ASX Announcement | 27 August 2026

X2M Signs Binding Agreement to Deliver AI-Enabled Data Centre

A high-density GPU data centre contract with an estimated project cost greater than $250m, followed by expected recurring platform revenue

Highlights

- **X2M enters GPU based data centre market:** X2M has signed a binding agreement with a Customer to deliver its Managed Delivery service for an AI-enabled data centre and the ongoing management, representing the first conversion of its Australian prospect pipeline which stands at approximately 150MW

- **$250m estimated project cost:** Project cost estimated for full delivery over a three-to-five-year period, in addition to recurring platform revenue over the life of the facility. It is currently expected that X2M will recognise the full project cost as revenue and earn a margin on this project.

- **Pipeline:** This agreement is the first from a pipeline of potential agreements for Australian data centre sites, with the majority of these in Queensland, ranging in size from 1MW upwards including some locations where development approval has already been secured for the location

- **Built for the highest density AI workloads:** The facility targets GPU-accelerated compute, where power and cooling loads are highest and continuous optimisation delivers the greatest savings

- **Global compute and AI chip leaders:** The agreement pre-approves X2M to contract partners across compute, AI chip, networking, energy systems, telecommunications and research for facility delivery

- **Delivery and recurring revenue:** X2M is contracted across delivery and long-term operations, with ability to earn revenues for cost recovery, partner commissions, success-linked remuneration and recurring management revenue across the life of the asset

- **Well-positioned in a $190b market:** X2M's ability to lift usable compute per megawatt would target the efficiency challenge facing an Australian data centre build-out forecast to require up to $190b of investment by 2030[1]

X2M Connect Limited (ASX: X2M) ("X2M" or "the Company") advises that it has entered into a binding agreement to deliver an AI-enabled data centre.

X2M has been contracted at an early stage to provide the design services that support a development approval, followed by the full delivery allowing the Company to manage the full life of the facility. The agreement is conditional on approval being given, and there are no other conditions precedent.

The agreement is the first customer contract for X2M's data centre business, combining managed delivery with ongoing platform services products as set out in the Company's announcement of 25 August 2026.

Entry into GPU-accelerated data centres gives X2M exposure to one of the fastest growing segments of

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

global infrastructure investment.

What X2M Will Deliver in this Agreement

This is the first binding agreement that X2M has secured in the data centre space and will operate under X2M's Managed Delivery business model where X2M will be able to provide services for the design, engineering, supply, installation, commissioning and operation of the data centre depending on staged scopes of work agreed with the Customer.

The agreement does not contain a definitive value for the MW of data centre power to be deployed. The estimated project cost in excess of $250 million reflects a cost expected for design, delivery and commissioning across the scope of the agreement, with additional recurring platform and management fees expected to be earned by X2M over the life of the facility. It is currently expected that X2M will recognise the full project cost as revenue and earn a margin on this project.

Customer Approved World leading AI Chip and Compute Delivery Suppliers

The agreement establishes a panel of organisations that the Customer has pre-approved for engagement by X2M, giving the Company a defined pathway to contract global technology providers for delivery of the facility.

X2M may contract partners from this panel and may propose additional partners subject to the Customer's written agreement. The agreement is non-exclusive which preserves competitive pricing for the Customer across the delivery chain however, X2M has exclusive access to the agreed panel.

X2M Data Centre Pipeline

X2M has built a pipeline of potential Australian sites for data centres with the majority of these in Queensland and ranging in size from 1MW upwards including some locations where development approval has already been secured for the location. X2M is putting considerable effort into working with supplier partners to convert the approximate 150MW prospect pipeline.

Wider Market Context

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[2].

Global data centre demand is forecast to rise from ~82GW in 2025 to ~220GW by 2030[3], and X2M's AI integration and management layer is designed to get more usable compute out of every megawatt built.

X2M's AI integration and management layer is designed to get more usable compute out of every megawatt built, addressing the efficiency challenge at the centre of the global build-out.

This agreement is the first binding contract from the Company's pipeline of possible Australian data centre projects.

In accordance with the ASX's Compliance Update no.02/25 and Guidance Note 8, X2M confirms that:

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

- it does not consider the specific identity of the Customer to be information that a reasonable person would expect to have a material effect on the price or value of its securities.

- that this announcement contains all material information relevant to assessing the impact of the agreement on the price or value of its securities and is not leading by omission.

- the description of the Customer is sufficient to describe any market sensitive information about the Customer, including its standing and creditworthiness.

- there is no other material information relevant to assessing the impact of the agreement on the price or value of X2M's securities beyond that already disclosed in this announcement.

X2M CEO Mohan Jesudason said: *"This agreement is transformational for X2M. We play a key role in the data centre delivery, and that in turn creates a materially large business opportunity for us. We are excited at the prospect of delivering services from some of the top providers in the world and offering a comprehensive service to this customer and land and data centre owners across the country."*

X2M will update the market should there be any material variances to the above terms.

Ends

The Board of X2M has approved this announcement.

For further information contact:

X2M Connect Limited

Mohan Jesudason

Chief Executive Officer

investor.relations@x2mconnect.com

T: 1 800 926 926 (1 800 X2M X2M)

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.