This technology-driven approach is central to supporting decarbonization goals and aligning with global energy transition trends.

Service Agreements with County Comfort and Devlin Energy

Building on its vision of a decarbonized, electrified future, ConnectM has recently signed two pivotal service agreements—one with County Comfort and another with Devlin Energy. Each partnership underscores ConnectM's commitment to scaling its Energy Intelligence Network (EIN) and amplifying the adoption of clean energy solutions.

Managed Services Agreement with County Comfort

ConnectM announced a Managed Services Agreement (MSA) with County Comfort Home Solutions Inc., a Westchester County-based company specializing in energy audits, insulation, weatherization, solar, battery systems, and advanced HVAC solutions. Slated to contribute $7 million in revenue in 2025, this arrangement leverages ConnectM's comprehensive services, from its Energy Intelligence Network to vendor management and procurement, to strengthen County Comfort's existing business. In addition to the MSA, both parties signed a nonbinding Letter of Intent granting ConnectM the option to acquire County Comfort at a 5X multiple of EBITDA, contingent upon the latter meeting predefined financial milestones. This structure sets the stage for deeper collaboration and revenue growth over time.

Exhibit 7: County Comfort's Suite of Services. Source: County Comfort

Under the MSA, County Comfort will offer ConnectM's proprietary AI-powered Heat Pump and distributed energy products—core elements of the company's "Electrification Flywheel." By integrating these solutions into County Comfort's portfolio, end customers benefit from increased energy savings, reduced carbon emissions, and comprehensive electrification options.

ConnectM's new MSAs with County Comfort (projected $7M revenue in 2025) and Devlin Energy ($20M+ in 12 months) expand its EIN platform across solar, battery, and heat pump offerings

- **Operational Upside:** County Comfort's broad expertise in weatherization and HVAC complements ConnectM's focus on data-driven asset management, enabling more precise energy audits and retrofit recommendations.
- **Reputation and Expertise:** County Comfort's recognition, such as Con Edison's Weatherization Contractor of the Year, emphasizes its operational excellence. This partnership aligns well with ConnectM's goal of teaming with high-quality, proven service providers to reinforce electrification efforts in the U.S. Northeast region.

Master Services Agreement with Devlin Energy

ConnectM has also entered into a Master Services Agreement (MSA) with Devlin Contracting and Maintenance, Inc., doing business as Devlin Energy. A prominent solar and battery retrofit installer in New England, Devlin Energy is expected to add $20+ million in revenue within the next twelve months, substantially expanding ConnectM's portfolio and revenue base.

Under the terms of the MSA, ConnectM may exercise its option to acquire Devlin Energy at a valuation of $39.0 million, contingent on Devlin reaching defined Revenue and Net Income thresholds across multiple annual periods (2024–2029). Specific performance milestones for Devlin Energy include growing revenues from $21 million up to $108 million, with net income increasing in tandem from $3.0 million to $22.5 million over the outlined timeline.

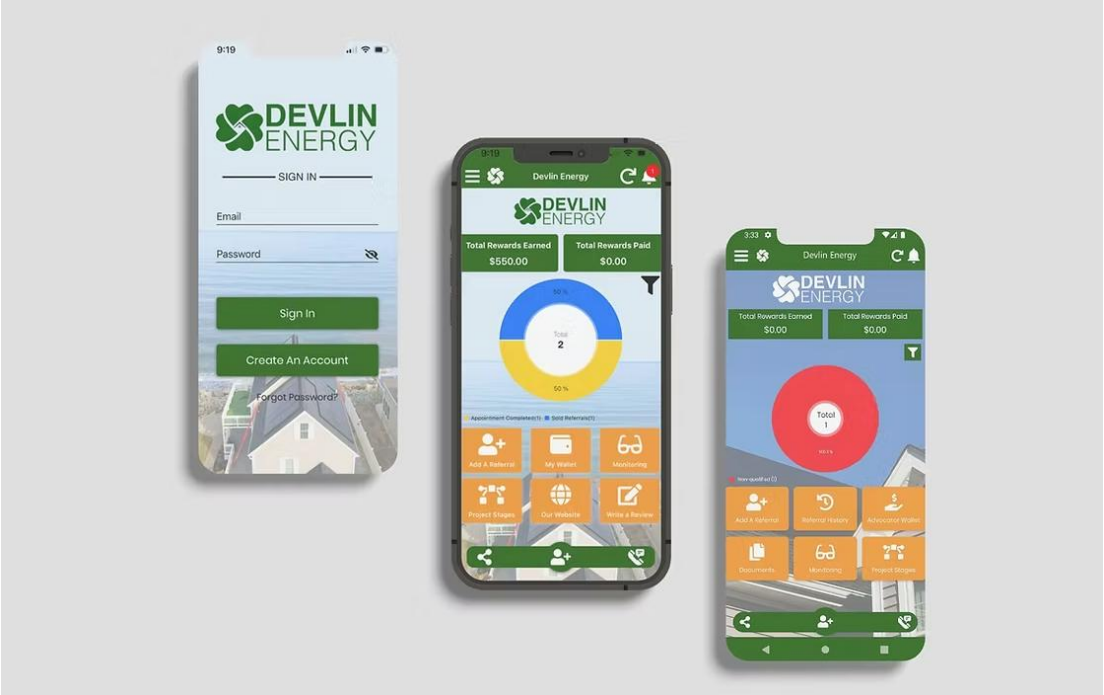


Exhibit 8: Devlin Energy Mobile App. Source: Devlin Energy

By integrating Devlin Energy's solar and battery solutions into ConnectM's EIN platform, both companies stand to benefit from:

- **Managed Services Integration:** Devlin Energy will tap into ConnectM's HR management, supply chain, inventory, and logistics services, freeing resources to focus on market expansion and customer acquisition.
- **Enhanced Customer Reach:** Devlin Energy's large residential and commercial install base can be leveraged to introduce ConnectM's broader suite of electrification services (e.g., heat pumps, EV charging).
- **Streamlined Financing and Procurement:** The MSA includes provisions for working capital through lending terms, seeking to provide that Devlin Energy can secure the inventory and resources needed to meet ambitious growth targets.

