



ASX Announcement | 30 October 2026

X2M Secures \$1.4m to Advance Data Centre and AI Strategy

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

Highlights

- **\$5 million capital raise launched:** Funds to accelerate data centre development.
- **\$1.4 million Placement completed:** X2M has received firm commitments to raise approximately \$1.4 million (before costs) at \$0.004 per share from sophisticated and professional investors. The placement was well supported.
- **\$3.6 million Rights Issue to follow:** The Company intends to undertake a non-renounceable rights issue to raise approximately \$3.6 million on the same or similar terms, giving existing shareholders the opportunity to participate on an equal footing following the three times oversubscribed Share Purchase Plan that closed on 31 August 2026.
- **Data Centres are the Priority:** The Placement will continue to strengthen the Company's balance sheet and facilitate investment in data centre sensor integration, data centre design consultation, 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 delivery of data centre services and equipment, provision of energy management systems and monitoring of sensors within a data centre and its precinct. X2M has announced two contracts of 10MW each and in addition has three partnership agreements to drive additional data centre developments delivering on the 200MW prospective pipeline.
- **\$500 million in project costs:** The 20MW capacity intended for the two data centre agreements will have a project cost of \$500 million and is planned to be delivered through X2M's compute and GPU partnerships and it is currently expected that X2M will manage the elements of the full project cost and earn a margin on these projects, plus X2M is expected to earn recurring revenue from AI-enabled management of the facilities and a potential share of revenue generated by the sale of GPU compute time.

X2M Connect Limited (ASX: X2M) ("X2M" or "the Company") is pleased to announce it has received firm commitments to raise \$1.4 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, design consultation 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 non-renounceable rights issue to raise \$3.6 million on the same or similar terms, giving existing shareholders the opportunity to participate. The offer documentation is expected to be lodged with ASX within the next two weeks.



A Bonus Share will be issued for every four Placement Shares issued and a free attaching Option will be issued for every two 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 176 million free attaching Options and 88 million Bonus Shares is subject to shareholder approval at the AGM scheduled for 30 November 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 intends to provide its Managed Delivery service across the design, engineering, supply, installation and commissioning of the facility, followed by ongoing AI-enabled Platform Services and management for the life of the data centre asset. Agreements entered into already establish that X2M's offering is attractive to data centre promoters and other stakeholders.

Reduced Risk by Targeting Modular Regional Data Centres with Land, Power and Scalability

X2M is targeting data centre facilities in low-density population regions of Queensland and the Northern Territory, rather than large metropolitan campuses, placing less demand on the grid and requiring a smaller capital commitment by data centre investors.

As part of X2M's due diligence process, power, land and government approval are assessed at every site before a binding agreement is signed.

X2M's AI-enabled platform is also designed to reduce the energy required to deliver a given level of compute. With energy the binding constraint on data centre growth, more compute from every approved megawatt is a key reason customers partner with X2M.

X2M also looks for developers and customers with the capability to build their own behind-the-meter micro grid, giving the facility energy security independent of the grid and allowing the site to be scaled up beyond its approved grid capacity.

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 been surprised at the level of interest we are receiving from landowners and other parties looking to develop data centres. This raise will assist us in preparing for and converting these prospective opportunities into binding agreements."*

Capital Raise Overview

Key Terms	
Offer structure	<i>Placement to sophisticated and professional investors, followed by an intended non-renounceable rights issue</i>
Amount raised	<i>Approximately \$1.4 million before costs</i>
Issue price	<i>\$0.004 per share, a 16.8% per cent discount to the 5 day volume weighted average share price of \$0.0048</i>
Placement shares	<i>Approximately 353 million fully paid ordinary shares, issued under Listing Rule 7.1 (353,244,703 Shares) capacity, ranking equally with existing shares</i>
Attaching options	<i>One free attaching listed option (ASX: X2MOA) for every two placement shares, exercisable at \$0.008 and expiring 2 June 2029</i>
Bonus shares	<i>One bonus share for every four placement shares</i>
Approvals	<i>All Bonus shares and Placement Options are subject to shareholder approval at the annual general meeting to be held on 30 November 2026</i>
Non-renounceable Rights Issue	<p><i>A Rights Issue is intended to be launched within two weeks on the same or similar terms as the placement, subject to ASX guidelines.</i></p> <p><i>Full details will be set out in the Rights Issue Offer Letter</i></p>
Joint Lead Managers and fees	<p><i>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:</i></p> <ol style="list-style-type: none"> <i>1. A capital raising fee of 6% (excluding GST) on all funds raised under the Offer;</i> <i>2. A capital raising fee of 3% of funds raised under the Rights Issue and an additional 3% on any Rights Issue shortfall funds placed in the three months following its closure;</i> <i>3. One listed X2MOA option for every five Placement shares issued in respect of funds raised under the Placement and the Rights Issue;</i> <i>4. On completion of the capital raise and rights issue, the</i>

Key Terms

Company will issue the JLMs 30,000,000 fully paid ordinary shares for nil consideration ("Broker Shares").

5. *All Broker securities are subject to shareholder approval at the annual general meeting.*

Indicative Timetable

Event	Date
Request for trading halt	Before market open 28 October 2026
Trading halt lifted	30 October 2026
Announcement of Placement and intended Rights Issue Lodge Appendix 3B with ASX	30 October 2026
Allotment of shares under Placement	5 November 2026
Lodge cleansing notice and ASX Appendix 2A	5 November 2026
Hold AGM	30 November 2026
Allotment of approved Placement Options, Bonus Shares and Broker Securities	2 December 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 contracted to provide 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](#).