DXN Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	**DXN Limited**
ABN:	46 620 888 548
Reporting period:	For the year ended 30 June 2025
Previous period:	For the year ended 30 June 2024

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	49.0%	to	16,028,458
Loss from ordinary activities after tax attributable to the owners of DXN Limited	up	0.5%	to	(2,314,248)
Loss for the year attributable to the owners of DXN Limited	up	0.5%	to	(2,314,248)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $2,314,248 (30 June 2024: $2,303,165).

Group revenues surged by 49.0%, driving a gross profit of $5,392,165. However, gross profit declined by 7.9%. As a result, the Group recorded a loss after income tax of $2,314,248 (FY24: loss of $2,303,165).

Earnings before interest, tax, depreciation, and amortisation (EBITDA) amounted to $5,769 (FY24: $643,944). Both EBITDA and Underlying EBITDA are non-prescribed financial measures under the Australian Accounting Standards (AAS) but are considered key indicators of the Group's core earnings. These measures reflect adjustments for noncash and non-operating items, providing a clearer view of operational performance.

The following table summarises key reconciling items between statutory profit or loss after tax attributable to the owners of DXN Limited and Underlying EBITDA.

	Consolidated	
	2025 $	2024 $
Loss after tax	(2,314,248)	(2,303,165)
Add: finance costs	1,113,695	1,450,135
Add: depreciation and amortisation	1,001,881	1,496,974
Add: income tax expense	204,441	-
EBITDA	5,769	643,944
Less: non-operating / non-cash items		
Restructuring costs	239,013	752,405
Lease liability reversed	(174,347)	(24,811)
Equity-settled employee costs	346,489	101,561
Net foreign exchange loss	42,397	20,353
Change in fair value of warrants	218,333	(275,000)
Debt restructuring costs	55,000	-
Redundancy costs	81,872	-
	808,757	574,508
Underlying EBITDA	814,526	1,218,452

3. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

4. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.67	(1.84)

Net tangible assets calculation above includes the right-of-use assets and lease liability.

5. Control gained over entities

Not applicable.

6. Loss of control over entities

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

9. Attachments

Details of attachments (if any):

The Annual Report of DXN Limited for the year ended 30 June 2025 is attached.

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10. Signed

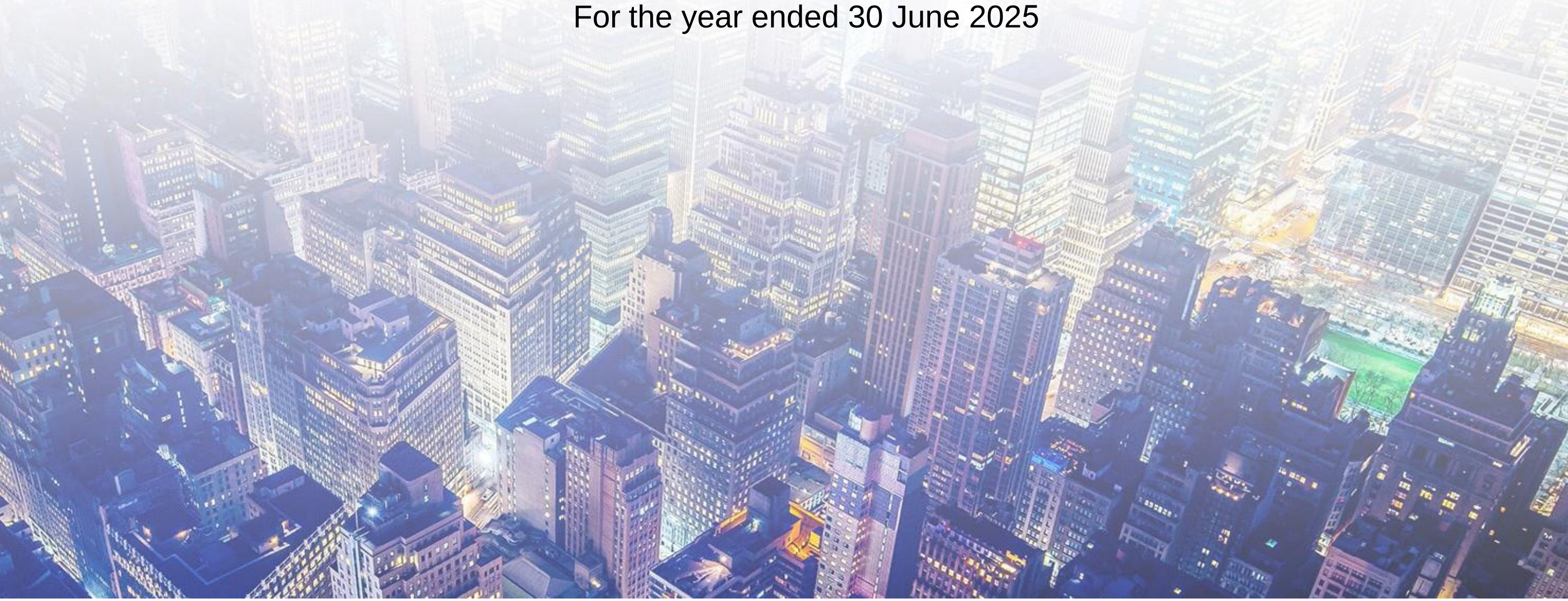
Signed ______________________________ Date: 28th August 2025