This MSA is expected to have a significantly accretive impact on ConnectM's overall revenue profile and profitability. The seamless integration of Devlin Energy's capabilities with ConnectM's robust platform not only drives organic growth but also enhances margin expansion, amplifying the strategic value of this collaboration.

Financial, Strategic, and Long-Term Implications of ConnectM's M&A and Collaboration Strategy

The cumulative effect of ConnectM's diverse acquisitions and smart energy initiatives is a robust growth trajectory characterized by multiple revenue streams and scalable operations. Key financial and strategic highlights include:

ConnectM's acquisitions and partnerships yield diverse revenue streams, scalable operations, and expanded market reach. By unifying assets under EIN, ConnectM drives cost efficiencies, provides a one-stop shop for electrification solutions

- **Revenue Synergies:** The integration of MHz Invensys is expected to contribute an additional $15 million in revenue from the AMI vertical by the end of 2027. When combined with immediate accretive gains from the DeliveryCircle acquisition and synergies realized across its HVAC and clean energy service providers, ConnectM's revenue growth is poised to accelerate.
- **Strengthened Regional Presence:** By partnering with County Comfort and Devlin Energy, ConnectM deepens its footprint in high-value regional markets—New York and New England, well known for progressive clean energy policies and customer demand for sustainable home and commercial solutions.
- **Market Expansion:** By entering diverse segments—from wireless communications and last-mile delivery to HVAC and renewable energy—the company is well-positioned to tap into high-growth markets. The global AMI market alone is forecast to exceed $47.5 billion by 2030, while the U.S. couriers and local delivery market represents a $182 billion opportunity.[1] [2]
- **Cost Efficiencies:** Vertical integration allows ConnectM to achieve economies of scale, reduce operational redundancies, and streamline its supply chain. These cost efficiencies, coupled with a diversified portfolio, reduce overall risk and enhance long-term profitability.

[2] Mordor Intelligence

- **Elevated Value Proposition for End Customers:** As more service providers join the ConnectM ecosystem, homeowners and businesses benefit from a one-stop-shop for electrification solutions—reliably managed, monitored, and optimized via EIN. This consistency in service and technology further solidifies ConnectM's standing as a leader in the electrification economy.

ConnectM's $2 Trillion Market Opportunity: Riding Strong Tailwinds in a Vast, Nascent Market

The global energy landscape is transforming profoundly as the world pivots from fossil fuels to renewable energy. For decades, fossil fuels—coal, oil, and natural gas, have dominated global energy supply, consistently meeting around 80% of total demand.[3] However, a combination of environmental imperatives, economic factors, and technological advancements is accelerating the transition toward cleaner energy sources. Consequently, demand for fossil fuels is expected to peak potentially as early as 2025, marking the zenith of fossil fuel consumption.[4] Governments, businesses, and consumers are increasingly recognizing that renewable energy—solar, wind, hydro, and bioenergy, not only mitigates climate change but also enhances energy security and economic resilience.

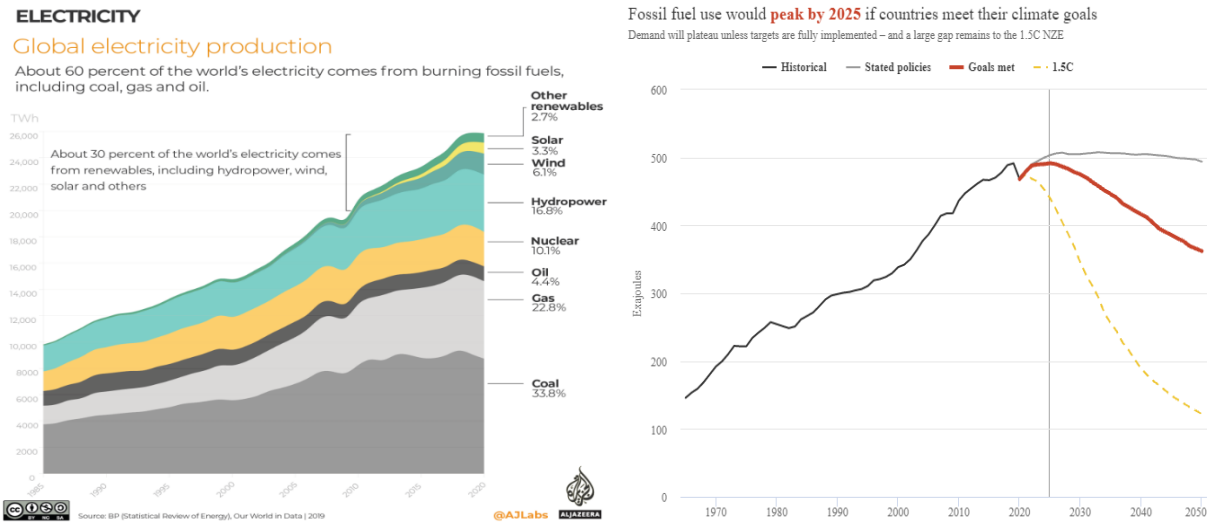


Exhibit 9: Approximately 60% of World's Electricity is Sourced from Fossil Fuels (Left), Fossil Fuel Demand Expected to Peak by 2025 (right). Source: Aljazeera, World Economic Forum

Accelerating the Shift to Renewables

The transition from fossil fuels to renewable energy is no longer just an option; it is an urgent necessity. The consequences of delaying this shift are profound, affecting the climate, global economies, public health, and energy security.

