ASX Announcement | 12 August 2026

X2M launches fully underwritten SPP

X2M Connect Limited (ASX:X2M) ("X2M" or "the Company"), refers to its announcement dated 24 July 2026 (**Announcement**) concerning a capital raising by way of placement and a fully underwritten Securities Purchase Plan (**SPP**) and advises that the SPP is now open. Attached is the Offer Booklet in respect of the SPP and a Prospectus concerning various issues of options.

Details of the SPP

The Company is undertaking an underwritten SPP offer to eligible shareholders with a registered address in Australia or New Zealand as at the Record Date of 7.00pm AEST on 23 July 2026 (Eligible Shareholders) to raise up to approximately $1 million (before costs).

The SPP opens today, 12 August 2026 and will close at 5pm (AEST) on 31 August 2026. Eligible Shareholders may subscribe for up to $30,000 worth of New Shares under the SPP at the SPP issue price. The New Shares to be issued under the SPP will be fully paid ordinary shares and rank equally with the Company's existing issued shares.

Eligible Shareholders should consider the SPP Offer Booklet in full before deciding whether to apply for New Shares under the SPP and will need to follow the instructions on the personalised Application Form that accompanies the SPP Offer Booklet.

As set out in the Announcement, the Company confirms the following details for the terms of the SPP:

SPP Pricing

The price at which SPP Shares are offered is the lesser of:

(a) $0.004; and
(b) the price which is a 2.5% discount to the 5-day VWAP of Shares on ASX as at the Closing Date (31 August 2026), rounded down to the nearest multiple of 0.001:

SPP participants will also be allotted one listed option X2MOA for each SPP Share subscribed for, and one bonus share for every four SPP Shares subscribed for. The revised pricing gives some protection to SPP participants concerning the issue price.

Shareholder approval

X2M confirms that it will seek shareholder approval for all securities issued under the SPP, being shares, listed options and bonus shares. This has resulted in a slight change to the issued timetable as follows:

Opening Date Send Offer Booklet and Entitlement and Acceptance Form to Shareholders (other than Excluded Shareholders) Announce that Offer Booklet has been sent to Shareholders (with Offer Booklet to accompany that announcement) Lodge Prospectus with ASIC and ASX	12 August 2026
Closing Date	5.00pm on 31 August 2026
Shortfall Notification Date	2 September 2026
SPP Settlement Date	3 September 2026
SPP Result Date Announce results of the SPP to ASX	Before midday (AEST) on 7 September 2026
General Meeting for approval of SPP Shares, Shortfall Shares (if any), Attaching Options, Bonus Shares and Underwriter Options	11 September 2026
Shortfall Shares Settlement Date	15 September 2026
Issue Date Issue any Shortfall Shares to the Lead Manager if required by clause **Error! Reference source not found.** Lodge Appendix 2A and Cleansing Notice Issue of SPP Shares, Attaching Options, Bonus Shares and Underwriter Options	18 September 2026

Yours faithfully
Oliver Carton
Company secretary

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 AI-powered 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'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.

12 August 2026

Dear shareholder

IMPORTANT NOTICE TO ELIGIBLE SHAREHOLDERS – OPPORTUNITY TO PARTICIPATE IN A SHARE PURCHASE PLAN

On 24 July 2026, X2M Connect Limited (ASX:X2M) (**X2M** or **the Company**) announced to ASX Limited (**ASX**) a Share Purchase Plan (**SPP Offer**) to X2M shareholders in Australia or New Zealand (**Eligible Shareholders**) to acquire up to a value of $30,000 new Shares (**SPP Shares** or **New Shares**). The offer price per share is the lower of $0.004 or a 2.5% discount to the 5-day VWAP of Shares on ASX as at the Closing Date, rounded down to the nearest multiple of 0.001. A free attaching Option will be issued for every Share subscribed for in the SPP, and a Bonus Share will be issued for every four Shares subscribed for in the SPP.

SPP Offer Booklet in relation to the SPP Offer has been given to ASX and is available to view on the ASX website and **X2M Connect Limited** website at x2mconnect.com. Further details regarding the SPP Offer have also been announced to the ASX and are available on ASX's website.

X2M Connect Limited will not be printing / dispatching hard copies of the SPP Offer Booklet or application forms. Instead, an electronic copy of the SPP Offer Booklet and your application form is available and accessible by you (using your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) from your latest Holding Statement, and your postcode) at the following link: https://portal.automic.com.au/investor/home.

Shareholders should read the SPP Offer Booklet in full prior to making an application under the Offer. Your application under the SPP Offer must be made by making payment in accordance with the personalised payment instructions.

1. **ONLINE** - The SPP Offer Booklet and personalised Application Form can be accessed via: https://portal.automic.com.au/investor/home
2. **PAPER** - Request a paper copy of the SPP Offer Booklet and the personalised Application Form by contacting the Company's Share Registry, Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

To download your application form you have the following 3 choices:

I already have an online account with the Automic Share registry	**I don't have an online account with Automic and wish to register for one**	**I don't have an online account with Automic – but wish to use Automic for this Offer only**
https://portal.automic.com.au/investor/home Select: "Existing Users Sign In". Once you have successfully signed in, click on "Documents and Statements". Download the SPP Offer Booklet and Application Form. Submit your payment using the payment details provided on your personalised application form. **Do not return your application form.**	https://singleholding.automic.com.au/signup Select ***X2M Connect Limited*** from the dropdown list in the ISSUER field. Enter your holder number SRN / HIN (from your latest Holding Statement). Enter a single identifying word from your holder name. Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then click Next and complete the prompts. Once you have successfully signed in, click on "Documents and Statements". Download the SPP Offer Booklet and Application Form. Submit your payment using the payment details provided on your personalised application form. **Do not return your application form.**	https://singleholding.automic.com.au/login Select ***X2M Connect Limited*** from the dropdown list in the ISSUER field. Enter your holder number SRN / HIN (from your latest Holding Statement). Enter a single identifying word from your holder name. Enter your Postcode (Australia) or Country of Residence (Outside Australia). Tick box "I am not a robot", then click Next and complete the prompts. Once you have successfully signed in, click on "Documents and Statements". Download the SPP Offer Booklet and Application Form. Submit your payment using the payment details provided on your personalised application form. **Do not return your application form.**

If you are unable to access https://portal.automic.com.au/investor/home online, you can obtain a copy of the SPP Offer Booklet and your application form – initially by calling Automic Group on 1300 288 664 or emailing hello@automicgroup.com.au and asking them to mail a paper copy of the SPP Offer Booklet and your application form to you free of charge. After your request has been acknowledged by Automic you will need to provide your SRN or HIN and postcode to complete this request. To accept The SPP Offer using these paper copy documents, you will still need to make payment via BPay® or via Electronic Funds Transfer (EFT). For New Zealand shareholders please follow the instructions on your application form to make payment via Electronic Funds Transfer (EFT).

The Offer closes at 5:00 pm (AEST) on 31 August 2026.

Event	Date
Record date	5.00pm AEST on 23 July 2026
Announcement of Placement and SPP Lodge Appendix 3B with ASX	24 July 2026
Allotment of shares under Placement	29 July 2026
SPP Offer Opens Lodgment of SPP Offer Letter and SPP, Placement and Options Prospectus with ASX and Prospectus with ASIC	12 August 2026
Closing Date of the SPP	31 August 2026
Announcement of results of SPP	7 September 2026

Hold EGM	11 September 2026
Allotment of Placement Options, Bonus Shares and Broker Securities	18 September 2026
Allotment of SPP Shares, Bonus Shares and Options Lodge ASX Appendix 2A	18 September 2026
Allotment of SPP securities to underwriters	18 September 2026

These dates are indicative only and subject to change. **X2M Connect Limited** reserves the right to change any date including to extend the closing date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of new shares.

If you have any query or question about the SPP Offer, please contact Oliver Carton on 0412149118 or any other registry related matters contact X2M Connect Limited's share registrar as follows:

For further information about how to participate in the SPP Offer, please contact Automic.
Email: corporate.actions@automicgroup.com.au
Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (Sydney time) Monday to Friday.

Oliver Carton
Company Secretary
X2M Connect Limited

X2M CONNECT LIMITED (ASX: X2M)

SHARE PURCHASE PLAN
OFFER BOOKLET

This is an important document and requires your immediate attention. You should read this Offer Booklet in full.

Each Eligible Shareholder has the opportunity to participate in the X2M Connect Limited Share Purchase Plan (**SPP**) by applying, subject to Shareholder approval, for up to $30,000 of new Shares, SPP Options and Bonus Shares (**new Securities**) in X2M Connect Limited without incurring brokerage or other transaction costs. This Offer Booklet provides details of the SPP and explains how Eligible Shareholders can participate.

Application for new Securities under the SPP must be received by 5:00pm (Melbourne time) on 31 August 2026 (subject to extension of the SPP or early closure at the Company's discretion).

The SPP is fully underwritten by Alpine Capital Pty Ltd ACN 155 409 653 (**SPP Underwriter**). The issue of Shortfall Securities (if any) to the SPP Underwriter is subject to Shareholder approval.

Not for release or distribution in the United States or, except with the consent of X2M Connect Limited, elsewhere outside Australia and New Zealand.

Contents

Important Information

This Offer Booklet does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation and particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

The offer of new Securities under the SPP is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, which grants relief from the requirement for the Company to provide prospectus disclosure in relation to the SPP. This Offer Booklet does not constitute a prospectus or product disclosure statement and has not been lodged with ASIC. The issue of a prospectus or product disclosure statement is not required for the purpose of the SPP Share component. You must rely on your own knowledge of the Company, previous disclosures made by the Company to the ASX and, if necessary,

consult with your professional adviser when deciding whether or not to participate in the SPP.

The market price of new Securities may rise or fall from now to when the new Securities are issued or allotted to you under the SPP. If you apply to participate in the SPP by completing an Application (or otherwise making a valid Application in accordance with these Terms and Conditions), you are accepting the risk that the market price of new Securities may change between the time you make your Application and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy new Securities at a lower price than the Issue Price.

Please read this Offer Booklet (in particular, the Terms and Conditions) carefully, as you will be bound by the Terms and Conditions in participating in the SPP. Shareholders accepting the SPP will also be bound by the constitution of the Company.

This Offer Booklet is intended for use only in connection with the Offer to Eligible Shareholders in Australia or New Zealand. No action has been taken to permit an offering of new Securities in any jurisdiction outside of Australia and New Zealand. The distribution of this Offer Booklet may be restricted by law and persons (including Custodians and nominees) who come into possession of this Offer Booklet should observe any such restrictions.

This Offer Booklet may not be distributed or released in the United States. This Offer Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any new Securities in the United States or in any jurisdiction where such an offer or solicitation would be illegal. The new Securities to be offered and sold under the SPP have not been, and will not be, registered under the Securities Act or the securities laws of any U.S. state or other jurisdiction of the Unites States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account of benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

1. Key Dates

Event	Date
Record Date	7.00pm AEST on 23 July 2026
Announcement of SPP	24 July 2026
Despatch of SPP Offer Booklet	12 August 2026
Lodge Prospectus for SPP Options and Bonus Shares	12 August 2026
SPP Opens	12 August 2026
SPP Closes (Closing Date)	5.00 pm on 31 August 2026
Last day for X2M Connect to announce results of SPP,	Before Midday 7 September 2026
Hold Shareholder meeting to approve SPP Options, Bonus Shares and Shortfall Securities (if any)	11 September 2026
Issue Shares, Shortfall Securities (if any), SPP Options and Bonus Shares, and lodge ASX Appendix 2A	18 September 2026

Note - dates and times in this Offer Booklet are indicative only and subject to change.