Myo Myint Ohn
Non-Independent, Non-Executive Chair

DXN Limited
(ACN 620 888 548)

FINANCIAL REPORT

For the year ended 30 June 2025



DXN

INFRASTRUCTURE
AT THE EDGE

DXN Limited

ABN 46 620 888 548

Annual Report - 30 June 2025

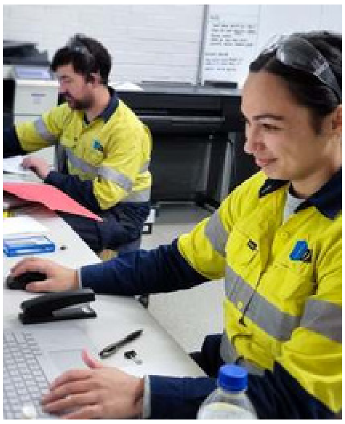
VISION AND MISSION

OUR VISION:

To define the EDGE by bringing critical communication infrastructure closer to our customers by making global local.

OUR MISSION:

We will be Global's leading edge infrastructure company for colocation and turnkey solutions, building the best modular solutions safely, creating value for our customers, staff and shareholders.



OUR KEY VALUE PROPOSITIONS:

DESIGN

Deep domain knowledge in house skills including mechanical electrical and structural engineering.

BUILD

Australian owned Prefabricated Modular manufacturer with the highest quality standards that the data centre industry expects.

OPERATE

Secures, Maintains and Operates critical infrastructure.

CERTIFICATIONS AND GLOBAL STANDARDS

TIER III FACILITY — UPTIME INSTITUTE CERTIFIED

TIER-Ready III

TIER-Ready III

QCSE Management Systems Certified Company

QCSE Quality Certified System ISO 9001

QCSE Environmental Certified System ISO 14001

QCSE Safety Certified System ISO 45001

Directors	Myo Myint Ohn (Non-Executive Director and Chairman) Brendan Power (Non-Executive Director) Shalini Lagrutta (CEO and Managing Director) Abigail Cheadle (Non-Executive Director) (resigned on 24 February 2025)	
Company secretaries	Lucy Rowe Maria Clemente	
Registered office	Level 8 341, George Street Sydney NSW 2000	
Principal place of business	Level 8 341, George Street Sydney NSW 2000	
Share register	Automic Pty Ltd Level 5 191 St Georges Terrace Perth WA 6000	
Auditor	Moore Australia Audit (WA) Level 15, Exchange Tower 2 The Esplanade Perth WA 6000	
Solicitors	Arnotts Technology Lawyers 6/16 O'Connell Street Sydney NSW 2000	Hamilton Locke Pty Ltd Level 37, 180 George Street Sydney NSW 2000
Bankers	Westpac 341 George Street Sydney NSW 2000	
Stock exchange listing	DXN Limited shares are listed on the Australian Securities Exchange (ASX code: DXN (DXNOD))	
Website	https://dxn.solutions/	
Corporate Governance Statement	The Directors and management are committed to conducting the business of DXN Limited in an ethical manner and in accordance with the highest standards of corporate governance. DXN Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate for the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any recommendations that have not been followed. The Appendix 4G is released to the ASX as part of the Annual Report. The Corporate Governance Statement can be found on the Company's website at https://dxn.solutions/corporate-governance/.	