[3] World Energy Outlook 2023
[4] World Economic Forum

- **Fossil Fuels: The Largest Source of Emissions -** Fossil Fuels are responsible for over 75% of global greenhouse gas (GHG) emissions and nearly 90% of carbon dioxide (CO2) emissions, leading to rising global temperatures and extreme weather events.[5] According to UN Environment Programme report, If emissions continue unchecked, the world is projected to exceed 2.4°C of warming by 2100, well beyond the 1.5°C limit set by the Paris Agreement, resulting in more frequent wildfires, hurricanes, and droughts.[6]
- **Energy Security and Independence:** Global reliance on fossil fuels makes economies vulnerable to geopolitical tensions, supply chain disruptions, and price volatility, as demonstrated by the Russia-Ukraine war, which caused energy shortages and record-high gas prices.
- **Public Health Issues:** Burning fossil fuels releases harmful pollutants, contributing to air pollution that causes 6 million premature deaths annually due to respiratory diseases like asthma, lung cancer, and heart diseases.[3]

The need to transition from fossil fuels to renewable energy is evident, as it offers not only safer and healthier outcomes but also makes a strong economic sense in terms of job creation and capital investment. In 2022, around $7 trillion was allocated to subsidizing the fossil fuel industry through direct subsidies, tax breaks, and unpriced health and environmental damages.[7] In contrast, an annual investment of approximately $4.5 trillion in renewable energy—covering technology and infrastructure, is needed through 2030 to achieve net-zero emissions by 2050. Moreover, the benefits of reducing pollution and mitigating climate impacts could result in global savings of up to $4.2 trillion per year by 2030. According to an Oxford University study, switching to renewables could save the world as much as $12 trillion by 2050.[8] Crucially, every dollar invested in renewables creates three times more jobs than in the fossil fuel industry; the International Energy Agency estimates that while the fossil fuel sector might lose about 5 million jobs by 2030, the clean energy transition could generate 14 million new jobs, yielding a net gain of 9 million.

Global energy transition is forecast to grow from $2.83T (2024) to $5.42T by 2031, creating trillion-dollar opportunities. ConnectM targets a segment of this net-zero future by focusing on building electrification, distributed energy,

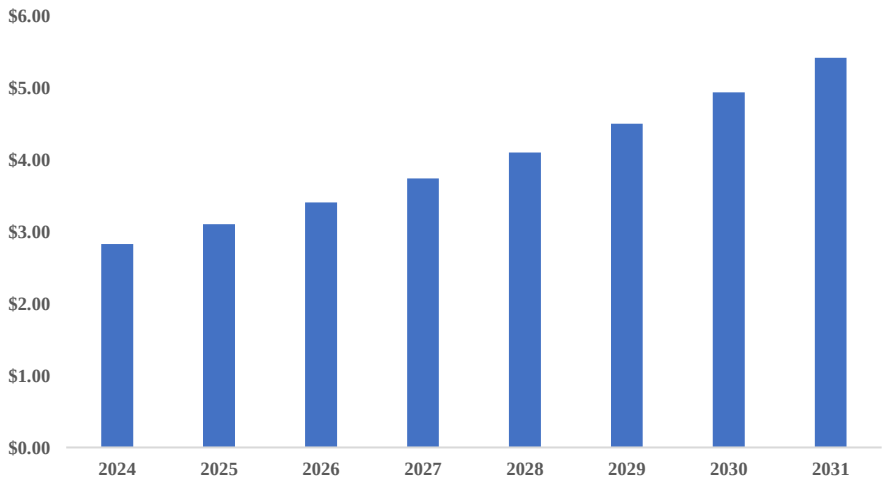


Exhibit 10: Energy Transition Market (in $ trillion) Source: Coherent Market Insights

[5] United Nations/Climate Action
[6] United Nations Environment Programme
[7] United Nations/Climate Action
[8] Empirically grounded technology forecasts and the energy transition. Way, Rupert et al. Joule, Volume 6, Issue 9, 2057 - 2082

As the global energy transition accelerates—propelled by multiple tailwinds including global climate initiatives, significant technological advancements, rapidly declining costs, and rising corporate and consumer demand—the market is poised to unlock substantial economic opportunities. Valued at $2.83 trillion in 2024, the energy transition market is estimated to grow at a CAGR of 9.7% reaching $5.42 trillion by 2031.[9] This dynamic transformation is creating an expansive landscape for technology innovators and industry incumbents to tap into multi-trillion-dollar emerging markets. With robust tailwinds, key stakeholders are strategically positioned to become principal beneficiaries of this clean energy revolution. ConnectM is set to capitalize on the accelerating transition to a net-zero carbon future. With a clear focus on three high-growth markets—Building Electrification, Distributed Energy, and Transportation & Logistics, the company aims to target this large market.

- **Building Electrification:** This segment within the broader energy market is rapidly evolving as businesses and households seek smarter, more energy-efficient heating and cooling solutions. The adoption of AI-powered heat pumps and advanced cooling technologies is a key driver in modernizing HVAC infrastructure significantly enhancing energy efficiency while reducing dependence on fossil fuels. The integration of energy management systems with AI and IoT allows for real-time monitoring, predictive maintenance, and autonomous optimization, ensuring precise climate control while minimizing energy waste. The global HVAC controller market, valued at US$21.9 billion in 2024, is projected to grow at a CAGR of 9.5% reaching US$49.67 billion by 2033.[10] A significant trend is the rising adoption of smart HVAC controllers, which accounted for 35% of the total market share in 2024.[10] According to recent surveys, 60% of commercial buildings now use energy-efficient HVAC systems, leading to substantial operational cost reductions. Additionally, the residential sector is increasingly adopting smart HVAC solutions, driven by the growth of smart homes. Moreover, government incentives for decarbonization, the push for net-zero buildings, and the proliferation of smart cities are accelerating the adoption of AI-driven HVAC solutions. The shift towards digitalization of energy systems not only improves efficiency but also enhances grid stability through demand-response capabilities, making buildings an integral part of the broader smart energy ecosystem. By leveraging these innovations, the company plays a pivotal role in advancing building electrification, enabling customers to adopt sustainable, cost-efficient, and carbon-neutral solutions for a smarter energy future.