X2M Connect reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary any or all of the dates and times of the SPP without prior notice, including varying the closing date of the SPP or to withdraw the SPP without prior notice. Any variation of the Closing Date will have a consequential effect on the issue date of new Securities under the SPP. There is no contractual or other obligation of X2M Connect to issue new Securities in the event that the SPP is withdrawn.

The commencement of quotation of new Securities under the SPP is subject to confirmation from ASX.

All times are Melbourne time.

2. Summary of SPP

You should read this section in conjunction with the Terms and Conditions of the SPP set out in section 3 of this Booklet.

Key SPP details	Summary
SPP Offer	Subject to Shareholder approval, the SPP provides Eligible Shareholders with an opportunity to apply for: • up to $30,000 in Shares (subject to any scale back) irrespective of the number of Shares they currently own without having to pay brokerage or transaction costs; • one free SPP Option for every Share subscribed for in the SPP; • one Bonus Share for every four Shares subscribed for in the SPP. The issue of SPP Options will be made under the SPP Options Prospectus lodged on or about the same time as this Offer Booklet. The issue of Shares, SPP Options and Bonus Shares is subject to Shareholder approval to be sought at an EGM to be held on or about 11 September 2026. If Shareholder approval is not obtained, no Shares, SPP Options or Bonus Shares will be issued.
Is the SPP underwritten?	Yes the SPP is fully underwritten. See section 3.14 (Underwriting) for further details.
Purpose of the SPP	X2M Connect intends to use the proceeds from the SPP and Placement to fund its data centre platform build-out as X2M targets a leading role in AI and data centre energy management. Refer to the ASX Announcement dated 24 July 2026 for further details.
Voluntary participation	Participation in the SPP is entirely voluntary. Before deciding on whether to participate in the SPP, you should consider the Company's latest financial statements, the SPP Options Prospectus and recent announcements to ASX (ASX:X2M) and, if you are in any doubt, consult your independent financial and taxation advisers. If you do not wish to participate in the SPP, do nothing.
Issue Price of the Securities	The issue price for each Share under the SPP will be the lesser of: • $0.004; and

	• the price which is a 2.5% discount to the 5-day VWAP of Shares on ASX as at the Closing Date, rounded down to the nearest multiple of 0.001 (**Issue Price**), The issue price for the SPP Options and Bonus Shares is nil and reflects the terms of the securities issued under the Placement. The current price of Shares can be obtained from the ASX website. The market price of Shares may rise or fall from now to when the Shares are issued or allotted to you under the SPP. If you apply to participate in the SPP by making an Application (or otherwise making a valid Application in accordance with the Terms and Conditions), you are accepting the risk that the market price of Shares may change between the time you make your Application and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.
Eligible Shareholders	Eligible Shareholders under the SPP are registered holders of Shares in the Company at 7.00pm Melbourne time on 23 July 2026 (**Record Date**) having a registered address in either Australia or New Zealand. The SPP is also being extended to Eligible Shareholders who are Custodians or nominees to participate on behalf of Eligible Beneficiaries on the Terms and Conditions. The Company has determined that the SPP may only be accepted by residents of Australia and New Zealand. To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that acceptance of the SPP complies with all applicable laws.
Non-transferable	The SPP offer is non-renounceable and cannot be transferred to any other person.
Investment amount	If you are an Eligible Shareholder, you may apply to purchase a Parcel of new Securities valued at $2,500, $5,000, $10,000, $15,000, $20,000, $25,000 or $30,000. The number of new Securities issued to an applicant will be rounded down to the nearest whole number after dividing the application monies by the Issue Price. If Applications are scaled back, Eligible Shareholders participating in the SPP may be allocated fewer new Securities than the number for which you applied. In

such a case, any excess Application monies will be refunded without interest.

If there is a scale back, the Company may in its absolute discretion determine the manner in which it applies the scale back. Any scale back will be announced with the results of the SPP on or about 7 September 2026.

How to apply

You may apply for new Securities by:

(a) Electronic funds transfer (EFT) using the customer reference number shown on your Application Form, in which case you do not need to return your Application Form; or

(b) by making a BPAY® payment (for Australian Shareholders only) using the customer reference number shown on your Application Form, in which case you do not need to return your Application Form.

If you make a payment by EFT or BPAY® and the Company receives an amount that is less than the whole amount for which new Securities may be applied (see section 3.6 of this Offer Booklet) the value of Shares for which you apply may be rounded down to the next lowest whole amount (see section 3.6 of this Offer Booklet). Any amount not applied to your Application will be refunded without interest.

Receipts for payment will not be issued. Applications must be received by 5.00pm (Melbourne time) on 31 August 2026. Applications received after that time may not be accepted subject to any extension of the SPP at the Company's absolute discretion.

Applications and payments under the SPP may not be withdrawn once they have been received by X2M Connect. Application money will not bear interest as against X2M Connect under any circumstances.

Please read your Application Form for further details of how to apply for new securities under the SPP.

Rights attached to new Securities

Shares issued under the SPP including Bonus Shares are fully paid ordinary shares in the Company.

Shares issued under the SPP will rank equally with the existing fully paid ordinary shares of the Company, carrying the same voting rights and other entitlements.

For the terms of the SPP Options please refer to the SPP Options Prospectus.

Custodians and nominees

If you are a Custodian and you hold Shares on behalf of one or more persons that are not Custodians but are Eligible Beneficiaries (each a **Participating**

Beneficiary), you may contribute a maximum of $30,000 in applying for new Securities for each Participating Beneficiary on whose behalf you or a downstream Custodian holds Shares (but joint holders are taken to be a single holder). This is subject to you providing X2M Connect with a Custodian certificate (**Custodian Certificate**) certifying the following:

(a) that you are a Custodian (as that term is defined in paragraph 4 of ASIC Instrument 2019/547);

(b) that you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for new Securities on their behalf under the SPP and that the Participating Beneficiary was provided with a copy of this Offer Booklet before giving such instruction;

(c) there are no Participating Beneficiaries in respect of which the total Issue Price for the following exceeds $30,000:

  (i) the shares or interests applied for by you under the SPP are in accordance with the instructions of the Participating Beneficiaries; and

  (ii) any other Shares issued to you in the 12 months before the Application as a result of an instruction given by a Participating Beneficiary to you or a downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP; and

(d) that the matters required by paragraph 8(3) of ASIC Instrument 2019/547 have been complied with, and that the information given by the Custodian in that Custodian Certificate is true, correct and not misleading.

Applications by Custodians must be accompanied by a completed Custodian Certificate.

If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of $30,000 in applying for Shares. Custodians are not eligible to participate on behalf of a person who resides outside Australia or New Zealand.

Issue of Shares

Shares SPP Options and Bonus Shares are expected to be issued on 18 September 2026 subject to Shareholder approval being obtained.

Oversubscriptions

The amount that each Eligible Shareholder can apply for under the SPP is capped at $30,000. In addition, the total amount raised under the SPP is capped at $1.0 million (**SPP Cap**)

The SPP Cap is designed to ensure all Eligible Shareholders have a reasonable opportunity to participate equitably by:

- ensuring that Eligible Shareholders who decide not to participate in the SPP are not significantly diluted; and
- enabling those who elect to participate in the SPP Offer to do so in a meaningful way.

The Company expects to raise up to the SPP Cap, however if it receives applications above this amount, it may accept them or scale back applications in its absolute discretion.

If there is a scale back, the Company may in its absolute discretion determine the manner in which it applies the scale back. Any scale back will be announced with the results of the SPP on or about 7 September 2026.

If there is a scale back, you may not receive all the new Securities for which you have applied. If a scale back produces a fractional number when applied to your Parcel, the number of new Securities you will be allotted will be rounded down.

If there is a scale back, X2M Connect will refund to you, the difference between your Application money and the total Issue Price for the new Securities allotted to you (provided that you will not receive a refund for an amount which is less than the Issue Price of one Share). Any excess Application monies will be refunded without interest.

Refunds

Where applicable, refunds will be made via Electronic Funds Transfer to the shareholder bank details on the register. If bank details have not been provided when refunds are processed, the payment amount will be withheld until bank details have been provided

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the Options issued under this Offer Booklet. The Company and the SPP Underwriter will only distribute this Offer Booklet to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (https://x2mconnect.com/). By making an application under the SPP, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

More information

If you have any further queries in relation to the SPP, please call Automic on 1300 288 664 (within

Australia) or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (AEST) Monday to Friday,

3. Terms and Conditions

The SPP being offered by X2M Connect provides Eligible Shareholders (refer to section 3.2 below) with the opportunity to purchase new Securities without incurring brokerage and other transaction costs.

The Company is offering the SPP to allow Eligible Shareholders the opportunity to increase their holding in the Company in a cost effective manner, at the Issue Price set out in section 3.5 below.

Details of the SPP and how to participate are set out below.

The previous sections of this Offer Booklet and the Application Form are part of these Terms and Conditions.

Terms used in this Offer Booklet are defined in the Glossary in section 4.

3.1 Offer

3.1.1 Subject to Shareholder approval the Company offers each Eligible Shareholder the opportunity to purchase;

(a) up to $30,000 in Shares (subject to any scale back) irrespective of the number of Shares they currently own without having to pay brokerage or transaction costs;

(b) one free SPP Option for every Share subscribed for in the SPP;

(c) one Bonus Share for every four Shares subscribed for in the SPP.

SPP subject to and in accordance with the terms and conditions set out below, in the previous sections of this Offer Booklet, the SPP Options Prospectus and the Application Form (**Offer**).

3.1.2 The Offer opens on 12 August 2026 and closes at 5.00 pm (Melbourne time) on 31 August 2026 (or such other date as the Company determines, in its absolute discretion).

3.1.3 Participation in the SPP is voluntary. If you choose not to participate in the SPP, your right to participate lapses at the Closing Date (or such other date as the Company determines, in its absolute discretion).

3.1.4 The Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase new Securities to a third party.

3.1.5 The Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.

3.2 Eligible Shareholders

Registered holders of Shares in the Company at 7.00pm Melbourne time on 23 July 2026 (**Record Date**) having a registered address in either Australia or New Zealand are eligible to participate in the SPP (**Eligible Shareholders**).

The Company has determined that the SPP may only be accepted by residents of Australia and New Zealand. In the opinion of the Company these places are the only places in which it is lawful and practical for the Company to offer the SPP. To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that acceptance of the Offer complies with all applicable laws.

3.3 Shortfall

Any new Securities not taken up by Eligible Shareholders pursuant to the SPP Offer (**SPP Shortfall Securities**) will be taken up by the SPP Underwriter subject to Shareholder approval.

3.4 Fees

No fees are payable by Eligible Shareholders. All costs of the SPP Offer such as legal, printing, postage and registry fees, will be paid by the Company.

3.5 Issue Price

The Issue Price is the lesser of:

- $0.004; and
- the price which is a 2.5% discount to the 5-day VWAP of Shares on ASX as at the Closing Date, rounded down to the nearest multiple of 0.001

the price of $0.004 represents a 17.5% discount to the 5 day volume weighted average share price of $0.00485 from the last trading day prior to the announcement of the Placement and SPP.

SPP Options and Bonus Shares are issued free of charge.

The current price of Shares can be obtained from the ASX website. You agree to pay the Issue Price for each new Security you apply for.

3.6 Size of Investment

If you are an Eligible Shareholder, you may apply to purchase a Parcel of new Securities valued at $2,500, $5,000, $10,000, $15,000, $20,000, $25,000 or $30,000. This Parcel may be subject to a scale back and rounding.

Eligible Shareholders may only acquire a maximum of $30,000 worth of Shares under a share purchase plan in any 12-month period. This means that Eligible Shareholders must not acquire more than $30,000 worth of Shares, in aggregate, under this SPP. These limitations apply even if you receive more than one Application Form or if you hold Shares in more than one capacity, e.g. if you are both a sole and joint holder of Shares as described below.

3.7 Amount to be raised and scale back

The Company aims to raise the SPP Cap, however may accept applications over this amount or scale back applications, in its absolute discretion.