JOINT LETTER FROM CHAIR AND CEO

Dear Shareholders,

We are pleased to present DXN Limited's FY25 Annual Report, covering the 12-month financial reporting period ended 30 June 2025.

As Chair and CEO, we are committed to driving DXN's growth in the rapidly evolving data centre industry, leveraging our expertise in prefabricated modular data centres (PMDC) and critical infrastructure operations.

DXN operates three core divisions a Modular Division, which designs, engineers, manufactures, and supplies industry-leading PMDCs globally. A Data Centre Division, which owns, operates, and maintains data centres in Darwin (SDC Darwin) and Hobart (TAS01) on behalf of customers, with 75 and 35 racks respectively. Finally, during FY25 the Company established a third division Data Centre as a Service (DCaaS) a capital light, facility as a service model including design, engineering and deployment of data centres and ground stations. These divisions position DXN at the forefront of edge computing, telecommunications, and high-performance infrastructure solutions, catering to sectors including mining, energy, subsea cables, government, and emerging AI applications.

Modular Division

FY25 was a year of robust revenue growth and strategic advancements, despite some challenges. Group revenues surged by 49% to $16.0 million, driven primarily by our Modular Division's strong order intake and execution. This included delivering stages of our largest contract to date, a $5.7 million agreement to design and construct four cable landing stations (CLS) for the East Micronesia Cable System (EMCS), Additionally, during the year we secured a number of new wins including contracts with DP World Australia and Globalstar Inc. We also completed multiple projects including installations for Stanmore Coal and the completion of the Pilbara Ports project.

We also advanced our product innovation, developing high-performance compute (HPC) AI Edge Modules with flexible cooling and power options, and indoor prefabricated solutions for telecommunications exchanges. These innovations align with growing demand for edge AI, low-latency computing, and sustainable infrastructure. Importantly, in the fourth quarter of FY25 $12 million worth of contracts were won, strengthening DXN’s position across mission critical infrastructure, logistics, AI infrastructure and hyperscale markets. These contracts further underscore DXN's reputation for delivering high-quality, rapid-deployment solutions in demanding environments.

Gross profit for the year was down 7.9% to $5.4 million, primarily due to costs relating to variations on the EMCS projects which the variations were not received prior 30 June 2025, and the expiration of an exclusive distribution agreement. The Company views the end of the distribution agreement as a constructive opportunity to reset its strategic positioning with greater flexibility to directly pursue international markets, diversify its distribution channels and maintain control over its brand and products while aligning with its broader expansion strategy, opening new avenues for growth in the Asia-Pacific (APAC) region and beyond.

Data Centre Division

In our Data Centre Division, we continued to optimize operations at Hobart and Darwin, focusing on efficiency improvements and new product offerings. The successful exit from our Sydney data centre (SYD01) contributed to ongoing cost savings, in FY25 DXN achieved 6-months of cast savings and expects to see the full benefits of approximately $1.4 million annually.

However, we faced a challenge in February 2025 when Field Solutions Holdings Ltd (FSG), the parent of TAS01's primary customer TasmaNet, entered voluntary administration. We promptly engaged with administrators McGrath Nicol and the Tasmanian Government to maintain service continuity and explore recovery options.

In Q4 FY25 we completed negotiations with McGrath Nicol and signed a new framework customer agreement with CommsGroup Limited (ASX: CCG), securing revenue for DXN’s Tasmania data centre TAS01. A key strategic milestone was the binding contract signed on 31 March 2025 to purchase the land and building of SDC Darwin, enhancing our infrastructure footprint and supporting long-term scalability. The property was purchased for $2.1 million and an independent valuation, valued the property at $10.0 million, delivering immediate strategic and financial benefits and resulting in an uplift in the Company’s net assets.

