ASX Announcement | 7 September 2026

X2M Securities Purchase Plan Oversubscribed Three Times

Strong shareholder demand as X2M advances 200MW data centre pipeline

Highlights

- **Three times oversubscribed**: X2M received valid applications of approximately $3.1 million under its Securities Purchase Plan against an offer capped at $1 million
- **Directed at the data centre opportunity**: Funds are intended to be applied to data centre sensor integration and platform enhancement, energy management and storage systems for data centre precincts and smart communities, and general working capital
- **More compute per megawatt**: X2M's AI integration and management layer is planned to deliver more usable compute out of every megawatt built, the efficiency edge drawing developers and operators to the Company
- **Pipeline scaling fast**: X2M has signed its first binding data centre agreement at an estimated project cost above $250 million and recently lifted its prospective pipeline from approximately 150MW to more than 200MW
- **Revenue for the life of the asset**: X2M will earn revenue across two streams, Managed Delivery covering design, engineering, supply, installation and commissioning of a facility, and Platform Services expected to be charged on a per megawatt basis for managing that facility across its operating life
- **A $190b market**: Australian data centre and connectivity infrastructure investment is projected to require up to $190b by 2030[1], and X2M intends to apply a portion of the funds raised to progress its position in that market

X2M Connect Limited (ASX: X2M) ("X2M" or "the Company") advises that its Securities Purchase Plan ("SPP") closed on 31 August 2026 substantially oversubscribed, with valid applications for 780,125,000 securities totalling $3,120,500.00 received against an offer capped at $1 million.

The SPP was offered to eligible shareholders on the record date of 23 July 2026. The issue price was the lower of $0.004 or a 2.5% discount to the VWAP of X2M Shares for five days before the closing date. Shares will be issued at $0.004 per share, which is on the same terms as the placement announced on 24 July 2026.

The SPP was heavily oversubscribed by a multiple of three, and the Board has determined to accept applications totalling the SPP cap and will issue 249,999,875 million new fully paid ordinary shares, 249,999,875 X2MOA options and 62,499,960 bonus shares under the SPP Offer subject to Shareholder approval. Applications have been scaled back on a parri passu basis according to the amount applied for. The underwriting arrangements put in place for the offer were not required to be called upon.

The issue of securities under the SPP is conditional on Shareholder approval which will be sought at the General Meeting scheduled for 11 September 2026. Assuming approval is given, Shareholders will receive holding statements for their successful applications once securities are issued following this meeting.

[1] McKinsey & Company, "Australia's AI moment: Building Asia–Pacific's compute hub", 15 April 2026.

Funds Directed at the Data Centre Opportunity

Funds raised under the SPP will be applied to the same purposes set out in the Company's announcement of 24 July 2026, being data centre sensor integration and platform enhancement, energy management systems and storage for data centre precincts and smart communities, and general working capital.

The raising follows a rapid sequence of developments in the Company's data centre business. X2M established X2MDC Pty Ltd as a dedicated data centre subsidiary, signed its first binding data centre agreement carrying an estimated project cost in excess of $250 million across design, delivery and commissioning, and signed a second non-binding partnership agreement for high density GPU data centre and energy precincts in regional Queensland. Together those agreements lifted the Company's prospective pipeline to more than 200MW.

The Company intends to apply a portion of the funds to the engineering, supplier and delivery work required to progress further sites within that pipeline toward contracted agreements. Conversion of prospective pipeline into binding agreements is not assured and remains subject to customer decisions, planning and regulatory approvals and commercial negotiation.

Revenue Across the Life of the Asset

X2M's data centre business is built on two revenue streams. Managed Delivery covers the design, engineering, supply, installation and commissioning of a facility, with revenue recognised as scopes of work are delivered. Platform Services is the AI integration and management layer that brings cooling, power, water and environmental systems into a single real time view, and pricing is expected to be charged on a per megawatt basis, generating recurring revenue across the operating life of each facility. Platform Services is a mandatory part of Managed Delivery contracts but may also be offered separately.

This model means a single facility is intended to generate revenue at the point of build and then for as long as it runs. It also underpins the efficiency proposition at the centre of the Company's offer, being the ability to lift the usable compute a facility supports while reducing what it costs to operate.

X2M Managing Director and Chief Executive Officer Mohan Jesudason said:

"The response from shareholders tells us the market understands what we are building. We have established a dedicated data centre business, signed our first binding agreement with an estimated project cost above $250m, and lifted our prospective pipeline beyond 200MW. This raise means we can apply funds to back that pipeline and drive its conversion. Funds allocated will be directed at the engineering, supplier and delivery work that moves a prospective megawatt to a contracted one, and at the platform that manages the facility once it is running. Our shareholders have backed our strategy and our goal now is to continue our execution of it."

Ends

The Board of X2M has approved this announcement.

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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 provides services to develop data centre and energy infrastructure precincts in regional Australia including design, supply, installation, commissioning and operation. X2M provides platform services to manage the data centre environment and energy and cooling networks for 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 90 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 service fees, 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.