If there is a scale back, the Company may in its absolute discretion determine the manner in which it applies the scale back. Any scale back will be announced with the results of the SPP on or about 7 September 2026.

If there is a scale back, you may not receive all the new Securities for which you have applied. If a scale back produces a fractional number when applied to your Parcel, the number of new Securities you will be allotted will be rounded down.

If there is a scale back, the Company will refund to you by direct credit deposit to your nominated bank account the difference between your Application money and the total Issue Price for the new Securities allotted to you (provided that you will not receive a refund for an amount which is less than the Issue Price of one Share). If Applications are scaled back, any excess Application monies will be refunded without interest.

3.8 Applications may be refused in full or part

The Company reserves the right to reject all or any part of an Application received under the SPP in its absolute discretion. If an Application is rejected, any Application monies will be refunded without interest.

3.9 Application for new Securities under the SPP

3.9.1 You may apply for new Securities by:

(a) making your payment via EFT using the unique reference number as shown on your personalised Share Purchase Plan Application Form as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and new Securities subsequently not issued to you; or

(b) by making a BPAY® payment (for Australian Shareholders only) using the customer reference number shown on your Share Purchase Plan Application Form;

(c) If you choose to pay via EFT or a BPAY®, you are not required to submit the Share Purchase Plan Application Form. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY or EFT. It is your responsibility to check that the amount you wish to pay via BPAY or EFT does not exceed your limit;

(d) Eligible Shareholders may also access their personalised payment details at https://portal.automic.com.au/investor/home To access this website Eligible Shareholders will need their SRN or HIN.

3.9.2 If you make a payment and the Company receives an amount that is less than the whole amount for which new Securities may be applied (see section 3.6 of this Offer Booklet) the value of new Securities for which you apply may be rounded down to the next lowest whole amount (see section 3.6 of this Offer Booklet). Any amount not applied to your Application will be refunded without interest.

3.9.3 Receipts for payment will not be issued. Applications must be received by 5.00pm (Melbourne time) on 31 August 2026. Applications received after that time may not be accepted.

3.9.4 Applications and payments under the SPP may not be withdrawn once they have been received by the Company. Application money will not bear interest as against the Company under any circumstances.

3.9.5 Please read your Application Form for further details of how to apply for new Securities under the SPP.

3.9.6 If you apply to participate in the SPP by submitting an EFT or BPAY® payment, you represent, and represent on behalf of each person on whose account you are acting, that:

(a) you are an Eligible Shareholder and are eligible to participate in the SPP;

(b) all details and statements in your Application are true and complete and not misleading;

(c) the total of the Application price for the following does not exceed $30,000:

(i) the Shares the subject of your Application;

(ii) any Shares applied for under the SPP or under any similar arrangement in the 12 months before the date of your Application;

(iii) any other Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and

(iv) any other Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your Application for the Shares under the SPP as a result of an instruction given by the holder to the Custodian and which resulted in you holding a beneficial interest in such Shares,

(d) you acknowledge that the new Securities have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand, and accordingly, the new Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and

(e) you have not and will not send any materials relating to the SPP to any person in the United States or that is, or is acting for the account or benefit of, a US person.

3.9.7 By accepting an Offer to acquire new Securities under the SPP, you:

(a) agree to be bound by the Company's constitution;

(b) irrevocably and unconditionally agree to the Terms and Conditions and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to X2M Connect, the intention or purpose of the SPP;

(c) agree that your Application will be irrevocable and unconditional (that is, it cannot be withdrawn);

(d) acknowledge that none of the Company, its advisers or agents, has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;

(e) acknowledge that the Company and its officers and agents, are not liable for any consequences of the exercise or non-exercise of its discretions referred to in these Terms and Conditions;

(f) agree to pay the Issue Price per new Security up to the maximum of:

  (i) the value you have selected on the Application Form; or

  (ii) the maximum value of your BPAY payment;

(g) authorise the Company to correct any minor errors in your Application Form;

(h) agree that the Company may determine that your Application Form is valid even if it is incomplete, contains errors or is otherwise not completed in accordance with the Terms and Conditions;

(i) acknowledge that no interest will be paid on any Application monies held pending the issue of new Securities or subsequently refunded to you for any reason;

(j) accept the risk associated with any refund that may be dispatched to you by direct credit; and

(k) agree that the Company is not responsible for any loss suffered by you if you do not receive any refund of Application money due to you under the Terms and Conditions provided the Company has sent the refund to your address or nominated bank account shown on the Register.

3.10 Participation by single holders

If you are an Eligible Shareholder and you have received more than one Offer under the SPP (for example, because you hold more than one shareholding under separate share accounts), you may not apply for new Securities with an Application value exceeding $30,000 under the SPP. This is because the maximum amount that may be raised by law under a share purchase plan from each eligible holder in any 12-month period is $30,000. By applying for new Securities under the SPP, you certify that you have not exceeded this limit. The Company reserves the right to reject any Application for new Securities where it believes there has not been compliance with this requirement.

3.11 Participation by joint holders

If two or more persons are recorded in the register of members as jointly holding Shares, they will be taken to be a single registered holder for the purposes of the SPP. Joint holders are only entitled to participate in the SPP in respect of that single holding.

3.12 Participation on behalf of beneficial owners by custodians, trustees or nominees

3.12.1 If you are a Custodian and you hold Shares on behalf of one or more persons that are not Custodians but who are Eligible Beneficiaries (each a **Participating Beneficiary**), you may contribute a maximum of $30,000 in applying for new Securities for each Participating Beneficiary on whose behalf you or a downstream Custodian holds Shares (but joint holders are taken to be a single holder). This is subject to you providing the Company with a Custodian certificate (**Custodian Certificate**) certifying the following:

(a) that you are a Custodian (as that term is defined in paragraph 4 of ASIC Instrument 2019/547);

(b) that you held Shares on behalf of the Participating Beneficiary as at the Record Date who has instructed you to apply for new Securities on their behalf under the SPP and that the Participating Beneficiary was provided with a copy of this Offer Booklet before giving such instruction;

(c) there are no Participating Beneficiaries in respect of which the total Issue Price for the following exceeds $30,000:

(i) the shares or interests applied for by you under the SPP in accordance with the instructions of the Participating Beneficiaries; and

(ii) any other Shares issued to you in the 12 months before the Application as a result of an instruction given by Participating Beneficiaries to you or a downstream Custodian to apply for Shares on their behalf under an arrangement similar to the SPP; and

(d) that the matters required by paragraph 8(3) of ASIC Instrument 2019/547 have been complied with, and that the information given in Custodian Certificate is true, correct and not misleading.

3.12.2 Applications by Custodians must be accompanied by a completed Custodian Certificate.

3.12.3 If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of $30,000 in applying for new Securities. Custodians are not eligible to participate on behalf of a person who resides outside Australia or New Zealand.

3.13 SPP Shares

Shares issued under the SPP are fully paid ordinary shares in the Company.

Shares issued under the SPP will rank equally with the existing fully paid ordinary shares of the Company, carrying the same voting rights and other entitlements.

3.14 Underwriting

The Company has entered into the SPP Underwriting Agreement with the Underwriter to fully underwrite the SPP to $1,000,000, the material terms and conditions of which are summarised below. Capitalised terms used in this section 3.14 which are not otherwise defined in this Offer Booklet have the meaning given to them in the SPP Underwriting Agreement.

If there is a shortfall of Shares, SPP Options and Bonus Shares (collectively, **SPP Securities**) which are not subscribed for under the SPP (collectively, **SPP Shortfall Securities**), the Underwriter must, on the date of settlement of the SPP, lodge or cause to be lodged with the Company applications for the SPP Shortfall Securities up to the Underwritten Amount.

The Underwriter will be paid the following fees:

3.14.1 an underwriting execution fee of $10,000 (plus GST); and

3.14.2 a management fee of 2% of the Underwritten Amount; and

3.14.3 an underwriting selling fee of 4% of the Underwritten Amount; and

3.14.4 the number of Underwriter Options set out in the Prospectus.

For the avoidance of doubt, the issue of SPP Shortfall Securities is subject to Shareholder approval.

Pursuant to the Underwriting Agreement, the Company has also agreed to reimburse the Underwriter for certain agreed expenses. The Underwriting Agreement is otherwise on terms and conditions considered standard for an agreement of this nature.

The Underwriter is not a related party to the Company or associates of related parties.

The obligations of the Company pursuant to the Underwriting Agreement are subject to the satisfaction of certain conditions precedent, the material of which include (but are not limited to):

(a) preparation of an SPP Offer Booklet and this Prospectus;

(b) due diligence investigations being undertaken to the satisfaction of the Underwriter;

(c) Shareholder approval for the issue of SPP Securities having been obtained and settlement having occurred pursuant to the SPP;

(d) ASX not indicating that it will not admit the SPP Securities to be issued under the Entitlement Offer to quotation; and

The Company has made a number of representations and warranties under the Underwriting Agreement which are considered usual for an underwriting agreement, including that the SPP complies with the requirements of the Corporations Act, this Prospectus contains all material information required under the Corporations Act and does not contain any misleading or deceptive information, and that the Company has complied with its continuous disclosure requirements. The Company has indemnified the Underwriter against losses arising if these representations and warranties are wrong.

The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) have the right to terminate the Underwriting Agreement on the happening of specified events or circumstances, including those set out below. The list below is not exhaustive of all of the termination events in the Underwriting Agreement and is a summary of the select events set out below only.

The Underwriter may terminate its obligations under the Underwriting Agreement if any one or more of the following unqualified termination events occurs:

(a) (Certificate) the Certificate which is required to be furnished by the Company under this Agreement is not furnished by the time specified in the Timetable or any statement in the Certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;

(b) (unable to issue SPP Shares) the Company is prevented from issuing the SPP Shares within the time required by the Timetable, the Listing Rules, all applicable laws, an order of a court of competent jurisdiction or a Government Agency;

(c) (Timetable) the Company fails to lodge or send to Shareholders (as applicable) any of the Offer Documents by the time and date required by the Timetable;

(d) (Offer Documents to comply) the Offer Documents or any aspect of the SPP does not comply in any material respect with the Corporations Act or the Listing Rules or any other applicable law including due to a statement in the Offer Documents which is or becomes misleading or deceptive or likely to mislead or deceive in a material respect, or omit any information that is required (having regard to the requirements of the SPP Instrument);

(e) (withdrawal) the Company withdraws the SPP;

(f) (corrective notice) the Company becomes required to give or gives a correcting notice in accordance with paragraph 8 of the SPP Instrument;

(g) (market fall) the S&P/ASX 200 Index closes in the period from the Announcement Date to the Shortfall Shares Settlement Date at a level that is 10% or more below the level of that index as at the close of trading on the Business Day before the Announcement Date;

(h) (ASIC action):

(i) an application is made by ASIC for an order under Part 9.5 of the Australian Securities and Investments Commission Act 2001 (Cth)

(ASIC Act) in relation to the SPP or the Offer Documents and such application becomes public or is not withdrawn within 1 Business Day after it is made or where it is made less than 1 Business Day before the Shortfall Shares Settlement Date, it is not withdrawn by 5.00pm on the Shortfall Shares Settlement Date; or

(ii) ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the SPP or the Offer Documents and such investigation or hearing becomes public or is not withdrawn within 1 Business Day after it is commenced or where it is commenced within 1 Business Day before the Shortfall Shares Settlement Date, it has not been withdrawn by 5.00pm on the Shortfall Shares Settlement Date;

(iii) ASIC prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, or commences or threatens to commence any enquiry or investigation involving, the Company or any of its directors or officers (or any Company Group Member or any of its directors or officers) in relation to the SPP or an Offer Document;

(i) (regulatory action) there is an application to a Government Agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or a Government Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the SPP or any agreement entered into in respect of the SPP;

(j) (listing and quotation) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the quotation of any SPP Shares by ASX or if granted by ASX, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(k) (insolvency) the Company or a Company Group Member is Insolvent or there is an act or omission which may result in the Company or a Company Group Member becoming Insolvent;

(l) (Takeovers Panel) a Shareholder makes an application to the Takeovers Panel in connection with the SPP and the Takeovers Panel elects to hear the application, and the application is not withdrawn or rejected;

(m) (Timetable) subject to clause 4.1, any event specified in the Timetable is delayed for more than 1 Business Day without the prior written consent of the Lead Manager; or

(n) (new circumstances) in the reasonable opinion of the Lead Manager, a new circumstance arises that would have been required to be disclosed in the Offer Documents had it arisen before the Offer Documents were lodged with ASX or sent to Shareholders.