DCaaS Division

The Company established a DCaaS division during FY25. The capital light, facility as a service model Includes design, engineering and deployment of data centres and ground stations. The development can be tailored to meet the needs of for each customer. The Offering includes both greenfield and brownfield, design, prefabrication and construction, then DXN acquires the site and deploys end-to-end management and maintenance for the customer. The establishment of the division is expected to deliver recurring revenue for the business and smooth out the revenue profile of the projects business. The Company entered its first DCaaS agreement with a US Based, global provider of satellite earth stations to design, build, and deploy prefabricated technical infrastructure at an initial Northern Territory site. The total contract value for the first site totalled approximately $3.6 million over 5 years, which included an upfront payment of approximately $0.6 million.

FY25 Summary

Financially, the Group recorded a loss after income tax of $2.3 million, broadly in line with FY24. Earnings before interest, tax, depreciation, and amortisation (EBITDA) was $5,769, while Underlying EBITDA, adjusted for non-operating and non-cash items such as restructuring costs, equity-settled employee costs, reached $814,526. This reflects our focus on core operational performance amid transitional challenges. Cash at year-end was $2.9 million, and net tangible assets per ordinary security improved to 0.67 cents.

FY26 Outlook

Entering FY26, DXN is well-positioned for profitable growth with a strong pipeline, including $12.0 million in Backlog across the group. We continue to attract blue-chip customers, including global internet companies, and are targeting expansion in high-growth segments.

Geographical expansion in APAC remains a priority, capitalizing on the region's status as the fastest-growing market for edge data centres. As digital infrastructure demand accelerates, fuelled by AI, machine learning, and subsea cable deployments, DXN's PMDC solutions offer a compelling alternative to traditional builds, with faster deployment, superior quality, and cost efficiency. The Company has identified a growing pipeline of projects with line of sight to 70 potential projects.

We are focused on further cost reductions, supply chain enhancements, and growth in DCaaS division’s recurring revenue models to drive further financial flexibility to support our growth objectives.

Finally, we extend our gratitude to our dedicated team for their unwavering commitment, our board for their guidance, and our shareholders for their continued support. Together, we are building a resilient, innovative DXN for the future.

Yours sincerely,

Myo Myint Ohn
Non-Independent, Non-Executive Chair

Shalini Lagrutta
CEO and Managing Director

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of DXN Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025 (FY25).

Directors

The following persons were directors of DXN Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Myo Myint Ohn
Brendan Power
Shalini Lagrutta
Abigail Cheadle (resigned on 24 February 2025)

Principal activities

DXN's data centre manufacturing division (referred to as PMDC) engineers, constructs and commissions data centre (DC) solutions globally. The Group's DC infrastructure has a wide range of applications, which includes edge data centers[1] and telecommunications applications (satellite and cable landing stations (CLS)). The Group's prefabricated modular construction method reduces the on-site labour time and time to deploy and improves quality. DXN's DC manufacturing solutions are ideal for rapid deployment in both urban and remote locations. DXN's PMDC provides space, power, cooling, and physical security for clients to house their computer servers, related storage and networking equipment.

DXN's second division operates data centers for customers in Darwin and Tasmania.

Finally, during FY25 the Company established a third division Data Centre as a Service (DCaaS) a capital light, facility as a service model including design, engineering and deployment of data centres and ground stations.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

Revenue increased by 49.0% to $16m in FY25 largely derived from existing projects such as East Micronesia Cable Station (EMCS), DXN's largest win to date, and a number of new contract wins specifically in Q4 FY25.

The Company continues to capitalise on ongoing demand in the modular data centre market and during the year launched a High-Performance Compute (HPC) AI Edge Module a specialised, prefabricated modular data centre solution designed to meet the growing demand for high-density, low-latency computing, particularly for artificial intelligence (AI) and machine learning workloads.