- **Distributed Energy:** The Distributed Energy market is rapidly expanding, driven by the global push for decarbonization, energy independence, and grid resilience, as businesses and governments transition away from fossil fuel-based electricity. Valued at $360.4 billion in 2023, the global Distributed energy generation market is expected to reach $1,403.5 billion by 2033, growing at a CAGR of 14.6% from 2024 to 2033.[11] This market encompasses various technologies, including solar panels, wind turbines, and combustion engines, which provide localized power generation that enhances energy security and grid independence and minimizes transmission losses. The market is fueled by several high-

[9] Coherent Market Insights
[10] Global Growth Insights
[11] Allied Market Research

growth opportunities, including the rise of Virtual Power Plants (VPPs), solar energy adoption, battery storage expansion, and EV charging infrastructure.

- Virtual Power Plants (VPPs) enable decentralized energy resources–such as solar panels, batteries, and EV chargers—to function as a unified, AI-driven network that optimizes electricity distribution and reduces reliance on traditional grids. The global VPP market was valued at $1.42 billion in 2023 and is projected to grow from $1.86 billion in 2024 to $23.98 billion by 2032 exhibiting a CAGR of 37.70%, reflecting the accelerating adoption of smart grid technologies and AI-powered energy management.[12]

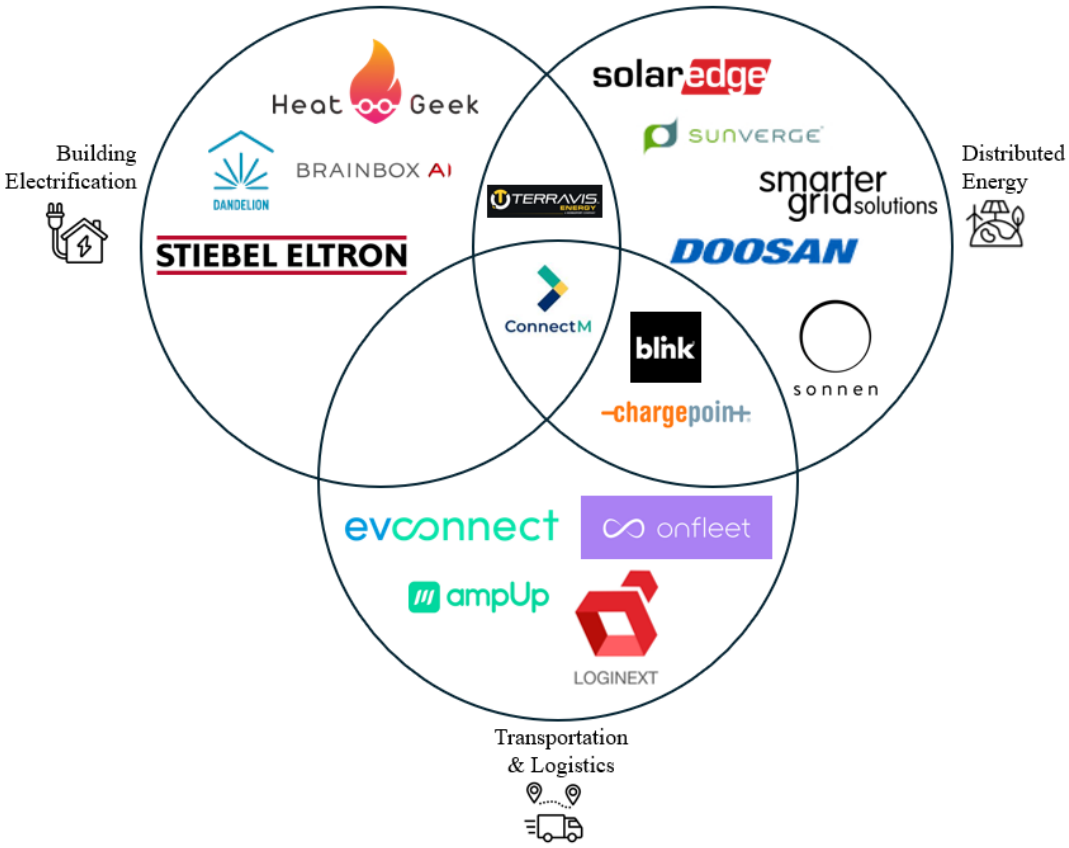
- The key growth driver in the Distributed Energy segment is the solar energy market which was valued at $253.69 billion in 2023 and is anticipated to rise to $273 billion in 2024, eventually reaching $436.36 billion by 2032, reflecting a CAGR of 6%.[13] North America continues to lead the global solar industry, accounting for 41.30% of the market, with the U.S. solar market alone expected to expand significantly, reaching $103.96 billion by 2032. This sustained growth is largely attributed to falling solar installation costs, robust government incentives, and continuous advancements in photovoltaic (PV) technology, making solar energy an increasingly cost-effective and scalable renewable energy solution worldwide.

- In addition to solar power, battery storage solutions are becoming increasingly critical for balancing intermittent renewable energy supply, providing backup power, and enhancing grid stability. The energy storage market is set to expand as more homes, businesses, and utilities integrate battery technology to store excess solar and wind power for use during peak demand hours. Furthermore, the EV charging infrastructure segment is experiencing rapid growth, fueled by the global transition to electrified transportation. Valued at $25.83 billion in 2023, the market is projected to grow at a CAGR of 25.4% from 2024 to 2030, reaching $32.26 billion in 2024 and $125.39 billion by 2030.[14] The increasing adoption of EVs, combined with government mandates for emissions reduction and investments in charging networks, is fueling this growth. Smart charging technologies, integrated with AI-powered energy management and Vehicle-to-grids (V2G) capabilities, further enhance grid resilience while optimizing electricity consumption.