(o) (Supplementary Prospectus) the Company lodges, or notifies the Lead Manager that it is required or proposes to lodge, a supplementary or replacement prospectus in relation to the Prospectus.

3.15 Quotation and notification of allotment

The Company will apply for the Shares to be quoted on ASX which is expected to commence on or around 8 September 2026 subject to the ASX Listing Rules and ASX's discretion. You will be sent a holding statement following issue of the Shares.

The quotation of SPP Options and Bonus Shares will occur conditional on Shareholder approval to issue them. The Company will also apply to issue them and subject to ASX's consent, it is anticipated that this will occur on 19 September 2026.

3.16 Foreign securities restrictions

The SPP is only being extended to Shareholders with a registered address in Australia or New Zealand. This Offer Booklet (and the accompanying Application Form) does not constitute an offer of securities in the Company in any jurisdiction in which such an offer would be illegal.

To the extent that a Shareholder holds Shares on behalf of another person resident outside Australia or New Zealand, it is that Shareholder's responsibility to ensure that any acceptance complies with all applicable foreign laws.

New Zealand

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (FMC Act). The new Securities are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

(a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;

(b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;

(c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;

(d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

(e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

The new Securities are not being offered or sold to retail investors within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of the new Securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Offer Booklet has not been registered, filed with or approved by any New Zealand regulatory authority. This Offer Booklet is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

Neither Offer Booklet nor the Application Form constitutes an offer of securities in the United States or to, or for the account or benefit of any US person.

The Shares to be issued under this SPP have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States.

In order to comply with relevant securities laws, the Shares to be issued under this SPP may not be offered to Shareholders located in the United States or to Shareholders who are, or who are acting for the account or benefit of, US persons.

Because of these legal restrictions, you must not send copies of the Terms and Conditions or any other material relating to the SPP to any person resident in the United States or any person who is, or is acting for the account or benefit of, US persons.

Consistent with the warranties contained in the Terms and Conditions and the accompanying Application Form, you may not submit any completed Application Forms for any person resident in the United States or who is, or is acting for the account or benefit of, US persons. Failure to comply with these restrictions may result in violations of applicable securities laws.

3.17 ASIC Instrument 2019/547

The Offer of Shares under the SPP is made in accordance with ASIC Instrument 2019/547 which grants relief from the requirement to prepare a prospectus for the Offer of the Shares under the SPP.

3.18 Withdrawal, suspension, termination, anomalies and disputes

The Company reserves the right to waive strict compliance with any provision of the Terms and Conditions, to amend or vary the Terms and Conditions and to suspend or terminate the SPP at any time. Any such amendment, variation, suspension or termination will be binding on all Eligible Shareholders even where the Company does not notify you of that event. The Company may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or Application. Any determinations by the Company will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates.

3.19 Privacy policy

Chapter 2C of the Corporations Act requires information about you as securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a Shareholder.

The Company and its Share Registry may collect personal information to process your Application, implement the SPP and administer your shareholding. The personal information contained in the share register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

Your personal information may be disclosed to joint investors, the Share Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of the Company and its agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.

You can access, correct and update your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry as follows:

Automic Registry Services
Level 5, 126 Phillip Street Sydney NSW 2000
Or by telephone: 1300 288 664 (within Australia) or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (AEST) Monday to Friday

3.20 Variation and termination

3.20.1 The Company reserves the right at any time to:

(a) amend or vary these Terms and Conditions;

(b) waive strict compliance with any provision of these Terms and Conditions;

(c) withdraw the Offer or suspend or terminate the SPP;

(d) vary the timetable for the SPP, including the Closing Date; and

(e) not accept an application, not issue Shares or issue Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian or nominee applying on behalf of its Eligible Beneficiaries).

3.20.2 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

3.21 Taxation

None of the Company, its officers, employees, advisers or agents makes any representations or warranties about, and accepts no responsibility for, the liability of Eligible Shareholders to pay income tax in respect of any issue of Shares, payment or other transaction under the SPP.

3.22 Governing law

This Offer is governed by the law in force in Victoria, Australia. By accepting this Offer, you submit to the exclusive jurisdiction of the courts of Victoria, Australia.

3.23 Inconsistency

These Terms and Conditions prevail to the extent of any inconsistency with the Application Form.

3.24 Contact us

If you have any further queries in relation to the SPP, please call Automic on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (AEST) Monday to Friday.

4. Glossary and Interpretation

4.1 Definitions

In this Offer Booklet, unless the context otherwise requires:

A$, $, or **AUD** means the currency of Australia.

Allotment Date means the date on which Shares are allotted under the SPP.

Application means a correctly completed and submitted EFT payment or a payment via BPAY®.

Application Form means the application form attached to this Offer Booklet.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument 2019/547 means ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

ASX means ASX Limited ACN 008 624 691, and where the context requires, the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time.

ASX Settlement means ASX Settlement Pty Ltd ACN 008 504 532.

ASX Settlement Operating Rules means the operating rules of ASX Settlement which govern the administration of CHESS.

Beneficiary means a person on whose behalf a Custodian or nominee is holding Shares at 7.00pm (Melbourne time) on the Record Date.

Bonus Shares means Shares to be issued under the SPP, subject to Shareholder approval, on the basis of one Bonus Share for every four Shares subscribed for.

Closing Date means the date that the Offer closes, being 5.00 pm Melbourne time on 31 August 2026 (unless varied).

Corporations Act means the *Corporations Act 2001* (Cth).

Custodian means a custodian, trustee or nominee within the definition of "custodian" in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547.

EFT means Electronic Funds Transfer.

Eligible Beneficiary means a Beneficiary with a registered address in either Australia or New Zealand, provided that such a Beneficiary is not in the United States.

Eligible Shareholder means registered holders of Shares in the Company on the Record Date having a registered address in either Australia or New Zealand.

Issue Price means the issue price for each new Security under the SPP being the lesser of:

- $0.004; and
- the price which is a 2.5% discount to the 5-day VWAP of Shares on ASX as at the Closing Date, rounded down to the nearest multiple of 0.001.

New Securities means the Shares, SPP Options and Bonus Shares issued to subscribers of the SPP.

Offer means the offer to Eligible Shareholders to participate in the SPP by subscribing for up to $30,000 worth of new Securities subject to the Terms and Conditions.

Offer Booklet means this offer booklet in respect of the SPP, including the Application Form.

Parcel means a parcel of Shares in respect of an amount of $2,500, $5,000, $10,000, $15,000, $20,000, $25,000 or $30,000, at the Issue Price.

Placement means the placement as announced to ASX on 24 July 2026.

Placement Options means the Options issued under the Placement.

Record Date means 7.00pm Melbourne Time on 23 July 2026.

Register means the register of members of the Company maintained by the Share Registry.

Securities Act means the Securities Act 1933 of the United States of America.

Share means a fully paid ordinary share in X2M Connect.

Share Registry means Automic Pty Ltd.

Shareholder means a person registered in the register of members of X2M Connect as a holder of one or more X2M Connect Shares.

X2M Connect or **Company** means X2M Connect Limited ACN 637951154.

SPP or **Share Purchase Plan** means this share purchase plan.

SPP Cap means $1.0 million. **SPP Options** means ASX listed X2MOA options exercisable at $0.008 and expiring 2 June 2029 to be issued under the SPP, subject to Shareholder approval, on the basis of one SPP Option for each Share subscribed for.

SPP Options Prospectus means the prospectus dated on or about 12 August 2026 concerning the SPP Options, Placement Options, Options to be issued to the Placement Joint Lead Managers and options to be issued to the SPP Underwriter.

Terms and Conditions means the terms and conditions of the SPP set out in this Offer Booklet and including the Application Form.

Underwritten Amount means $1,000,000, being the amount to which the SPP is underwritten by the Underwriter.

4.2 Interpretation

In this Offer Booklet, unless the context otherwise requires:

4.2.1 the singular includes the plural and vice versa;

4.2.2 a reference to an individual or person includes a corporation, firm, partnership, joint venture, association, authority, trust, state or government and vice versa;

4.2.3 a reference to any gender includes all genders;

4.2.4 All references to $ or dollars in this Offer Booklet are references to Australian dollars unless otherwise indicated;

4.2.5 where a word or phrase is defined, its other grammatical forms have a corresponding meaning;

4.2.6 a term not specifically defined in this Offer Booklet has the meaning given to it (if any) in the Corporations Act or the ASX Settlement Operating Rules, as the case may be;

4.2.7 unless otherwise specified, a reference to a section, clause, annexure or schedule is to a section, clause, annexure or schedule of or to this Offer Booklet;

4.2.8 a reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

4.2.9 a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislation or legislative provision;

4.2.10 the words “including”, “such as”, “particularly” and similar expressions do not imply limitation; and

4.2.11 headings are for convenience of reference only and do not affect interpretation.

X2M CONNECT LIMITED
ACN 637 951 154

PROSPECTUS

For an offer of 500,000,000 Placement Options

And

For an offer of up to 125,000,000 Broker Options

And

For an offer of up to approximately 250,000,000 SPP Options*

And

For an offer of up to approximately 250,000,000 SPP Underwriter Options*

Collectively referred to as **the Offers**. The issue of securities under the Offers is conditional on the Company obtaining shareholder approval at an Extraordinary General Meeting to be held on or about 11 September 2026.

No offer in this Prospectus is open to the public.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered highly speculative.

*The number of SPP Options and SPP Underwriter Options may increase, refer to section 4.1 for further details.

CONTENTS

1. CORPORATE DIRECTORY

Directors

Hon. Alan Stockdale AO
Independent Chair

Damien Johnston
Non-Executive Director

John Stewart
Non-Executive Director

Kate O'Sullivan
Non-Executive Director
Mohan Jesudason
Chief Executive Officer and Managing Director

Company Secretary

Oliver Carton

Registered Office

Suite 1.01B, Building B
18-24 Ricketts Road
Mount Waverley VIC 3149

Telephone: 1800 926 926

Website: https://x2mconnect.com/
Email: enquiry@x2mconnect.com

ASX Code

X2M

Share Registry*

Automic Pty Ltd
Level 5, 126 Phillip Street
SYDNEY NSW 2000

Telephone: +61 2 9698 5414
Email: hello@automic.com.au

Auditor *

William Buck Audit [Vic] Pty Ltd *

Level 20, 181 William Street,
Melbourne VIC 3000

Legal Advisers

Carton Solicitors
8 Chapel St Cremorne
VIC 3121

Lead Managers

Peak Asset Management Pty Ltd and
Alpine Capital Pty Ltd

Underwriter

Alpine Capital Pty Ltd

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

2. TIMETABLE FOR PLACEMENT AND SPP

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 2026
Announcement of Placement and fully underwritten SPP Lodge Appendix 3B with ASX	24 July 2026
Allotment of shares under Placement	29 July 2026
Lodge cleansing notice and ASX Appendix 2A	29 July 2026
Lodgment of SPP Offer Letter and SPP, Placement and Options Prospectus with ASX and Prospectus with ASIC	12 August 2026
SPP Offer Opens	12 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	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 Shares and SPP Options	18 September 2026
Allotment of SPP Shortfall to underwriter	18 September 2026

*All dates are indicative and subject to change. The Company reserves the right to alter this timetable at any time.