DXN continued to strengthen its position within the mining operations space as companies seek a solution that is enable digital transformation through rugged, scalable, and cost-efficient infrastructure including progressing multiple projects for the mining sector including Stanmore Coal and the Pilbara Ports Project.

DXN continued to review and refine processes, life cycle management and resources of both its Data Centres in Hobart and Darwin. To drive further efficiencies the Company purchased the previously leased property of Darwin.

The Company signed its first DCaaS contract for $3.6m over 5 years with a US Based, global provider of satellite earth stations.

Underlying EBITDA of $814,526 is following on from last year's first full financial year of positive EBITDA for DXN. The loss for the Group after providing for income tax amounted to $2,314,248 (FY24: loss of $2,303,165).

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[1] Edge data centers are smaller, decentralized data centers that are located closer to the end users or devices they serve. These facilities are designed to process data locally, reducing latency and improving performance for applications that require real-time data processing. Ideal for prefabricated modular data centres (PMDC) such as the ones DXN manufacture.

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') and Underlying EBITDA are financial measure which are not prescribed by Australian Accounting Standards (‘AAS’) and represents the profit or loss under AAS adjusted for non-cash and non-operating items. The directors consider EBITDA and Underlying EBITDA to reflect the core earnings of the Group. The following table summarises key reconciling items between statutory profit or loss after tax attributable to the owners of DXN Limited and Underlying EBITDA.

	2025 $	2024 $	Change $	Change %
Loss after tax	(2,314,248)	(2,303,165)	(11,083)	0.5%
Add: finance costs	1,113,695	1,450,135	(336,440)	(23.2%)
Add: depreciation and amortisation	1,001,881	1,496,974	(495,093)	(33.1%)
Add: income tax expense	204,441	-	204,441	100%
EBITDA	5,769	643,944	(638,175)	(99.1%)
Less: non-operating / non-cash items				
Corporate restructuring costs	239,013	752,405	(513,392)	(68.2%)
Gain on lease surrender	(174,347)	(24,811)	(149,536)	602.7%
Equity-settled employee costs	346,489	101,561	244,928	241.2%
Net foreign exchange loss	42,397	20,353	22,044	108.3%
Change in fair value of warrants	218,333	(275,000)	493,333	(179.4%)
Debt restructuring costs	55,000	-	55,000	100%
Redundancy costs	81,872	-	81,872	100%
	808,757	574,508	234,249	40.8%
Underlying EBITDA	814,526	1,218,452	(403,926)	(33.2%)

PMDC Manufacturing Division

On 23 May 2025 DXN announced a $2m contract with DP World Australia to design, engineer, prefabricate, fit out and deliver two custom modular data centres in Port Botany, New South Wales.

On 2 June 2025 $4.6m contract with Globalstar Inc. for the design, engineer, prefabricate, fit out and deliver three custom modular data centres in Maui, Hawaii by the end of 2025.

The cancellation of distribution agreement with Flow allows DXN to directly pursue international markets, opening new avenues for growth in the Asia-Pacific (APAC) region and beyond.

Over the financial year the Company also continued progress multiple projects, including installations for Stanmore Coal and Pilbara Ports.

The benefits of a restructure and efficiencies implemented across the manufacturing and delivery process of the PMDC division were realised with cost savings achieved.

DC Operations Division

On 31 March 2025 DXN announced a binding contract to purchase the land and building of Secure Data Centre Pty Ltd for $2.1m which was completed on 29 May 2025 with a loan facility from iPartners Pty Ltd. The property has been independently valued at $10m, delivering immediate financial and strategic benefits.

DXN’s Hobart and Darwin DCs continue to perform as expected with plans to optimise.

DCaaS Operations Division

The first contract was signed for Data Centre as a Service with a US based global provider of satellite earth stations. The contract is valued at approximately $3.6m over 5 years. The agreement includes recurring revenue for maintenance and management services including the option to renew for an additional 5-year period.