- **Transportation & Logistics:** The Transportation & Logistics market is undergoing a major transformation, driven by the shift toward electric commercial vehicles and the rapid growth of last-mile delivery services. The global commercial vehicle electrification market was valued at $84.46 billion in 2024 and is projected to reach $506.7 billion by

[12] Fortune Business Insights
[13] Fortune Business Insights
[14] Grand View Research

2031, growing at a CAGR of 25.10%.[15] This growth is fueled by factors such as government incentives for zero-emission vehicles, stricter emission regulations, and the rising cost of fossil fuels, making electric alternatives more attractive for fleet operators. Simultaneously, the last-mile delivery market is experiencing unprecedented expansion, driven by the surge in e-commerce and the increasing demand for faster, more reliable logistics. Estimated at $174.62 billion in 2024, the market is projected to grow to $312.04 billion by 2031, reflecting a CAGR of 8.6%.[16] This upward trend is further accelerated by advancements in delivery technologies which optimize efficiency and reduce operational costs. As industry leaders like Amazon, FedEx, and UPS drive the shift towards electrified fleets, the adoption of Fleet Electrification-as-a-Service (FEaaS) and AI-powered route optimization is gaining momentum. These innovations are streamlining logistics operations and setting the stage for sustained growth in the evolving transportation landscape.



ConnectM unifies building electrification, distributed energy, and smart mobility with AI-driven solutions and managed services. Unlike single-focus peers, its EIN connects heat pumps, solar, batteries, EV charging, and logistics, enabling real-time monitoring and automation across industries

Exhibit 11: ConnectM's Position in the Decarbonization and Smart Energy Ecosystem. Source: Diamond Equity Research

ConnectM is uniquely positioned at the intersection of building electrification, distributed energy, and smart mobility, competing with established players in each market while offering a comprehensive, interconnected approach to smart electrification. It leverages AI-driven solutions, IoT integration, and managed services to optimize energy usage across heat pumps, solar power,

[15] Verified Market Research
[16] Coherent Market Insights

battery storage, EV charging infrastructure, and last-mile logistics. Unlike most peer companies focusing on single-market solutions, ConnectM's B2B Energy Intelligence Network (EIN) enables real-time monitoring, automation, and predictive analytics across multiple industries, creating synergies between smart buildings, renewable energy systems, and electric transportation.

Exhibit 12: ConnectM's Market Landscape among Peers. Source: Investor Presentation

In the above exhibit, ConnectM's position in the top-right quadrant illustrates its unique combination of cutting-edge technology and a diversified approach. This broad footprint enables ConnectM to capture more market opportunities than specialized peers while also being more agile than legacy players struggling to adapt. Overall, ConnectM's blend of tech innovation and strategic diversification offers a clear competitive advantage in the rapidly evolving electrification and decarbonization landscape. This ecosystem approach, combined with data-driven optimization and managed services, positions ConnectM as a key player in the $2 trillion electrification market, potentially creating a strong competitive advantage in a rapidly evolving sector.

Management Overview

ConnectM Technology Solutions is managed by a team of professionals with diverse expertise across technology, energy solutions, finance, and marketing. The management team includes specialists with extensive experience in digital transformation, sustainable energy, renewable energy, and global marketing strategies, equipping the company to address complex challenges in the energy sector.

Bhaskar Panigrahi - Chairman & CEO

Bhaskar Panigrahi is the Chairman and CEO of ConnectM Technology Solutions, bringing more than 21 years of leadership experience in the technology and clean energy sectors. Throughout his career, Panigrahi has played a pivotal role in the launch and growth of several companies, effectively guiding them through financing phases and public offerings. His experience includes significant contributions to two technology firms in a non-founder role, where he was instrumental in raising over $250 million in financing. His educational foundation includes a B.Tech in Computer Science from the National Institute of Technology Karnataka and further studies in Private Equity at Harvard Business School.

Girish Subramanya - CTO & Managing Director, India

Girish Subramanya is the CTO and Managing Director for ConnectM Technology Solutions in India, with over two decades of experience in technology development, focusing on smart EV solutions like VCU+GPS, OTA updates, and data science platforms. He holds an MCA in Computer Science from DOEACC, New Delhi, equipping him with a strong foundation in software development and technology management. Starting his career at ConnectM as a Software Engineer, Subramanya has held various roles within the company, including Development Lead and Head of Delivery & Projects, before ascending to executive leadership as COO for APAC & MEA, and later as Global CTO.

John Schinter - Chief Revenue Officer

John Schinter serves as the Chief Revenue Officer at ConnectM Technology Solutions, bringing nearly four decades of expertise in energy and sustainability to the role. He specializes in utilizing data analytics to drive significant improvements in carbon reduction and operational efficiencies across various industries. Educated at the Georgia Institute of Technology and the University of Illinois Chicago, Schinter holds an MS in Big Data Analytics and dual degrees in Mechanical and Energy Conversion Engineering. His extensive experience aids him in strategically enhancing ConnectM's revenue growth while aligning with the company’s sustainability objectives. Schinter's strategic initiatives focus on maximizing impact with minimal investments, leveraging his skills in market planning and energy efficiency to advance ConnectM's leadership in the clean energy sector.

Barbara Leavitt - Chief Marketing Officer

Barbara Leavitt is the Chief Marketing Officer at ConnectM Technology Solutions, with extensive experience in digital transformation, brand strategy, and corporate communications. She holds a BA in Journalism and Marketing from the University of Oregon and has held leadership roles at AT&T, BILL, and Microsoft. Leavitt has a strong track record in scaling companies, driving revenue growth, and executing global marketing programs. Her expertise spans IPO readiness, SaaS, IoT, fintech, and renewable energy. With international experience across Asia, Europe, and the Americas, she excels in leading cross-functional teams and crafting marketing strategies that enhance brand presence and market share.

Mahesh Choudhury - Vice President, US Operations

Mahesh Choudhury is the Vice President of US Operations at ConnectM Technology Solutions, with over 30 years of leadership in technology and energy sectors. He specializes in hybrid power solutions for telecom towers, particularly in emerging markets. Choudhury holds an M.Tech and an M.Sc. in Applied Geology from the Indian Institute of Technology, Bombay. His career includes roles as Managing Director at Ecovent Systems and Vice President at Cambridge Energy Resources, where he led initiatives to expand energy operations globally.

