

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 for up to \$30,000 of new Shares 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 Shares under the SPP must be received by 5:00pm (Melbourne time) on 2 May 2023 (subject to extension of the SPP or early closure at the Company's discretion).

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

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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 Shares 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. 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 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 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 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.

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 Shares 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 Shares in the United States or in any jurisdiction where such an offer or solicitation would be illegal. The Shares 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 United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or 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	14 April 2023
Announcement of SPP	17 April 2023
Despatch of SPP Offer Booklet	18 April 2023
SPP Opens	18 April 2023
SPP Closes (Closing Date)	5.00 pm on 2 May 2023
Last day for X2M Connect to announce results of SPP, issue securities and lodge ASX Appendix 2A	Before Midday 9 May 2023

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 Shares under the SPP. There is no contractual or other obligation of X2M Connect to issue Shares in the event that the SPP is withdrawn.

The commencement of quotation of Shares 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	The SPP provides Eligible Shareholders with an opportunity to apply for up to \$30,000 in new Shares (subject to any scale back) irrespective of the number of Shares they currently own without having to pay brokerage or transaction costs.
Is the SPP underwritten?	No.
Purpose of the SPP	X2M Connect intends to use the proceeds from the SPP and Placement to fund its expansion strategy, working capital and transaction costs. For further details refer to the announcement to ASX made on 17 April 2023.
Voluntary participation	<p>Participation in the SPP is entirely voluntary.</p> <p>Before deciding on whether to participate in the SPP, you should consider the Company's latest financial statements and recent announcements to ASX (ASX:X2M) and, if you are in any doubt, consult your independent financial and taxation advisers.</p> <p>If you do not wish to participate in the SPP, do nothing.</p>
Issue Price of the Shares	<p>The issue price for each Share under the SPP will be \$0.068 (Issue Price), which is equal to the issue price under the Placement and which represents a 17.3% discount to X2M Connect's 30-day VWAP and a 9.3% discount to the last closing price on 12 April 2023 (being the last trading day prior to the announcement of the Placement and SPP).</p> <p>The current price of Shares can be obtained from the ASX website.</p> <p>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.</p>

Eligible Shareholders

Eligible Shareholders under the SPP are registered holders of Shares in the Company at 7.00pm Melbourne time on 14 April 2023 (**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 Shares valued at \$2,500, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000.

The number of Shares 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 Shares 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 9 May 2023.

How to apply

You may apply for Shares 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 Shares 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 2 May 2023. 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 Shares under the SPP.

Rights attached to 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.

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 Shares 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 Shares 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 are expected to be issued on 9 May 2023.

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 \$2.15 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 9 May 2023.

If there is a scale back, you may not receive all the Shares for which you have applied. If a scale back produces a fractional number when applied to your Parcel, the number of Shares 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 Shares 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

Any application monies refunded by X2M Connect will be paid by cheque or direct credit (the payment method will be determined by X2M Connect in its absolute discretion) in Australian currency. By applying for Shares, each Eligible Shareholder authorises X2M Connect to pay any monies to be refunded by using the payment instructions of the Eligible Shareholder recorded in the Share Registry's records if X2M Connect should elect to pay in this manner.

More information

If you have any further queries in relation to the SPP, please call Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (Melbourne time).

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 additional fully paid ordinary shares in the Company (**Shares**) 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 form 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 The Company offers each Eligible Shareholder the opportunity to purchase up to \$30,000 of SPP Shares under the SPP subject to and in accordance with the terms and conditions set out below, in the previous sections of this Offer Booklet and the Application Form (**Offer**).
- 3.1.2 The Offer opens on 18 April 2023 and closes at 5.00 pm (Melbourne time) on 2 May 2023 (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 Shares 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 14 April 2023 (**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 Shares not taken up by Eligible Shareholders pursuant to the SPP Offer fall away and are not able to be issued to any other person.

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 \$0.068 per Share, which is equal to the issue price under the Placement and which represents a:

- 9.3% discount to Last Close Price of A\$0.075
- 8.4% discount to 15-day VWAP of A\$0.074
- 17.3% discount to 30-day VWAP of A\$0.082

to 12 April 2023 (being the last trading day prior to the announcement of the Placement and SPP).

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

3.6 Size of Investment

If you are an Eligible Shareholder, you may apply to purchase a Parcel of Shares 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 9 May 2023.

If there is a scale back, you may not receive all the Shares for which you have applied. If a scale back produces a fractional number when applied to your Parcel, the number of Shares 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 or by cheque, the difference between your Application money and the total Issue Price for the Shares 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 Shares under the SPP

3.9.1 You may apply for Shares 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 Shares subsequently not issued.;
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://investor.automic.com.au/#/home> from 18 April 2023. 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 Shares 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.
- 3.9.3 Receipts for payment will not be issued. Applications must be received by 5.00pm (Melbourne time) on 2 May 2023. 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 Shares 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 Shares 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 Shares 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 Shares 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 Share 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 Shares 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 or cheque to your address shown on the Register; 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 Shares 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 Shares under the SPP, you certify that you have not exceeded this limit. The Company reserves the right to reject any Application for Shares 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 Shares 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 Shares 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 Shares. 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 SPP is not underwritten.

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 10 May 2023 subject to the ASX Listing Rules and ASX's discretion. You will be sent a holding statement following issue of the Shares.

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 Shares 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 Shares 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 Shares 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 securities 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:

Automatic Registry Services
Level 5, 126 Phillip Street Sydney NSW 2000
Or by telephone: 1300 288 664 or +61 2 9698 5414

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 or +61 2 9698 5414 between 8:30am and 5:00pm (Melbourne time).

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.

Board means the board of directors of the Company.

Closing Date means the date that the Offer closes, being 5.00 pm Melbourne time on 2 May 2023 (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 Share under the SPP being \$0.068 per Share.

Offer means the offer to Eligible Shareholders to participate in the SPP by subscribing for up to \$30,000 worth of Shares 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 to clients of Bell Potter as announced to ASX on 17 April 2023.

Placement Shares means the Shares issued under the Placement.

Record Date means 7.00pm Melbourne Time on 14 April 2023.

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 \$2.15 million.

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

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.