Quotation of Shares or Options issued under the Offers is at the discretion of ASX.

3. IMPORTANT NOTES

This Prospectus is dated 12 August 2026 and was lodged with ASIC on that date. ASIC, the ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities the subject of this Prospectus should be considered highly speculative.

This Prospectus has been prepared, in part, to ensure that relief available under ASIC Instrument 2016/80 applies to the Options issued under it so that the Options issued can be traded on ASX within 12 months of their issue date without the need for further disclosure when trading occurs.

The Company is issuing Shares under the SPP Offer Booklet under an ASIC exemption from the requirement to issue a prospectus when issuing those shares. That exemption does not apply to the SPP Options as they are not continuously quoted securities. Accordingly the Company is offering the SPP Options under this Prospectus, and it does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks, together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

3.2 Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of the Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (https://x2mconnect.com/). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

3.3 Forward-Looking Statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets'; 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Prospectus.

3.4 Taxation implications

The Directors do not consider it appropriate to give Shareholder's advice regarding the taxation consequences of applying for Securities under this Prospectus. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Securities under this Prospectus.

3.5 Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company (https://x2mconnect.com/). If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand or Singapore resident and must only access this Prospectus from within Australia, New Zealand or Singapore.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

3.6 Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

3.7 Disclaimer

No person is authorised to give information or to make any representation in connection with the offers described in this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offers. You should rely only on information in this Prospectus.

3.8 Investment Advice

This Prospectus does not provide investment advice and has been prepared without taking account of your financial objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional investment advice before subscribing for securities under this Prospectus.

4. DETAILS OF THE OFFERS

4.1 Background to the Offers

As announced on 24 July 2026, the Company is undertaking a capital raising to raise up to $2,000,000 via the Placement and up to $1,000,000 via a fully underwritten SPP. The purpose of the raising is to fund the 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 Placement terms were an offer for:

(a) An issue of 500,000,000 Shares at an issue price of $0.004

(b) One free attaching Option for every Share taken up. Options are listed on ASX (X2MOA);

(c) One Bonus Share for every four Shares taken up.

The SPP is offered on similar terms, being an offer for:

(a) A maximum raise of $1,000,000 through an issue of approximately 250,000,000 Shares at an issue price of the lesser of:

i. $0.004; and

ii. the price which is a 2.5% discount to the 5-day VWAP of Shares on ASX as at the Closing Date, rounded down to the nearest multiple of 0.001;

(b) One free attaching Option for every Share taken up. Options are listed on ASX (X2MOA);

(c) One Bonus Share for every four Shares taken up.

The SPP closes on 31 August 2026, at which time the issue price for the SPP Shares will be determined.

The Company finalised the Placement and issued 391,449,500 shares on 29 July 2026, which depleted its placement capacity under ASX Listing Rules 7.1 and 7.1A. Further, the SPP Offer Booklet only applies to Shares issued under the SPP (including the Bonus Shares), not the SPP Options .

This means that the following securities to be issued under the Placement and SPP require Shareholder approval before they can be issued, which will be sought at the EGM:

(a) 108,550,500 Shares to complete the Placement;

(b) 500,000,000 Placement Options

(c) up to 125,000,000 Broker Options;

(d) approximately 250,000,000 SPP Options (subject to the note below);

(e) approximately 250,000,000 SPP Underwriter Options (subject to the note below);

This Prospectus is issued in relation to the above Options.

Note: As the pricing of the SPP Shares may vary between the date of this Prospectus and the SPP closing date (31 August 2026), it is possible that more than 250,000,000 Shares will be issued, which will impact the number of SPP Options, SPP Bonus Shares and SPP Underwriter Options to be issued. As a guide, the following information is provided:

Issue price	No of SPP Options	No of SPP Underwriter Options
$0.004	250,000,000	250,000,000
$0.003	375,000,000	375,000,000
$0.002	500,000,000	500,000,000

4.2 Placement Options

As Placement Options are issued on a one for one basis, 500,000,000 will be issued if approved at the EGM.

4.3 Broker Options

The Company agreed to issue one Broker Option for every four Shares issued under the Placement as part consideration for the Joint Lead Managers completing the Placement. Accordingly up to 125,000,000 may be issued.

4.4 SPP Options

SPP Options are issued on the same basis as Placement Options, being one for one basis for the number of Shares issued under the SPP.

4.5 SPP Underwriter Options

As part of the terms of the Underwriting Agreement, the Company agreed to issue on a one for one basis SPP Underwriter Options for the number of Shares underwritten. For further terms of the Underwriting Agreement please refer to section 8.5

All of the Options offered under the Offer will be issued on the terms and conditions set out in Section 6.2 of this Prospectus.

All Shares issued on conversion of the Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised under the Offer are set out in Section 4.1 of this Prospectus.

4.6 Applying under the Offers

Eligible Shareholders have or will apply for securities under the Placement or SPP and there is no requirement to apply for Options under this Prospectus. Options are issued for nil consideration so no payment is required.

Applications under the Placement have closed. Applications under the SPP close on 31 August 2026.

4.7 Minimum subscription

There is no minimum subscription to the Offer.

4.8 Underwriting and sub-underwriting

The SPP is fully underwritten. Refer to section 8.5 for details.

4.9 ASX listing

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Options they will be unlisted options on the same terms as X2MOA other than being listed.

The fact that ASX may grant Official Quotation to the Securities is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

4.10 Issue of Securities

Securities issued pursuant to the Offers will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Holding statements for Securities issued under the Offer will be despatched in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

4.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia, New Zealand and Singapore.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

The Securities are not being offered to the public within Singapore other than to existing shareholders of the Company with registered addresses in Singapore.

This Prospectus and any other materials relating to the Securities have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Securities, may not be issued, circulated or distributed, nor may the Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand and Singapore without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

If you require further information about the Offer, please contact Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (international) between 8:30am and 7:00pm (Sydney time), Monday to Friday or email corporate.actions@automicgroup.com.au.

5. PURPOSE AND EFFECT OF THE OFFERS

5.1 Purpose of the Offers and use of funds

The Offers are related to the Placement and SPP to raise up to $3,000,000 (before costs). Funds raised will be used as follows:

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. Please refer to the announcement made to ASX on 24 July 2026 for further details.

As the Offers concern free Options, no funds will be raised under them.

If the Options issued under the Offers are exercised the Company will receive funds, the level of which will depend on the number of Options exercised. The Company will use any funds raised to further its announced business objectives and for working capital.

5.2 Effect of the Offers

The principal effect of the Offers will be to increase the total number of Options on issue by up to:

(a) 500,000,000 Placement Options

(b) up to 125,000,000 Broker Options;

(c) approximately 250,000,000 SPP Options*;

(d) approximately 250,000,000 SPP Underwriter Options*.

*The number of SPP Options and SPP Underwriter Options may increase, refer to section 4.1 for further details

5.3 Pro-forma statement of financial position

The reviewed balance sheet as at 31 December 2025 has been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all SPP funds are raised and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

The potential funds on completion of the Offer (using the 31 December 2025 closing cash as a starting point) does not represent the actual or prospective cash or financial position of the Company. The below table does not take into account activities of the Company since 31 December 2025 and this expenditure is not recognised in the pro-forma Statement of Financial Position. Shareholders should refer to other filings by the Company concerning its financial position for further information, such as the 31 March 2026 Quarterly Report lodged on 27 April 2026 and the 30 June 2026 Quarterly Report lodged on 31 July 2026.

Further, the Company's cash position following the Offer will be impacted by costs of the Offer of approximately $295,000 (being broker and Underwriter fees, ASX Listing Fees, legal fees, registry fees and ASIC fees), and its use of funds set out in section 5.1.

$'000s	NOTES	X2M GROUP 31 December 2025	Adjustment Cap raise - Placement, SPP ($3 million)	PRO-FORMA
Assets				
Current Assets				
Cash and cash equivalents		1,908	3,000	4,908
Trade and other receivables		529		529
Contract assets		130		130
Inventories		76		76
Other assets		1,338		1,338
Total Current Assets		3,981	3,000	6,981
Non-Current Assets				
Property, plant and equipment and right-of-use assets		343		343
Other assets		451		451
Total Non-Current Assets		794	-	794
Total assets		4,775	3,000	7,775
Liabilities				
Current Liabilities				
Trade and other payables		1,913		1,913
Contract liabilities		3,236		3,236
Borrowings		1,544		1,544
Lease liabilities		214		214
Employee benefits		1,108		1,108
Total Current Liabilities		8,015	-	8,015
Non-current liabilities				
Lease liabilities		580		580
Borrowings		116		116
Employee benefits		552		552
Total Non-Current Liabilities		1,248	-	1,248
Total Liabilities		9,263	-	9,263
Net Assets		(4,488)	3,000	(1,488)
Equity				
Issued capital		38,226	3,000	41,226
Reserves		3,194		3,194
Accumulated losses		(45,908)		(45,908)
Total equity		(4,488)	3,000	(1,488)

Notes on Pro-forma adjustments

The following notes define the contemplated transactions and adjustments in this Prospectus which are to take place on or before the completion of the non-renounceable entitlement offer and are presented as if they, together with the Offers, had occurred subsequent to 31 December 2025 and are set out below.

With the exception of the transactions noted below, no other material transactions have occurred between 31 December 2025 and the date of this offer which the Directors consider require disclosure.

1. Placement and SPP Offer: the offers under the Placement and SPP described in section 4.1, amounting to around $3 million. Total expenses associated with this Offer including Lead Manager fees, legal and administrative fees as well as printing, advertising and other miscellaneous expenses are estimated to be $0.295 million, which will be capitalised.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company is set out below.

Shares

	Number
Shares currently on issue[1]	1,565,798,184
Approximate maximum number of Shares to be issued pursuant to the Placement and SPP	1,060,000,000
Total Shares on issue after completion of the Offer	**2,625,798,184**

Notes:
1. Refer to Section 6.1 for a summary of the material terms and conditions of the Shares;
2. This table assumes Shareholder approval is given for the pending issue of Shares and Options, all Shares are issued under the Placement and that the SPP is fully subscribed;
3. The number of SPP Options and SPP Underwriter Options may increase, refer to section 4.1 for further details.

Options

	Number
Options currently on issue	1,441,093,355
Approximate number of Options to be issued pursuant to the Placement and SPP	875,000,000
Approximate number of SPP Underwriter Options	250,000,000
Total Options on issue after completion of the Offer	**2,566,093,355**

Notes:
1. Refer to Section 6.1 for a summary of the material terms and conditions of the Options;
2. A Shareholder meeting to approve the issue of Options not associated with this Prospectus will occur on 11 September 2026;
3. This table assumes Shareholder approval is given for the pending issue of Shares and Options, all Options are issued under the Placement and that the SPP is fully subscribed through shareholders or underwriter;
4. The number of SPP Options and SPP Underwriter Options may increase, refer to section 4.1 for further details.

Performance Rights

	Number
Performance Rights currently on issue	36,451,421
Performance Rights to be issued pursuant to the Offer	Nil
Total Performance Rights on issue after completion of the Offer	**36,451,421**

Performance Rights have been issued to employees under the Company's Employee Incentive Performance Rights and Options Plan last approved by Shareholders at the 2024 AGM held on 26 November 2024

Convertible Notes and Loans

	Value
Convertible Notes currently on issue	602,031
Convertible Notes to be issued pursuant to the Offer	Nil
Total Convertible Notes and Loans after completion of the Offer	**602,031**

Terms of convertible notes and convertible loans have either been approved by Shareholders, or are being put to Shareholders for approval. See for example the Notice of General Meeting and Explanatory Statement lodged on 2 July 2025.