Financial Strength: Consistent Growth, Scalable Business Model, and Path to Profitability

- **Sustained Revenue Growth with 20 Consecutive Quarters of Expansion:** ConnectM Technology Solutions has maintained a strong track record of consistent revenue growth driven by its strategic focus on decarbonization, electrification, and energy efficiency (DE2) alongside its AI-powered solutions. With 20 consecutive quarters of revenue expansion, the company has capitalized on its first-mover advantage in AI-driven energy intelligence solutions, potentially achieving a projected $25.6 million in revenue for FY 2024, representing a 28% year-over-year increase. This follows reported revenues of $15.44 million in FY 2022 and $19.97 million in FY 2023, reinforcing a sustained upward trajectory. The company has built a diversified revenue model spanning AI-powered products, omnichannel, and install & care services, enabling multiple revenue streams. ConnectM's topline expansion is fueled by continuous product innovation, accelerated network growth, an underpenetrated market driven by strong industry tailwinds, and a strategic approach to acquisitions and partnerships that enhance its market presence and technological capabilities.

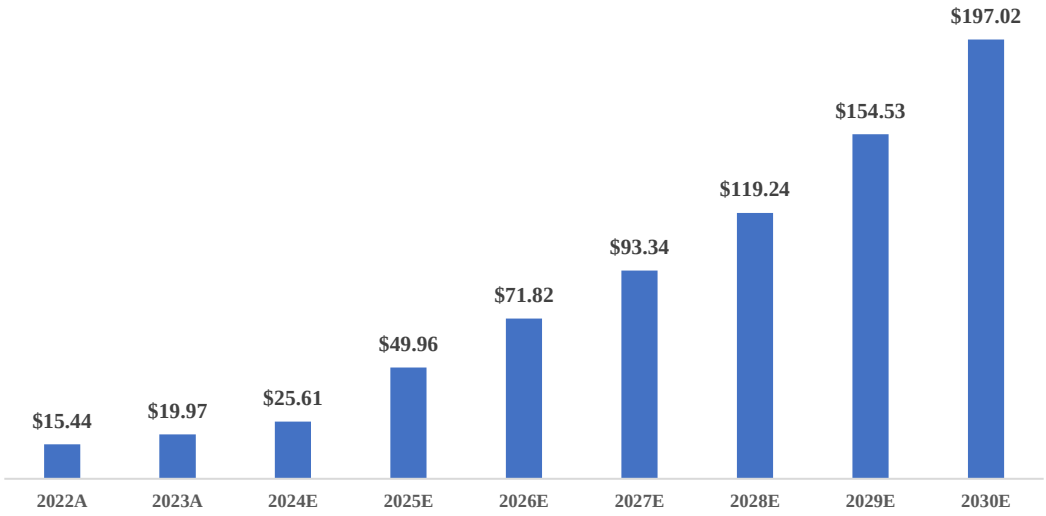


Exhibit 13: ConnectM's Revenue Forecast. Source: Diamond Equity Research

- **Product Innovation, Customer Growth, and Network Expansion:** ConnectM's ability to drive sustained revenue growth is underpinned by continuous innovation in AI-driven energy solutions and an expanding customer base. The company's portfolio includes AI-powered heat pumps, EV charging infrastructure, and distributed energy management solutions, all designed to improve energy efficiency and optimize performance for residential, commercial and transportation applications. ConnectM's network has seen significant expansion, with yearly active customers increasing from 13,000 in 2023 to over 20,000 in 2024, while EIN platform subscriptions increased from 5,500 to over 11,000 during the same period. With over 120,000 connected assets, ConnectM benefits from network effects that enhance data intelligence, increase customer lifetime value and create cross-selling opportunities. As the company introduces new products and digital solutions, it attracts a growing customer base while deepening engagement with existing users, driving higher recurring revenue from software subscriptions and managed services.

- **Strategic Acquisitions and Market Expansion:** ConnectM actively pursues an inorganic growth strategy through targeted acquisitions that enhance its technological capabilities and expand its market presence. The acquisitions of MHz Invensys, a leader in wireless communication for smart metering, and DeliveryCircle, a technology-enabled last-mile logistics provider, have strengthened ConnectM's foothold in the electrification and distributed energy sectors. These strategic moves not only widen its revenue streams but also create synergies across ConnectM's business verticals by integrating acquired technologies into its proprietary Energy Intelligence Network (EIN). By leveraging acquisitions to accelerate market penetration and diversify service

offerings, ConnectM enhances its competitive positioning in the rapidly expanding $2 trillion electrification market.

- **Favorable Industry Dynamics and Growing Market Demand:** The accelerating global shift toward electrification and renewable energy adoption provides a strong macroeconomic tailwind for C's growth. Governments worldwide are implementing stricter environmental regulations, carbon reduction mandates, and incentives for clean energy adoption, creating significant opportunities for companies positioned in the decarbonization space. Additionally, advancements in AI, IoT, and smart energy management systems are reshaping the energy landscape, increasing the demand for intelligent and efficient electrification solutions.

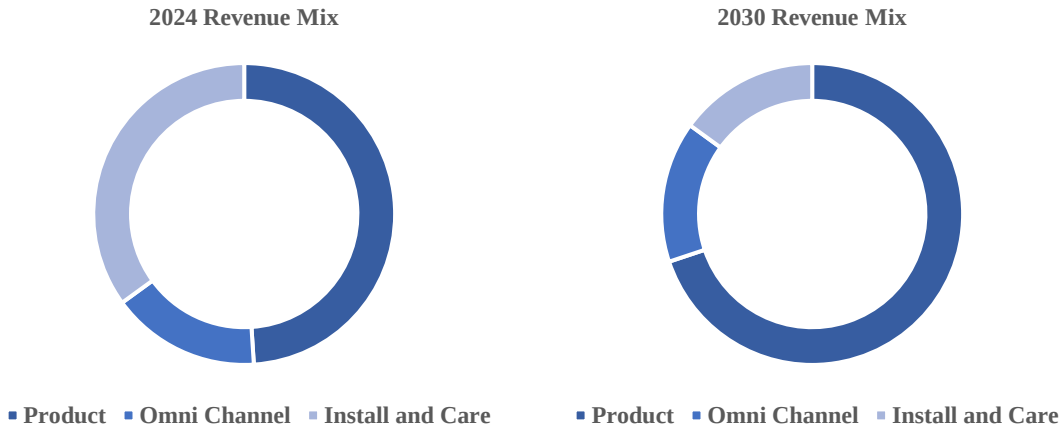


Exhibit 14: 2024e and 2030e Revenue Mix Indicating Product-Forward Approach. Source: Diamond Equity Research

