ASX Announcement | 25 August 2026

X2M Establishes Data Centre Subsidiary for Pipeline of Possible AI-Enabled Data Centre Projects

X2M's new subsidiary aims to contract and deliver high density GPU-accelerated data centres for long term operations

Highlights

- **Dedicated data centre business:** X2M has established a wholly owned subsidiary, X2MDC Pty Ltd, to hold and execute the Company's data centre objectives
- **Pipeline:** X2M has a pipeline of possible Australian data centre projects in sizes up to 100MW
- **Revenue for the life of the asset:** X2MDC is intended to earn revenue across one or more of design, engineering, delivery, installation, commissioning and operation of data centres, with recurring SaaS revenue intended to be charged on a per megawatt basis for management of the facility across its operating life
- **More compute per megawatt:** X2M's AI integration and management layer would optimise cooling, power and water in real time to increase facility compute output, while targeting energy cost reductions
- **Built for GPU-accelerated workloads:** X2MDC will target high density GPU accelerated facilities, where power and cooling loads are highest and continuous optimisation delivers the greatest savings
- **Sovereign compute capability:** Australian data centre demand is forecast to grow from 1.5GW in 2025 to as much as 5.0GW by 2030, requiring up to $190b of digital infrastructure investment[1]
- **Global compute shortage:** Global data centre demand is forecast to rise from ~82GW in 2025 to ~220GW by 2030[2], and X2M's AI integration and management layer is designed to get more usable compute out of every megawatt built

X2M Connect Limited (ASX: X2M) ("X2M" or "the Company") advises that it has established a wholly owned subsidiary, X2MDC Pty Ltd ("X2MDC"), to pursue a pipeline of AI-enabled data centres expected to be developed across Australia.

X2M's Data Centre Services Model

X2MDC will take two offerings to market, Platform Services and Managed Delivery:

1. **Platform Services** is the AI integration and management layer for a data centre, bringing cooling, power, water and environmental systems into a single real-time layer so operators can increase the compute a facility supports while reducing what it costs to run. Pricing is expected to be on a per megawatt basis, generating recurring revenue across the life of each facility.

[1] McKinsey & Company, "Australia's AI moment: Building Asia–Pacific's compute hub", 15 April 2026.
[2] McKinsey Global Institute, "Colocation data centers: The infrastructure race behind AI", 30 June 2026.

2. **Managed Delivery** is an end-to-end service covering the contracting and delivery of a complete data centre, from design, establishment and supplier selection through energy, cooling, compute and networking to long term operations. X2M aims to earn a margin on all services delivered to customers and, where negotiated, ongoing recurring revenue. Platform Services is planned to be a mandatory component of every Managed Delivery contract.

X2M's target market for data centres is up to 100MW.

What X2M Expects to Deliver in Customer Contracts

Contracts are expected to vary depending on customer requirements and agreed scope including one or more of the following:

- Establishment and coordination across business modelling, structuring, partnership formation and project management for the data centre equipment
- Selection and contract of reputable partners that will design, engineer, install, commission and operate the data centre equipment
- Tenant acquisition through identifying and engaging prospective data centre service tenants
- AI integration and management that brings cooling, power, water, electricity and environmental systems into a single real-time layer, increasing the compute a facility supports for every megawatt
- Facility management across temperature and humidity control, sensor monitoring, heating and cooling optimisation, and the systems that interface with the wider precinct
- Data centre management through the installation and operation of electricity, heat and water management systems that interface with the wider precinct
- Networking that provides and operates the network infrastructure for data centre operations
- Energy infrastructure delivery, covering the supply, integration and operation of battery energy storage, solar PV generation and other energy assets required for the data centre precinct

How X2M Generates Revenue from Data Centre Products

The following types of revenue are expected from future contracts:

- Cost recovery on equipment and services where X2M may charge its own costs and those of its suppliers for the data centre infrastructure and wider precinct works
- Commissions and service fees payable to X2M on goods and services supplied through its partners, whether those goods and services are supplied by X2M or directly by the partner
- Success-linked remuneration agreed between the contract parties for specific activities and tied to defined milestones such as an executed contract or written commitment from a commercial partner
- Platform and SaaS revenue for platform services for environmental and facility management across the data centre
- Long-term operations across the asset life cycle covering supply, installation and operation, generating recurring platform and service revenue for the life of the facility

Additional sources of revenue are expected as the business develops, including:

- Precinct energy infrastructure supply, integration and operation
- Networking infrastructure supply, integration and operation
- Behind the meter energy management
- Private 5G networking

X2M CEO Mohan Jesudason said: *"X2MDC gives us a dedicated vehicle to execute on our pipeline of possible data centre opportunities. X2M has spent more than a decade connecting and optimising devices across water, gas and energy, and that is exactly the challenge for every AI facility being planned or built today. X2M is targeting data centres up to 100MW planned across Australia. We are excited at the prospect of delivering services in association with some of the top providers in the world and offering a comprehensive platform and delivery service to land and data centre owners across the country."*

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 Australia including design, engineering, supply, installation, commissioning and operation. X2M provides platform services to manage the data centre environment and associated 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.