5.5 Details of substantial holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	% (Undiluted)
STAPLE ELEMENTS PTY LTD <KIRZNER FAMILY A/C>	160,256,410	8.27%
FAIRWINDS SUPERANNUATION PTY LTD <FAIRWINDS SF A/C>	134,792,704	6.96%

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offers.

No Shareholder is, as a result of the Offer, likely to increase their relevant interest in the Company to above 20%.

6. ADDITIONAL RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Rights attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares to be issued on the exercise of Options being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

(i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;

(ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

(iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The allotment and issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, written notice of at least 28 days must be given specifying the intention to propose the resolution as a special resolution.

6.2 Rights attaching to Options to be issued under the Offer

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (h), the amount payable upon exercise of each Option will be $0.008 (**Exercise Price**)

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) on 2 June 2029 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(e) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(f) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

(i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

(iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (f)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(g) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(h) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(j) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(k) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(l) **Quotation**

The Company will apply to have the Options quoted on the ASX as X2MOA. Listing of securities is at the discretion of ASX.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) **Going concern risk**

The X2M Group consolidated financial statements for the FY2025 period were audited by Grant Thornton. The HY2026 period has been reviewed by Grant Thornton. An unqualified audit and review opinion (as the case may be) was issued for each of those periods but each included an emphasis of matter on material uncertainty around going concern.

Notwithstanding the 'going concern' qualification included in the reports for these periods, the Directors believe that upon the successful completion of the Offer, the Company will have sufficient funds to adequately meet the Company's current operational commitments and short-term working capital requirements. In the event that the Offer is not completed successfully there is significant uncertainty as to whether the Company can continue as a going concern, and which is likely to have a material adverse effect on the Company's activities.

(b) **Potential for dilution**

Upon implementation of the Offer, assuming all Shares described to be issued in the Prospectus are issued, and all Entitlements are accepted, and no Options or Performance Rights are exercised prior to the Record Date, the number of Shares in the Company will increase from 1,565,798,184 currently on issue to 2,625,798,184. This means that each Share will represent a lower proportion of the ownership of the Company.

It is not possible to predict what the value of the Company or a Share will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters. The last trading price of Shares on ASX prior to the prospectus being lodged is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.

(c) **Product quality risks**

The Company is dependent on the effective performance, reliability and availability of its technology platforms, hardware, software, third party data centres and communication systems. Therefore, there is a risk that the infrastructure and technology solutions supplied by the Company to customers may not be functional, may be faulty, or not meet customers' expectations. This may lead to the Company being required to repair or improve its products after sale and or installation, which may diminish operating margins or lead to losses.

For those systems which the Company retains an ownership in and operates on behalf of the customer under long term agreements, or which the Company maintains under long term maintenance agreements, the Company may be made responsible if such systems are not functional or faulty. The Company may face claims from customers if its products do not meet standards that were contractually agreed upon.

(d) **Disruption of key business processes risk**

The Company's business model relies on the execution of several critical business processes, particularly to support servicing of customers and to process transactions on their behalf. Key business processes could be disrupted by events outside of the Company's control such as system infrastructure disruption, system failures, service outages, corruption of information technology network or information systems as a result of computer viruses, bugs, worms or cyber-attacks, as well as natural disasters, fire, power outages or other events outside the control of the Company, and those measures implemented by the Company to protect against such events are ineffective.

Any systemic failure could cause significant damage to the Company's reputation and its ability to process transactions for customers. Such systemic failure could also impact the Company's ability to retain existing, and generate new customers, any of which could have a material adverse impact on the Company's business, operating and financial performance, and/or growth.

(e) Price risks

The price of the Company's products may be too high compared to other products, in particular within emerging markets and the APAC region where the Company operates in, where there is a high price pressure. This may lead to difficulties in the market acceptance for the Company's products, as customers may switch to cheaper products, which may require the Company to decrease prices. As a result, there could be lower operating margins.

(f) Supplier and manufacturing risks

The Company sources certain key components for its devices from third party suppliers and outsources manufacturing of products to third parties.

The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Company to shift to another supplier. There is a risk that the Company could be disrupted if no alternative suppliers were able to be sought. There is a current global shortage of certain critical components which increases the magnitude and likelihood of this risk. There is a risk that key components provided by third party suppliers may be defective. The Company's products may be subject to product quality risks. The products supplied by the Company may not be functional or not meet customer's expectations. This may lead to requirements for the Company to improve or refine its products, which may diminish operating margins or lead to losses.

(g) **Contract non-renewal risk and key customers**

The Company's contracts with customers are generally long term contracts of several years. Further the nature of the Company's business means it contracts with relatively few but large customers. There is a risk that when these large customers reach the end of their service contracts, they will not renew the term of their contract which may materially impact the Company's expected revenue.

(h) New markets

Whilst the Company is of the view that the 2020 Foreign Investment Negative List (Negative List) does not apply to the existing operations in China, the Negative List may be expanded to capture the Company's activities, at which time, any expansion into China would be adversely impacted.

(i) **Competition risk**

The utility industry in which the Company operates is subject to competition. Current or future competitors may come up with new, better or cheaper products and solutions. The Company's competitors include both small and medium enterprises and large, established corporations or multinationals. Those may decide to enter the Company's target markets and be able to fund aggressive marketing strategies. They may also have stronger financial capabilities than the Company which may negatively affect the operating and financial performance of the business.

Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's business.

(j) Cyber security and protections

Given the nature of the Company's Software as a Service business, the Company collects and holds some personal information about its customers and their end customers in Japan, South Korea and Taiwan.

Notwithstanding that the Company has currently adopted a number of policies and procedures regarding information security protection, the Company's systems, or those of its third party providers, may fail, or be subject to disruption as a result of external threats or system errors. Cyber-attacks could also compromise or breach the safeguards implemented by the Company to maintain confidentiality in such information.

The Company obtained ISO 27001:2013 certification in 2021 (which covers all existing jurisdictions). The certification expired in late 2024 however the Company continues to employ the same processes and procedures. The Company intends to seek recertification on the recently revised standards ISO 27001:2022 which will be subject to an annual audit by an independent third party, which involves a review of the Company's cybersecurity and data protection measures. However, certification and an annual audit process does not offer the Company absolute protection against cyber-attacks.

(k) Legal proceedings

Legal proceedings may arise from time to time in the course of the business of the Company including enforcing or defending its intellectual property rights against infringement and unauthorised use by the competitors or in relation to a contract dispute. As at the date of this Prospectus, there are no legal proceedings affecting the Company and the Directors are not aware of any other legal proceedings pending or threatened against or affecting the Company.

(l) **Additional requirements for capital**

The Company is targeting to grow revenue at a greater rate than expenses. However, there is a risk that expenses cannot be contained to the expected level and will exceed management expectations. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(m) Intellectual property risk

The Company has a patent portfolio of over 40 patents, which are largely built around remote programming and control of devices, autonomous decentralised logic, remote communication with devices and information transfer between machines over multiple service providers. The Company relies on laws relating to patents to assist to protect its proprietary rights.

The success of the Company's technology depends largely on the ability of the Company to protect its intellectual property rights (including, the underlying know how) while not infringing the proprietary rights of others. Many of its inventions are protected based on a strategy of securing the underlying trade secrets – which are remote programming and control of devices, autonomous decentralised logic, remote communication with devices and information transfer between machines over multiple service providers.

There is a risk that unauthorised use or copying of the Company's software, data or platforms will occur. If the Company fails to protect its intellectual property, know-how or trade secrets, competitors may gain access to its proprietary information which could harm the Company's businesses.

There is a risk that the Company will be unable to register or otherwise protect new intellectual property it develops in the future. Competitors may be able to work around any of the applications or other intellectual property rights used by the Company, or independently develop technologies or competing products that are not covered by the Company's intellectual property rights. Further, there is no assurance that others will not be able to copy the technology. This may materially adversely impact the Company's revenue, legal expenses and profitability.

If the Company believes its intellectual property rights have been infringed, it may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of the Company's rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and divert the efforts of its personnel.

(n) **Personal information collation risk**

The Company collects, stores and processes highly sensitive, highly regulated and confidential information. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company in the utility management industry. While the Company has in place strict policies and procedures when collecting data, if the Company's systems or data is compromised for any reason there is a risk that the Company may become involved in legal action due to breaching data confidentiality agreements.

(o) Sales cycle

It takes considerable time for the Company's customers to evaluate, test and make a final decision about the purchase of its technology solution. The Company mainly deals with large corporations and municipal organisations, which are subject to certain formal administrative procedures and requirements which increase the time required for approval of a transaction and or sale.

(p) Legal title to intellectual property risk

On 26 February 2020, the Company, Freestyle and liquidators of Freestyle entered into an asset sale agreement (**Asset Sale Agreement**) under which Freestyle agreed to sell certain assets to the Company and novate certain contracts to the Company.

Whilst completion of the sale under the Asset Sale Agreement occurred on 26 February 2020, there has been a delay in transferring legal title to some of the assets to the Company, specifically, a number of patents. If the intellectual property rights of the Company are infringed before the intellectual property is registered in the Company's name, the Company may have limited recourse to enforce its legal and beneficial rights to the intellectual property, which may have an adverse effect on the Company and its operations.

(q) South Korean lease

The Company, via its wholly owned South Korean subsidiary Freestyle Technology Co., Ltd, has leased part of a building located in the Seoul Digital National Industrial Complex for use as its head office.

Whilst the Company has entered into a lease for the office, at the date of this Prospectus, the Company has not entered into an occupancy agreement with the relevant management agency of the industrial complex.

Under the South Korean Industrial Cluster Development and Factory Establishment Act (South Korean Act), a company that wishes to lease part of a building located in an industrial complex is required to execute an occupancy agreement with the management agency of the industrial complex. The Company is in the process of entering into an occupancy agreement as required under the South Korean Act. Until such time as the process is completed, there is a risk that the Company may be sanctioned for failing to have the occupancy agreement in place in accordance with applicable laws.

(r) Asset Sale Agreement risk

The Company and Freestyle have entered into the Asset Sale Agreement under which completion occurred on 26 February 2020. Notwithstanding completion occurring, as at the date of this Prospectus, the transfer of legal title to certain assets acquired under the Asset Sale Agreement from Freestyle to the Company including a number of patents has not been completed. As such, until such time as the Company is recorded as legal owner of those assets, the Company may have limited recourse to enforce its legal and beneficial rights to the assets. Furthermore, there are risks that other matters unknown at this time may arise related to the Asset Sale Agreement.

(s) **Ukraine and Middle East Conflict**

The existing conflict between Ukraine and Russia (**Ukraine Conflict**) and military activities involving Israel and its neighbours (**Israel Conflict)** are impacting global economic markets. The nature and extent of the effect of the Ukraine Conflict and the Israel Conflict on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by the Ukraine Conflict and the Israel Conflict.

The Directors are continuing to closely monitor the potential secondary and tertiary macroeconomic impacts of the unfolding events, including the changing pricing of commodity and energy markets and the potential of cyber activity impacting governments and businesses. Further, any governmental or industry measures taken in response to the Ukraine Conflict and Israel Conflict, including limitations on travel and changes to import/export restrictions and arrangements involving Russia, may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Company is monitoring the situation closely and considers the impact of the Ukraine Conflict and the Israel Conflict on the Company's business and financial performance to, at this stage, be limited. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.

7.3 Industry specific

(a) Infrastructure and technology failure

The Company relies on its infrastructure and technology to provide its customers with a highly reliable service. There may be a failure to deliver this level of service as a result of numerous factors, including human error, power loss, equipment failure, improper maintenance including by landlords and security breaches. Service interruptions, regardless of their cause, may cause contractual and other losses to the Company.