Business risks

DXN Limited, faces several material business risks that could impact its operations and financial performance. These risks include market competition, as the data centre industry is highly competitive with numerous established players, which could affect DXN's market share and profitability. Additionally, the company is exposed to technological risks, given the rapid pace of innovation in data centre technology. Failure to keep up with technological advancements or shifts in industry standards could result in obsolete products or services. DXN is also subject to operational risks, such as the potential for supply chain disruptions or failures in infrastructure and systems, which could impact its ability to deliver projects on time and within budget. Moreover, regulatory and compliance risks, including changes in environmental regulations or data protection laws, could lead to increased costs or operational constraints. Lastly, financial risks, including fluctuations in exchange rates, interest rates, and the availability of capital, could affect DXN's ability to finance its growth initiatives and maintain financial stability.

Significant changes in the state of affairs

On 7 July 2025, DXN successfully completed negotiations with the receivers of the Tasmanian client, McGrath Nicol, signing a new framework customer agreement with CommsGroup Limited thereby securing the customer revenue for DXN's Tasmanian Data Centre, TAS01.

On 28 March 2025 DXN registered the subsidiary DXN SDC Darwin Pty Ltd.

On 4 April 2025 DXN registered the subsidiary DXN DCaaS Pty Ltd.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

DXN continues to look for opportunities to reduce costs in relation to corporate operating costs, DC operating costs and costs of modular manufacturing builds particularly.

DXN expects to continue generating sales as DC demand is expected to grow.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	**Myo Myint Ohn**
Title:	Non-Executive Chair
Qualifications:	Dr Ohn has an EMBA from Queensland University, a PhD in Aerospace Engineering and a MASc in Photonics all from University of Toronto.
Experience and expertise:	Dr Ohn has been the Founder of several start-ups that have made advancements in engineering leading to new products in established and emerging markets that involve, Space Age Advanced Materials, Hypersonic Ballistics, Photonic Components, Fiber Optic Communications, Financial Technologies and Internet Web 3.0. Dr Ohn has worked for large cap NASDAQ listed companies in various roles from Business Unit General Management, Corporate Strategy Head to Corporate M&A. At present, he is CEO of several start-up companies that includes Campana Group, an operator of wireline telecommunication services in South-East Asia.
Other current directorships:	The One Matrix Ventures
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee and Member of the Audit & Risk Committee
Interests in shares:	29,947,619 fully paid ordinary shares
Interests in options:	None
Interests in rights:	None
Contractual rights to shares:	None

Name:	**Brendan Power**
Title:	Non-Executive Director
Qualifications:	Brendan is GAICD and holds an MBA plus various diplomas in various disciplines.
Experience and expertise:	Brendan is the Managing Director of Clear to Work, a large successful private company in the education, hospitality, and software industries. With over 30 years business management experience he is a commercially astute project manager, public speaker and published author with exceptional communication and negotiation skills, an in-depth knowledge of purchasing, wholesaling, retail (including online) and employee engagement. Brendan has a strong, proven history of successful business improvement in a variety of challenging environments and is known for building high-performance teams and cultures, and successfully coaching and mentoring individuals and groups to achieve exceptional results.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit & Risk Committee and Member of the Nomination and Remuneration Committee
Interests in shares:	6,587,301 fully paid ordinary shares
Interests in options:	1,333,333 Unlisted Options, exercisable at $0.03 expiring 22 January 2028
Interests in rights:	None

Name:	**Shalini Lagrutta**
Title:	Chief Executive Officer and Managing Director
Qualifications:	Bachelor of Engineering BEng (Malaya), MAICD (Australian Company Directors)
Experience and expertise:	Shalini has been CEO of DXN since September 2022 and steps into the role as CEO/Managing Director. On the back of the exit of the Sydney lease, a successful capital raise as well as several modular data wins during FY24, Shalini and her team has achieved DXN's first full financial year EBITDA positive result.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	1,845,646 fully paid ordinary shares
Interests in options:	None
Interests in rights:	5,000,000 performance rights