- **Scalable High-Margin Business Model with the Potential to Be Cash Flow Positive by Early 2025:** ConnectM Technology Solutions (ConnectM) is advancing towards profitability, driven by a strategic focus on high-margin revenue streams, operational efficiencies, and cost optimization. The company is shifting its revenue mix toward AI-powered heat pumps, EV charging solutions, and distributed energy management products, which are projected to account for 70% of total revenue by 2026. Additionally, the expansion of recurring, subscription-based revenue through its EIN platform is providing a steady, high-margin income stream. ConnectM's vertically integrated model reduces reliance on third-party vendors, enabling greater control over product design and service delivery, and pricing further enhancing profitability. Furthermore, strategic acquisitions are expected to improve cost efficiencies and create cross-selling opportunities that maximize revenue per customer while maintaining a lean operational structure. As ConnectM scales its operations, economies of scale are expected to drive greater efficiency, potentially leading to improved operating margins over time. These initiatives, combined with process automation, AI-driven technology, and disciplined expense management, position ConnectM to achieve cash flow breakeven by early 2025 and establish a sustainable path to long-term profitability. We model the company to achieve overall profitability by 2027.

- **Deleveraged Balance Sheet with Strong Liquidity and Strategic Financing:** The company concluded Q3 2024 with cash reserves of $1.88 million and a debt balance of approximately $18.00 million. ConnectM has undertaken significant financial restructuring measures to strengthen its balance sheet, enhance liquidity, and optimize its capital structure. A key milestone in this process was the conversion of $13.7 million in debt to equity, effectively reducing leverage and lowering interest obligation. This deleveraging initiative has enhanced the company's financial flexibility, allowing for the reallocation of capital towards strategic growth initiatives, technology development, and operational expansion, rather than debt servicing. Furthermore, ConnectM has recently secured a $25 million financing facility with Yorkville, ensuring access to capital necessary for business expansion, product innovation, and targeted acquisitions. This infusion of capital strengthens the company's ability to scale its AI-driven energy solutions, expand its Energy Intelligence Network (EIN), and accelerate market penetration while maintaining a prudent fiscal approach. With an improving operational cash flow trajectory and the continued expansion of high-margin, recurring revenue streams, ConnectM is on course to achieve cash flow breakeven by early 2025.

Year-end 31 Dec.	2022A	2023A	2024E	2025E	2026E
INCOME STATEMENT					
Revenue	$15,441,315	$19,972,239	$25,611,041	$49,957,984	$71,818,153
Cost of Sales	($11,404,224)	($14,934,962)	($15,878,845)	($27,921,743)	($38,781,803)
Gross Profit	$4,037,091	$5,037,277	$9,732,195	$22,036,240	$33,036,350
Selling General & Admin.	($7,315,381)	($12,320,295)	($16,391,066)	($27,761,748)	($35,909,077)
Loss on Impairment	($589,299)	($181,853)	($512,221)	-	-
Income from Operations	($3,867,589)	($7,464,871)	($7,171,091)	($5,725,507)	($2,872,726)
Interest Income/Expense	($281,808)	($1,431,354)	($1,918,773)	($1,918,773)	($1,918,773)
Other Income/Expenses	$65,408	($302,629)	($9,347,000)	-	-
Profit Before Tax (PBT)	($4,083,989)	($9,198,854)	($18,436,864)	($7,644,280)	($4,791,499)
Profit After Tax (PAT)	($3,542,583)	($9,198,854)	($18,436,864)	($7,644,280)	($4,791,499)
Basic Shares Outstanding (M)	1,585,237	1,588,141	15,643,189	34,608,193	37,376,849
EPS - basic	($2.23)	($5.79)	($1.18)	($0.22)	($0.13)
BALANCE SHEET					
Cash and cash equivalents	$1,923,332	$1,160,368	$4,863,760	$8,370,239	$14,252,938
Other current assets	$2,739,430	$6,190,047	$6,636,306	$8,530,349	$9,719,358
Total current assets	$4,662,762	$7,350,415	$11,500,065	$16,900,588	$23,972,292
Non-current assets	$6,395,044	$5,806,058	$5,824,348	$6,361,713	$7,346,160
Total Assets	**$11,057,806**	**$13,156,473**	**$17,324,414**	**$23,262,302**	**$31,318,451**
Short-term borrowing	$4,480,149	$14,413,497	$14,413,497	$14,413,497	$14,413,497
Other current liabilities	$3,360,363	$6,698,821	$9,956,626	$18,538,795	$26,386,443
Total current liabilities	$7,840,512	$21,112,318	$24,370,123	$32,952,292	$40,799,940
Long-term borrowing	$3,599,024	$1,526,719	$1,526,719	$1,526,719	$1,526,719
Other non-current liabilities	-	-	-	-	-
Total liabilities	$11,439,536	$22,639,037	$25,896,842	$34,479,011	$42,326,659
Total Equity	($381,730)	($9,482,564)	($8,572,428)	($11,216,708)	($11,008,207)
Total Liabilities & Equity	**$11,057,806**	**$13,156,473**	**$17,324,414**	**$23,262,302**	**$31,318,451**

Exhibit 15: Financial Statement Snapshot. Source: Diamond Equity Research

Valuation

Positioned at the forefront of the global energy transition, ConnectM is driving the adoption of AI-powered electrification solutions across building energy systems, distributed energy networks, and smart mobility. As the world pivots from fossil fuels to renewables, the company is uniquely positioned in a $2 trillion market characterized by exponential growth, favorable regulatory support, and rapid technological advancements.