(b) Technology risk

The Company's market involves rapidly evolving products and technological change. The Company cannot guarantee that it will be able to engage in research and development at the requisite levels. The Company cannot assure investors that it will successfully identify new technological opportunities and continue to have the needed financial resources to develop new products in a timely or cost-effective manner. At the same time, products, services and technologies developed by others may render the Company's products and services obsolete or non-competitive.

(c) Security risk

As with all technology companies, the Company is reliant on the security of its products and associated technologies. Breaches of security could impact customer satisfaction and confidence in its products, and some breaches, including cyber-attacks, could render the services and related products unavailable through a disrupted denial of service or other disruption. Unavailability of the Company's services could impact the Company's financial performance. Further, it could hinder the Company's ability to retain existing customers.

(d) Regulatory risk

The Company is subject to continuing regulation, including quality regulations applicable to the manufacture and operation of its devices and privacy regulations concerning personal identifying data. Whilst the Company currently meets the regulations applicable to its products and services, there can be no guarantee that the regulatory environment in which the Company operates may not change in the future which may impact on the Company's existing approvals and products. There is a risk that the Company may inadvertently breach a regulation despite the controls implemented to prevent this. There is a risk that a breach of or change in regulations may have a material impact on the Company's activities.

The Company intends to expand its operations into target jurisdictions in the short to medium term (including India and USA). Further regulatory approvals may be required to expand into these jurisdictions including but not limited to safety, electromagnetic radiation and interference requirements and other product quality and safety standards specific to the target jurisdiction. However, as at the date of this Prospectus, the Company is not aware that any further regulatory approvals are required. If further regulatory approvals are required, the Company may not be able to obtain the necessary approvals and clearances in a timely fashion or may not be able to obtain the necessary approvals and clearances at all.

7.4 General risks

(a) Operational risks

While the Company implements measures and procedures to manage operational risk, the Company's profitability will continue to be subject to a variety of strategic and business decisions (including any future operational risks arising from inadequate or failed internal processes, people and systems, or external events) including:

(i) fraud and other dishonest activities;

(ii) workplace safety;

(iii) compliance and regulatory risk;

(iv) business continuity and crisis management;

(v) key person and personnel risk;

(vi) information systems integrity; and

(vii) outsourcing risk.

(b) Contractual disputes

There are a number of risks associated with contracts or arrangements entered into by the Company, including the risk that those contracts or arrangements may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms. There is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract or arrangement. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

Further, from time to time, as part of its Business, the Company has entered and will continue to enter into contracts which are be governed by the laws of countries other than Australia. Should a contractual dispute result in court action or should the Company be required to enforce its rights, the procedure of the courts in the various foreign jurisdictions may be different to those in Australia.

(c) Future capital needs and additional funding

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of its development of its business and sales. The Company believes that its available cash and the net proceeds of the Public Offer will be adequate to satisfy its anticipated current working capital and other capital requirements as set out in this Prospectus. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all.

Volatility in the financial markets could also have a material adverse effect on the Company's ability to equity or debt fund its business operations or future acquisitions. The Company's ability to raise additional funds will be subject to, among other things, factors beyond the control of the Company and its Directors, including cyclical factors affecting the economy and share markets generally. In addition, any deterioration in global financial markets could impact risk appetite among lending institutions which may impact the Company's ability to enter into new loan facilities or replace existing facilities. The Directors can give no assurance that future funds can be raised by the Company on favourable terms, if at all.

If the Company is unable to obtain additional funding as needed, or is unable to do so on acceptable terms, it may be required to reduce the scope of its operations and scale back its programs as the case may be, which may have a material adverse effect on the Company's business, financial condition and results of operations.

(d) Policies and legislation

Any material adverse changes in government policies or legislation of markets in which the Company's products are sold, or any other country that the Company has economic interests in, may affect the viability and profitability of the Company.

(e) **Economic**

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company’s development and expansion activities, as well as on its ability to fund those activities.

(f) **Market conditions**

Share market conditions may affect the value of the Company’s quoted securities regardless of the Company’s operating performance. Share market conditions are affected by many factors such as:

(i) general economic outlook;

(ii) introduction of tax reform or other new legislation;

(iii) interest rates and inflation rates;

(iv) changes in investor sentiment toward particular market sectors;

(v) the demand for, and supply of, capital; and

(vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

(h) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(i) Government policy changes

Any material adverse changes in government policies or legislation of markets in which the Company's products are sold, or any other country that the Company has economic interests in, may affect the viability and profitability of the Company.

Further there is a risk that intervention by foreign governments in the affairs of current or potential customers of the Company may adversely affect current and future revenue.

(j) **Insurance**

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance of all risks associated with the Company's business may not always available and where available the costs may be prohibitive.

Further there is a risk that any insurance claim by the Company may not be paid by the insurer due to default or other reasons.

(k) Force majeure

Events may occur within or outside Australia that could impact on the Australian economy, the global economy, the operations of the Company, the price of the Shares and the Company's ability to pay dividends. The events include but are not limited to acts of terrorism, an outbreak of war or other international hostilities, fires, floods, earthquakes, labour strikes, workplace relations disputes, civil wars, natural disasters, outbreaks of disease or other natural or manmade events or occurrences that could have an adverse effect on the on the demand for the Company's services and its ability to conduct its business. The Company has only a limited ability to insure against some of these risks.

(l) Negative publicity may adversely affect the Share price

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(m) Foreign currency and exchange rate risks

The Company conducts business in other jurisdictions and is therefore exposed to the effects of changes in currency exchange rates. Unhedged, unfavourable movements in foreign exchange rates may have an adverse effect of the Company's revenue and/or cost of operating and therefore affect the market price of the Shares.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a "transaction specific prospectus". In general terms a "transaction specific prospectus" is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

    (i) the annual financial report most recently lodged by the Company with the ASIC;

(ii) any half-year financial report lodged by the Company after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and

(iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the date of lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
31/07/2026	Quarterly Activities/Appendix 4C Cash Flow Report
30/07/2026	Cleansing notice
30/07/2026	Application for quotation of securities - X2M
24/07/2026	Proposed issue of securities - X2M
24/07/2026	Proposed issue of securities - X2M
24/07/2026	Proposed issue of securities - X2M
24/07/2026	X2M Raises $2m to Accelerate Data Centre and AI Strategy
22/07/2026	Trading Halt
09/07/2026	Resi Ventures settles on first Integrated Data Centre site
07/07/2026	X2M Wins $1.1 Million AI-Enabled Smart City Tender
03/07/2026	Change of Director's Interest Notice
03/07/2026	Notification of cessation of securities
01/07/2026	Initial Director's Interest Notice
30/06/2026	Senior appointments to drive momentum
15/06/2026	X2M Expands AI Smart City Products in South Korea
11/06/2026	X2M partners with Resi Ventures to Develop Data Centres

Date	Description of Announcement
05/06/2026	Change of Director's Interest Notice x 4
05/06/2026	Options listing
05/06/2026	ASX Appendix 2A
01/06/2026	Cleansing Prospectus
27/05/2026	Cleansing notice
27/05/2026	Proposed issue of securities
27/05/2026	Application for quotation of securities
27/05/2026	Application for quotation of securities
27/05/2026	Completion of placement
25/05/2026	X2M launches Smart Water Meter in South Korea
11/05/2026	Investor presentation
08/05/2026	Signs MoU with Mawson for Smart Community deployments
08/05/2026	Revised date for webinar
06/05/2026	Details of live webinar
04/05/2026	Cleansing notice
04/05/2026	Application for quotation of securities
04/05/2026	Powering AI for Smart Cities
27/04/2026	Quarterly Activities/Appendix 4C Cash Flow Report
24/04/2026	Change of Director's Interest Notice x 4
24/04/2026	Becoming a substantial holder
24/04/2026	Cleansing notice
24/04/2026	Application for quotation of securities
22/04/2026	Cleansing notice
22/04/2026	Application for quotation of securities

Date	Description of Announcement
15/04/2026	Results of Meeting
14/04/2026	Signs 800 home Smart Community agreement
08/04/2026	Details of Auditor Appointment/Resignation
02/04/2026	Signs 1,000-Home Smart Community Agreement
25/03/2026	Change of Director's Interest Notice
23/03/2026	Revised proxy form
17/03/2026	Notice of General Meeting/Proxy Form
11/03/2026	Cleansing notice
11/03/2026	Application for quotation of securities
11/03/2026	Debt repayment
05/03/2026	Cleansing notice
05/03/2026	Application for quotation of securities
27/02/2026	Proposed issue of securities
27/02/2026	Proposed issue of securities
27/02/2026	$3m capital raise
25/02/2026	Trading Halt
25/02/2026	Half Yearly Report and Accounts
09/02/2026	Investor presentation
09/02/2026	Unaudited First Half FY2026 results
28/01/2026	Quarterly Activities/Appendix 4C Cash Flow Report
24/12/2025	Notification regarding unquoted securities
16/12/2025	Notification regarding unquoted securities
12/12/2025	Change of Director's Interest Notice
08/12/2025	X2M enters Japanese water digitisation sector

Date	Description of Announcement
25/11/2025	Results of Meeting
25/11/2025	Chairman's Address/Presentation to AGM
25/11/2025	Chairman's Address to AGM
10/11/2025	X2M secures water digitisation contracts in South Korea
28/10/2025	1Q FY2026 Results Presentation
28/10/2025	Quarterly Activities/Appendix 4C Cash Flow Report
27/10/2025	Notice of AGM access letter
27/10/2025	Notice of Annual General Meeting/Proxy Form
17/10/2025	Cleansing notice
17/10/2025	Application for quotation of securities
09/10/2025	Cleansing notice
09/10/2025	Notification of cessation of securities
09/10/2025	Application for quotation of securities
02/10/2025	Cleansing notice
02/10/2025	Application for quotation of securities
26/09/2025	ASX Appendix 4G

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website, https://x2mconnect.com/.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective most recent date of those sales were:

	($)	Date
Highest	$0.0065	10 July 2026
Lowest	$0.002	5 August 2026
Last	$0.0025	6 August 2026

8.4 Material contracts – Lead Manager Mandate

The Company has entered into mandate letters with the Lead Managers. The material terms and conditions of which are summarised below:

Fees/Expenses	*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.* *All Broker Securities are subject to shareholder approval.*
Right of First Refusal	*The JLMs will have a first right of refusal to match any offer on the same terms, on the next capital raise within 12 months of this agreement or the Company will need to pay a $50,000 break fee*

The Mandate contains other terms and conditions considered standard for an agreement of its nature. This includes, but is not limited to, clauses in relation to compliance, indemnities and confidential information.

8.5 Material contracts – SPP Underwriting Agreement

The Company has entered into the SPP Underwriting Agreement with the Underwriter to fully underwrite the SPP (up to $1,000,000), the material terms and conditions of which are summarised below:

If there is a shortfall of SPP Shares and SPP Options (collectively, **SPP Securities**) which are not subscribed for under the SPP (collectively, **SPP Shortfall Securities**), the Underwriter must, on the date of settlement of the SPP, lodge or cause to be lodged with the Company applications for the SPP Shortfall Securities up to the Underwritten Amount.

The Underwriter will be paid the following fees:

(a) an underwriting execution fee of $10,000 (plus GST); and

(b) a management fee of 2% of the Underwritten Amount; and

(c) an underwriting selling fee of 4% of the Underwritten Amount; and

(d) the number of Underwriter Options set out in section 4.1 above.

For the avoidance of doubt, the issue of SPP Shortfall Securities is subject to Shareholder approval.

Pursuant to the Underwriting Agreement, the Company has also agreed to reimburse the Underwriter for certain agreed expenses. The Underwriting Agreement is otherwise on terms and conditions considered standard for an agreement of this nature.

The Underwriter is not a related party to the Company or associates of related parties.

