ASX Announcement | 24 July 2026

X2M Raises $2m to Accelerate Data Centre and AI Strategy

Funds directed at data centre platform build-out as X2M targets a leading role in AI and data centre energy management

Highlights

- **Placement completed:** X2M has received firm commitments to raise approximately $2 million (before costs) at $0.004 per share from sophisticated and professional investors. The placement which had a minimum of $1.5m was well supported.

- **Share Purchase Plan to follow:** The Company intends to undertake a fully underwritten Securities Purchase Plan to raise approximately $1 million on the same or similar terms, giving existing shareholders the opportunity to participate on an equal footing.

- **Data Centres are the Priority:** The Placement will strengthen the Company's balance sheet and facilitate investment in data centre sensor integration, platform enhancement and battery energy management systems that support data centres and smart communities.

- **X2M's Role in Data Centre Management:** X2M intends to be part of the data centre infrastructure eco system. Specifically, in the provision of energy management systems and monitoring of sensors within a data centre and its precinct. X2M announced its first partnership agreement directed at data centre development business in June (refer ASX announcement 11 June 2026).

- **Solving a hard cost problem:** X2M is targeting a 10 to 20 per cent reduction in data centre precinct energy costs, in a market where Australian data centre and connectivity infrastructure investment is projected to require up to $135b by 2035.

- **$3m already contracted for FY27:** X2M has entered FY27 with approximately $3m in already-contracted revenue, including the recently announced $1.1m City of Seoul contract for a further 50,000 HelpMe devices.

X2M Connect Limited (ASX: X2M) ("X2M" or "the Company") is pleased to announce it has received firm commitments to raise $2 million (before costs) through a placement to sophisticated and professional investors at $0.004 per share.

Funds raised will be used for data centre sensor integration and platform enhancement, energy management systems and storage for data centre precincts and smart communities, and for general working capital purposes.

The Company intends to follow the placement with a fully underwritten Securities Purchase Plan to raise $1 million on the same or similar terms, giving existing shareholders the opportunity to participate. The offer documentation will be provided to shareholders as per the timetable in this announcement.

A free attaching Option will be issued for every Placement Share issued and a Bonus Share will be issued for every four Placement Shares issued. The Options will be listed X2MOA options with an exercise price of $0.0080, an expiry date of 2 June 2029. The Options and Bonus Shares are free attaching such that they are being issued for nil additional cash consideration. The issue of the approximately 500 million free attaching Options and 125 million Bonus Shares are subject to shareholder approval at a meeting scheduled for on or about 11 September 2026.

Peak Asset Management and Alpine Capital acted as Joint Lead Managers to the Placement.

Positioned to Become a Leading Supplier to Data Centres and AI Infrastructure

The Placement will assist the funding of X2M's build-out of capability addressing data centres, the fastest growing infrastructure sector in the country.

X2M's patent-supported, AI-enabled platform connects any device on any network, regardless of manufacturer or communications standard.

In a data centre precinct, that means power generation, battery storage, cooling, environmental sensors, metering, billing and connectivity can all run through a single real-time management layer, converting raw device signals into the structured, AI-ready data that AI management applications are then built on.

X2M's role is intended to begin at the design stage and continue through construction and into ongoing platform operations, generating platform and SaaS revenue for the life of the facility.

X2M's data centre stratagem is supported by an existing utilities business that generated $7.2m of unaudited revenue in the nine months to 31 March 2026, ahead of full year FY25 revenue of $6.5m, with progress being made toward positive cash flow.

X2M CEO Mohan Jesudason said: *"Data centres and energy management are our focus areas for the Australian market and it is an area where our platform can make a difference. We have spent more than a decade proving we can connect, process and act on real-world data at industrial scale, and that is precisely the problem every megawatt of data centre capacity has. Once progressed in Australia, we will look to taking our solution into other markets where we operate."*

Capital Raise Overview

Key Terms	
Offer structure	*Placement to sophisticated and professional investors, followed by an intended Securities Purchase Plan*
Amount raised	*Approximately $2 million before costs*
Issue price	*$0.004 per share, a 17.5% per cent discount to the 5 day volume weighted average share price of $0.00485*
Placement shares	*Approximately 390 million fully paid ordinary shares, issued under Listing Rule 7.1 (234,869,700 Shares) and 7.1A (156,579,800 Shares) capacity, ranking equally with existing shares with a further approximately 110 million Shares subject to shareholder approval*
Attaching options	*One free attaching listed option (ASX: X2MOA) for every placement share, exercisable at $0.008 and expiring 2 June 2029*