Central to ConnectM's competitive advantage is its proprietary Energy Intelligence Network (EIN), an AI-powered platform that seamlessly integrates real-time energy monitoring, predictive analytics, and automation across electrified assets. The company leverages the Energy Intelligence Network (EIN) to optimize energy efficiency, reduce costs, and create a diversified and recurring revenue stream through product sales, software subscriptions, and managed services agreements. EIN services as a central intelligence hub, optimizing heat pumps, solar technology, battery storage, and EV infrastructure, creating a powerful competitive moat through data-driven efficiencies, network effects, and high-margin recurring revenue streams. By embedding AI, IoT, and machine learning into its electrification ecosystem, ConnectM not only differentiates itself from its competitors but also fortifies its position as a leading enabler of the net-zero carbon future. This platform-driven strategy is potentially poised to accelerate top-line growth, broadening ConnectM's market scope across multiple revenue streams, while increasing operational efficiencies as the company scales. These efficiencies will likely enhance margins and support a path to sustained profitability, potentially driving higher valuation growth in the rapidly evolving electrification market.

We have assessed ConnectM's valuation using a blended approach, incorporating discounted cash flow (DCF) and comparable company analyses. Under our DCF approach, we assumed a 12.5% discount rate and a terminal growth rate of 1.5% to estimate the present value of projected free cash flows. For the comparable company analysis, we utilized the EV/Revenue multiple of similar renewable energy products and technology companies to establish a market-based valuation benchmark. By integrating both these approaches, we have arrived at a valuation of $3.25 per share contingent on successful execution by the company.

Calculated Equity Value ($ mm)	
Enterprise Value	$109.33
- Debt and Preferred Stock	$18.00
+ Cash	$1.88
Net Debt	($16.12)
Equity Value	**$93.20**

Approaches (in $ mm)	Value (USD)	Weight	Wtd. Value
DCF	$93.20	80%	$74.56
GPCM	$99.49	20%	$19.89
GTM	-	0%	$0.00
Wtd. Avg. Equity Value (USD)			**$94.46**
No of Diluted Shares Outstanding			**29.09**
Intrinsic Value Per Share			**$3.25**

Company Name	Ticker	Price	Currency	Country	Market Cap.	EV/S*	P/B*
Itron, Inc.	ITRI	105.24	USD	US	4,745.23	2.10	3.50
Fluence Energy, Inc.	FLNC	12.53	USD	US	1,982.81	0.50	3.50
Enlight Renewable Energy Ltd.	ENLT	16.68	USD	IL	1,900.15	15.50	1.70
Sunrun Inc.	RUN	8.47	USD	US	1,676.60	7.70	0.40
Plug Power Inc.	PLUG	1.84	USD	US	1,429.72	3.80	0.60
Ameresco, Inc.	AMRC	20.73	USD	US	1,087.14	2.00	1.20
SolarEdge Technologies, Inc.	SEDG	16.36	USD	IL	948.06	0.90	1.00
Shoals Technologies Group, Inc.	SHLS	4.39	USD	US	709.54	2.00	1.30
Wildan Group, Inc.	WLDN	34.34	USD	US	485.05	0.90	2.20
Gevo, Inc.	GEVO	1.87	USD	US	432.32	18.00	0.90
Median						**2.05x**	**1.63x**
Mean						**5.34x**	**1.25x**

Exhibit 16: Valuation Snapshot. Source: Diamond Equity Research
(Valuation multiples are based on LTM figures) *

Risks Profile

- **Going Concern Uncertainty and Potential Investment Loss:** ConnectM has incurred net losses historically and carries an accumulated deficit, which may affect its ability to sustain operations. The company's future depends on securing additional financing and improving its operating results, and there is a possibility that some or all of an investment may be at risk if these efforts are not successful.
- **Uncertain Market Adoption of DE2 Solutions:** ConnectM's growth depends heavily on the broad acceptance of its Decarbonization and Electrification (DE2) Systems and Services in a rapidly evolving market. Key adoption factors include cost-effectiveness, performance reliability, regulatory changes, and the availability of incentives. Slower-than-anticipated market uptake could limit revenue potential and hinder long-term profitability.
- **Supply Chain Constraints and Supplier Dependencies:** ConnectM relies on a limited number of suppliers for key DE2 components, which can be affected by acquisitions, industry shortages, or price fluctuations. Such dependencies risk production delays, higher costs, and potential loss of market share if suitable alternatives are unavailable or require costly transitions. Additionally, order backlogs may face unexpected adjustments or cancellations should supply chain disruptions occur, impacting revenue and profitability.
- **Workforce Utilization and Profitability:** ConnectM's profitability is closely tied to how effectively it manages its workforce. Overstaffing can reduce gross margins, while understaffing may strain employee well-being and hinder project execution. Striking the right balance depends on accurately estimating headcount, scheduling projects efficiently, and ensuring a supply of skilled labor.
- **Proprietary Technology and Competitive Position:** ConnectM's growth relies on continually developing and protecting its EIN platform and related proprietary technology. Losing access to key licensed technologies, or failing to advance in-house capabilities, could impede efforts to attract and retain OEM partners. Such setbacks may weaken ConnectM's market standing and reduce its revenue potential.
- **Weather and Climate-Related Disruptions:** ConnectM's operations can be significantly impacted by severe weather events and shifting climate patterns. These conditions may cause damage to facilities, disrupt power generation and distribution, and require costly repairs, all of which could affect revenue and financial performance. Potential recovery of weather-related costs may also depend on regulatory approval, adding further uncertainty to ConnectM's operational outcomes.
- **Cybersecurity and IT System Vulnerabilities:** ConnectM's reliance on networked and cloud-based systems, as well as third-party providers, carries the risk of cyber-attacks and data breaches. Any compromise of these systems could disrupt operations, lead to legal or regulatory scrutiny, and damage the company's reputation. Maintaining and upgrading IT infrastructure is critical to mitigating such risks but also requires significant resources and management focus.

These risk factors are not comprehensive. For a full list of risk factors, please read ConnectM Technology Solutions, Inc.'s latest prospectus and/or annual SEC filings

Disclosures

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