The obligations of the Company pursuant to the Underwriting Agreement are subject to the satisfaction of certain conditions precedent, the material of which include (but are not limited to):

(a) preparation of an SPP Offer Booklet and this Prospectus;

(b) due diligence investigations being undertaken to the satisfaction of the Underwriter;

(c) Shareholder approval for the issue of SPP Securities having been obtained and settlement having occurred pursuant to the SPP;

(d) ASX not indicating that it will not admit the SPP Securities to be issued under the Entitlement Offer to quotation; and

The Company has made a number of representations and warranties under the Underwriting Agreement which are considered usual for an underwriting agreement, including that the SPP complies with the requirements of the Corporations Act, this Prospectus contains all material information required under the Corporations Act and does not contain any misleading or deceptive information, and that the Company has complied with its continuous disclosure requirements. The Company has indemnified the Underwriter against losses arising if these representations and warranties are wrong.

The Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) have the right to terminate the Underwriting Agreement on the happening of specified events or circumstances, including those set out below. The list below is not exhaustive of all of the termination events in the Underwriting Agreement and is a summary of the select events set out below only.

The Underwriter may terminate its obligations under the Underwriting Agreement if any one or more of the following unqualified termination events occurs:

(a) (Certificate) the Certificate which is required to be furnished by the Company under this Agreement is not furnished by the time specified in the Timetable or any statement in the Certificate is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;

(b) (unable to issue SPP Shares) the Company is prevented from issuing the SPP Shares within the time required by the Timetable, the Listing Rules, all applicable laws, an order of a court of competent jurisdiction or a Government Agency;

(c) (Timetable) the Company fails to lodge or send to Shareholders (as applicable) any of the Offer Documents by the time and date required by the Timetable;

(d) (Offer Documents to comply) the Offer Documents or any aspect of the SPP does not comply in any material respect with the Corporations Act or the Listing Rules or any other applicable law including due to a statement in the Offer Documents which is or becomes misleading or deceptive or likely to mislead or deceive in a material respect, or omit any information that is required (having regard to the requirements of the SPP Instrument);

(e) (withdrawal) the Company withdraws the SPP;

(f) (corrective notice) the Company becomes required to give or gives a correcting notice in accordance with paragraph 8 of the SPP Instrument;

(g) (market fall) the S&P/ASX 200 Index closes in the period from the Announcement Date to the Shortfall Shares Settlement Date at a level that is 10% or more below the level of that index as at the close of trading on the Business Day before the Announcement Date;

(h) (ASIC action):

(i) an application is made by ASIC for an order under Part 9.5 of the Australian Securities and Investments Commission Act 2001 (Cth) (ASIC Act) in relation to the SPP or the Offer Documents and such application becomes public or is not withdrawn within 1 Business Day after it is made or where it is made less than 1 Business Day before the Shortfall Shares Settlement Date, it is not withdrawn by 5.00pm on the Shortfall Shares Settlement Date; or

(ii) ASIC commences any investigation or hearing under Part 3 of the ASIC Act in relation to the SPP or the Offer Documents and such investigation or hearing becomes public or is not withdrawn within 1 Business Day after it is commenced or where it is commenced within 1 Business Day before the Shortfall Shares Settlement Date, it has not been withdrawn by 5.00pm on the Shortfall Shares Settlement Date;

(iii) ASIC prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, or commences or threatens to commence any enquiry or investigation involving, the Company or any of its directors or officers (or any Company Group Member or any of its directors or officers) in relation to the SPP or an Offer Document;

(i) (regulatory action) there is an application to a Government Agency (including, without limitation, the Takeovers Panel) for an order, declaration (including, in relation to the Takeovers Panel, of unacceptable circumstances) or other remedy, or a Government

Agency commences any investigation or hearing or announces its intention to do so, in each case in connection with the SPP or any agreement entered into in respect of the SPP;

(j) (listing and quotation) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the quotation of any SPP Shares by ASX or if granted by ASX, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;

(k) (insolvency) the Company or a Company Group Member is Insolvent or there is an act or omission which may result in the Company or a Company Group Member becoming Insolvent;

(l) (Takeovers Panel) a Shareholder makes an application to the Takeovers Panel in connection with the SPP and the Takeovers Panel elects to hear the application, and the application is not withdrawn or rejected;

(m) (Timetable) subject to clause 4.1, any event specified in the Timetable is delayed for more than 1 Business Day without the prior written consent of the Lead Manager; or

(n) (new circumstances) in the reasonable opinion of the Lead Manager, a new circumstance arises that would have been required to be disclosed in the Offer Documents had it arisen before the Offer Documents were lodged with ASX or sent to Shareholders.

(o) (Supplementary Prospectus) the Company lodges, or notifies the Lead Manager that it is required or proposes to lodge, a supplementary or replacement prospectus in relation to the Prospectus.

8.6 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(a) the formation or promotion of the Company;

(b) any property acquired or proposed to be acquired by the Company in connection with:

 (i) its formation or promotion; or

 (ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(a) as an inducement to become, or to qualify as, a Director; or

(b) for services provided in connection with:

 (i) the formation or promotion of the Company; or

(ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options
Hon. Alan Stockdale AO[1]	2,480,177	1,317,523 - RM OPTIONS @ $0.067 EXP 23/01/2029 2,347,417 - RM OPTIONS @ $0.067 EXP 10/12/2029 8,064,513 - RM OPTIONS @ $0.0291 EXP 10/12/2030
Damien Johnston[2]	3,089,851	718,121 - RM OPTIONS @ $0.067 EXP 23/01/2029 1,279,468 - RM OPTIONS @ $0.067 EXP 10/12/2029 406,624 - UNLISTED OPT @ $0.016 EXP 31/12/27 4,395,590 - RM OPTIONS @ $0.0291 EXP 10/12/2030
John Stewart[3]	1,550,812	598,887 OPTIONS @ $0.067 EXP 23/01/2029 1,067,031 OPTIONS @ $0.067 EXP 10/12/2029 204,994 OPTIONS @ $0.016 EXP 31/12/27 3,665,768 OPTIONS @ $0.0291 EXP 10/12/2030
Kate O'Sullivan	Nil	Nil
Mohan Jesudason[4]	21,762,200	5,405,405 - LTI OPTIONS @ $0.0975 EXP 30/06/2026 9,389,671 - LTI OPTIONS @ $0.067 EXP 25/10/2029 32,258,065 - LTI OPTIONS @ $0.0291 EXP 08/10/2030 655,219 - STI OPTIONS @ $0.34 EXP 17/03/2028 10,416,768 - RM OPTIONS @ $0.067 EXP 23/01/2029 11,517,198 - RM OPTIONS @ $0.067 EXP 10/12/2029 769,230 - UNLISTED OPT @ $0.016 EXP 31/12/27

Notes:

1. Held by Dominique Fisher + Alan Stockdale ATF The Stockdale Fisher Super Fund (Ms Fisher is the spouse of Alan Stockdale).
2. Held by DA Johnston Investments Pty Ltd ATF Johnston Family Super Fund (an entity controlled by Damien Johnston).
3. Held by John Stewart ATF the JT & SI Stewart Family Trust (an entity controlled by John Stewart).
4. Held by M & M Jesudason Pty Ltd ATF Jesudason Family Trust (an entity controlled by Mohan Jesudason) and by M & M Jesudason Super Pty Ltd ATF Jesudason Superannuation Fund (an entity controlled by Mohan Jesudason).

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed $400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total annual remuneration paid to both executive and non-executive Directors for the two years prior to the date of this Prospectus and the proposed remuneration for the years ended 30 June 2025 and 2026.

The following table shows the total annual remuneration paid to both executive and non-executive Directors for the 30 June 2025 Financial Year.

Director	Cash ($)	Superannuation ($)	Equity ($)	Total ($)
Hon. Alan Stockdale AO	50,000	11,500	33,568	95,068
Damien Johnston	27,253	6,268	18,296	51,817
John Stewart	22,728	5,227	15,259	43,214
Kate O'Sullivan[2]	N/A	N/A	N/A	N/A
Mohan Jesudason[4]	381,265	29,932	162,099	583,097

Notes:

1. Cash includes full year payments for role as Chair of a Board committee.
2. Kate O'Sullivan joined the Board on 1 July 2026.

8.7 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or

(b) promoter of the Company,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(c) the formation or promotion of the Company;

(a) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(b) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(c) the formation or promotion of the Company; or

(d) the Offer.

Carton Solicitors has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Carton Solicitors $25,000 (excluding GST and disbursements) for the production of this Prospectus and associated documents.

Peak and Alpine have acted as the Lead Managers to the Company in relation to the Placement. The fees payable by the Company for these services have been paid by the Company and do not relate to this Prospectus, the purpose of which is to list the Options.

8.8 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, any underwriter, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus, Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;

Carton Solicitors has given its written consent to being named as the solicitors to the Company in this Prospectus. Carton Solicitors has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peak and Alpine have given their written consent to being named as the Lead Managers to the Company in this Prospectus. Neither Peak nor Alpine have withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

Alpine has given its written consent to being named as the SPP Underwriter in this Prospectus. Alpine has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the relevant Application Form. If you have not, please phone the Company on 1800 926 926 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at https://x2mconnect.com/.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Clearing House Electronic Sub-Register System (CHESS) and Issuer Sponsorship

The Company will not be issuing share or option certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.11 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Hon. Alan Stockdale AO
Chairperson
For and on behalf of
X2M Connect Limited

Dated 12 August 2026

10. GLOSSARY

$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time as observed in Melbourne, Victoria.

Alpine means Alpine Capital Pty Ltd of 4/627 Chapel Street, South Yarra VIC 3141.

Applicant means a Shareholder who applies for Securities pursuant to the Offer or other party who applies for Shortfall Securities pursuant to the Shortfall Offer.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Bonus Shares means Shares to be issued under the Placement and SPP on the basis of one Bonus Share for every four Shares subscribed for.

Broker Options means Options to be issued to the Lead Managers referred to in section 4.3.

Broker Securities means, collectively, the Broker Options and the Broker Shares.

Broker Shares means the fully paid ordinary shares to be issued to the Lead Managers for nil consideration as part of their fees referred to in section 8.4.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus for the closure of the Offer (unless extended).

Company means X2M Connect Limited (ACN 637 951 154).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

EGM means the Extraordinary General Meeting of Shareholders to be held on 11 September 2026.

Eligible Shareholder means a Shareholder of the Company on the Record Date whose registered address is in Australia, New Zealand or Singapore and is eligible under all applicable securities laws to receive an offer under the Offer.

Offers means the issue of Options under this Prospectus including the Placement Options, the SPP Options, the Broker Options and the SPP Underwriter Options.

Official Quotation means official quotation on ASX.

Option means a listed option X2MOA exercisable at $0.008 and expiring 2 June 2029.

Peak means Peak Asset Management Pty Ltd (ACN 689 835 201) of 35/477 Collins Street, Melbourne VIC 3000

Placement means the placement announced to ASX on 27 February 2026 referred to in section 4.1.

Placement Shares means the Shares issued under the Placement.

Placement Options means the Options issued under the Placement referred to in section 4.2.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

Securities means Shares and/or Options (as applicable).

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a Shareholder of the Company on the Record Date.

SPP or **Share Purchase Plan** means the Company share purchase plan under the SPP Offer Booklet.

SPP Bonus Shares means the Bonus Shares to be issued under the SPP.

SPP Offer Booklet means the offer booklet in respect of the SPP lodged 12 August 2026, including the Application Form.

SPP Options means Options to be issued under the SPP referred to in section 4.4.

SPP Shares means Shares to be issued under the SPP.

SPP Underwriter Options means Options to be issued to the Underwriters referred to in section 4.5.

Underwritten Amount means $1,000,000, being the amount to which the SPP is underwritten by the Underwriter.

Underwriter means Alpine.

Underwriter Options means Options to be issued to the Underwriter as referred to in section 8.5.