Key Terms	
Bonus shares	*One bonus share for every four placement shares*
Approvals	*Approximately 110 million Placement Shares and all Bonus shares and Placement Options are subject to shareholder approval at a general meeting planned to be held on 11 September 2026*
Securities Purchase Plan	*Capped at $1m, on the same or similar terms as the placement, subject to ASX guidelines and according to the timetable provided. Options and bonus shares issued under the SPP will be subject to Shareholder approval* *Subject to Shareholder approval, the SPP will be fully underwritten* *Full details will be set out in the SPP Offer Letter*
Joint Lead Managers and fees	*Peak Asset Management Pty Ltd and Alpine Capital Pty Ltd are Joint Lead Managers (JLMs) and will receive the following fees to be divided between them:* 1. *A capital raising fee of 6% (excluding GST) on all funds raised under the Offer and SPP through any introductions made by the JLMs;* 2. *One listed X2MOA option for every four Placement shares issued in respect of funds raised under the Placement;* 3. *On completion of the capital raise and SPP, the Company will issue the JLMs fully paid ordinary shares for nil consideration ("Broker Shares") based on the total amount raised under the Offer and SPP, as follows:* • *40,000,000 Broker Shares where the amount raised is between A$2,000,000 and A$2,499,999;* • *50,000,000 Broker Shares where the amount raised is between A$2,500,000 and A$2,999,999; and* • *60,000,000 Broker Shares where the amount raised is A$3,000,000 or more.* 4. *All Broker securities are subject to shareholder approval.*

Indicative Timetable

Event	Date
Request for trading halt	Before market open 22 July 2026
Record date to determine entitlement to participate in Securities Purchase Plan (SPP)	5.00pm AEST on 23 July 2026
Trading halt lifted	24 July 2025
Announcement of Placement and fully underwritten SPP Lodge Appendix 3B with ASX	24 July 2026
Allotment of shares under Placement not requiring approval	29 July 2026
Lodge cleansing notice and ASX Appendix 2A	29 July 2026
Lodgement of SPP Offer Letter and SPP, Placement and Options Prospectus with ASX and Prospectus with ASIC	10 August 2026
SPP Offer Opens	10 August 2026
Send Notice of EGM to shareholders and lodge with ASX	12 August 2026
Closing Date of the SPP	31 August 2026
Announcement of results of SPP Allotment of SPP Shares Lodge ASX Appendix 2A	7 September 2026
Hold EGM	11 September 2026
Allotment of approved Placement Shares, Placement Options, Bonus Shares and Broker Securities	18 September 2026
Allotment of SPP Options	18 September 2026
Allotment of SPP securities to underwriters	18 September 2026

The timetable is indicative and may be varied by the Company.

Ends

The Board of X2M has approved this announcement.

For further information contact:

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About X2M Connect Limited

X2M Connect Limited (ASX:X2M) is a leading Australian smart city technology company delivering patent supported solutions that enhance productivity, reduce operational costs and improve public safety for utility and government customers. Smart cities involve the collection, aggregation and processing of data from a wide range of sensors to automate controls that improve the speed, effectiveness and accuracy of outcomes for cities and their residents. X2M's platforms enable real-time data exchange, remote control and predictive insights by connecting water, gas and electricity resource devices as well as other critical sensors to edge and cloud based software. X2M delivers a mass of data that enables AI for customers.

X2M has partnered with Resi Ventures to develop data centre and energy infrastructure precincts in regional Australia. X2M will provide services to manage the data centre environment and energy and cooling networks for the precincts leveraging AI to deliver optimised outcomes.

X2M's core platform underpins three product families, '*Vision by X2M*', '*Hive.AI by X2M*' and the '*Help Me*' safety device, supporting more than 85 customers across five key geographies. The Company has connected over 500,000 devices to date and continues to expand its footprint, leveraging strong government and enterprise relationships throughout Japan, South Korea, Taiwan and the Middle East. X2M generates revenue through a mix of hardware sales, recurring SaaS and platform fees, and device connection charges. To learn more about X2M click here: www.x2mconnect.com or follow us on LinkedIn.