Name:	**Abigail Cheadle** (resigned on 24 February 2025)
Title:	Non-Executive Director and Chair
Qualifications:	Bachelor of Business, Member of the Institute of Chartered Accountants
Experience and expertise:	Abigail's career has spanned Asia, Europe, the Middle East, and Australia. Ms Cheadle has led professional services practices for global firms, including EY, Deloitte, Kroll and KordaMentha. With a focus on corporate strategy and risk management, she turned around listed entities during the Asian Financial Crisis, most notably, Indonesian-listed consumer finance company, BFI Finance Indonesia, during which time its market cap increased over 13 times. She has been on nine ASX listed boards, two as Chair, seven as ARC Chair and once as RNC Chair with an extensive background in professional services, technology, consumer products, infrastructure, and renewable energy.
Other current directorships:	Shriro Holdings (ASX: SHM) (Chair), LGI Ltd (ASX: LGI) and Reef Casino Trust (ASX: RCT).
Former directorships (last 3 years):	Booktopia Group Ltd (ASX: BKG); Novatti Group Ltd (ASX: NOV) and Isentia Group Ltd (ASX: ISD)
Special responsibilities:	Chair of the Board and Member of the Audit & Risk Committee and Member of the Nomination and Remuneration Committee
Interests in shares:	Not applicable as no longer a director
Interests in options:	Not applicable as no longer a director
Interests in rights:	Not applicable as no longer a director

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretaries
Shelby Coleman was appointed as a Joint Company Secretary on 13 May 2024. Shelby holds a Bachelor of Laws and a Bachelor of Arts from Victoria University of Wellington. She is experienced in ASX and ASIC compliance, providing advice on corporate governance and compliance issues as well as other regulatory matters. Shelby is an appointed Company Secretary for a number of ASX listed, unlisted public and proprietary companies across a range of industries. Shelby resigned 16 June 2025.

Hasaka Martin was appointed as a Joint Company Secretary on 13 May 2024. Hasaka is a Principal at Automic Group and has over 15 years' experience working with listed companies across many industries, in both in-house roles, as well as through corporate service providers. Hasaka is an appointed Company Secretary for a number of listed entities. He is also a fellow of the Governance Institute of Australia, a chartered secretary and holds post-graduate qualifications in corporate and securities law. Hasaka resigned on 23 December 2024.

Lucy Rowe was appointed as a Joint Company Secretary on 23 December 2024. Lucy is a Chartered Secretary with almost 15 years of experience in providing Company Secretarial services to ASX listed companies. She has worked as corporate secretary in various companies where her responsibilities included managing board processes, ensuring compliance with legal requirements with ASX, ASIC and other regulators, providing advice to directors, policy formulation and implementation, and managing additional board committees, among others.

Maria Clemente was appointed as a Joint Company Secretary on 16 June 2025. Maria is a governance and compliance professional with over 15 years of experience in corporate advisory. Maria was previously a listings adviser at the ASX where she had extensive involvement in the oversight of entities in the IT, telecommunications, consumer services and agriculture sectors. Maria currently advises several ASX-listed entities and private companies and manages all levels of company secretarial compliance.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit & Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Myo Myint Ohn	14	14	1	1	-	1
Brendan Power	14	14	1	1	1	1
Shalini Lagrutta	14	14	-	-	-	-
Abigail Cheadle[1]	10	10	1	1	1	1

[1] Abigail Cheadle resigned on 24 February 2025

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The KMP of the Group consisted of the following directors of DXN Limited:
- Myo Myint Ohn - Non-Executive Chair (appointed as Chair on 13 February 2025)
- Brendan Power - Non-Executive Director (appointed on 27 March 2023)
- Shalini Lagrutta - Chief Executive Officer and Managing Director (appointed as Managing Director on 1 May 2024)
- Abigail Cheadle - Non-Executive Director and Chair (resigned on 24 February 2025)
- Laila Green – Chief Financial Officer and Chief Operating Officer (appointed on 1 November 2024)

Changes since the end of the reporting period:
None

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants as required (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:
- having earnings as a core component of the plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on capital as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of her own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 4 August 2017, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives (STI) program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved. KPIs include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives (LTI) include share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increases in shareholders' value relative to the entire market and the increase compared to the Group's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2025.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders' return for the last five years.

The Nomination and Remuneration Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants
During the year ended 30 June 2025, the Group did not engage the services of any external consultants.

Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')
At the 2024 AGM, 96.57% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of KMP of the Group are set out in the following tables.

	Short term benefits				Post-employment benefits		Share-based payments	
2025	Cash salary and fees $	Cash bonus $	Non-monetary $	Commissions $	Super-annuation $	Termination payments $	Equity-settled $	Total $
Non-Executive Directors:								
Myo Myint Ohn	60,000	-	-	-	-	-	-	60,000
Brendan Power	60,000	-	-	-	6,900	-	7,333	74,233
Shalini Lagrutta	401,802	233,321	-	-	30,000	-	252,553	917,676
Abigail Cheadle[1]	58,639	-	-	-	8,309	-	-	66,948
Other KMP:								
Laila Green	277,440	190,515	-	-	38,806	-	11,000	517,761
	857,881	423,836	-	-	84,015	-	270,886	1,636,618

1 Represents remuneration till 24 February 2025

	Short term benefits				Post-employment benefits		Share-based payments	
2024	Cash salary and fees $	Cash bonus $	Non-monetary $	Commissions[6] $	Super-annuation $	Termination payments $	Equity-settled $	Total $
Non-Executive Directors:								
Brendan Power	41,900	-	-	-	4,609	-	40,000	86,509
Myo Myint Ohn[1]	14,032	-	-	-	-	-	-	14,032
Shalini Lagrutta[2]	300,000	-	-	172,670	25,729	-	-	498,399
Abigail Cheadle[3]	13,614	-	-	-	-	-	-	13,614
Peter McGrath[4]	68,142	-	-	-	-	-	60,000	128,142
Tim Hannon[4]	36,603	-	-	-	-	-	40,000	76,603
Other KMP:								
Craig Beatton[5]	33,333	-	-	-	3,667	28,086	-	65,086
Laila Green[7]	-	-	-	-	-	-	-	-
	507,624	-	-	172,670	34,005	28,086	140,000	882,385

1 Represents remuneration from 1 March 2024 to 30 June 2024.
2 Represents remuneration from 1 July 2023 to 30 June 2024, but only appointed as Managing director on 1 May 2024
3 Represents remuneration from 1 May 2024 to 30 June 2024.
4 Resigned on 1 May 2024
5 Represents remuneration till 31 August 2023.
6 Represents commission earned on modular data centre manufacturing sales.
7 Appointed as Interim Chief Financial Officer on 13 June 2024 - no KMP accruals/payments during the year ended 30 June 2024.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2025	Fixed remuneration 2024	At risk - STI 2025	At risk - STI 2024	At risk - LTI 2025	At risk - LTI 2024
Non-Executive Directors:						
Brendan Power	90.1%	54.0%	-	-	9.9%	46.0%
Myo Myint Ohn	100.0%	100.0%	-	-	-	-
Shalini Lagrutta	47.1%	65.4%	25.4%	34.6%	27.5%	-
Abigail Cheadle	100.0%	100.0%	-	-	-	-
Peter McGrath	-	53.0%	-	-	-	47.0%
Tim Hannon	-	48.0%	-	-	-	52.0%
Other KMP:						
Craig Beatton	-	100.0%	-	-	-	-
Laila Green	61.1%	-	36.8%	-	2.1%	-

Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	**Myo Myint Ohn**
Title:	Non-Executive Director
Agreement commenced:	1 March 2024
Term of agreement:	Subject to re-election every 3 years
Details:	From 1 July 2024, the Director receives a fixed director’s fee of $60,000 per annum.

Name:	**Brendan Power**
Title:	Non-Executive Director
Agreement commenced:	27 March 2023
Term of agreement:	Subject to re-election every 3 years
Details:	From 1 July 2024, the Director receives a fixed director’s fee of $60,000 per annum, plus superannuation payments

Name:	**Laila Green**
Title:	Chief Financial Officer / Chief Operating Officer
Agreement commenced:	1 November 2024
Term of agreement:	The employment is continuous until terminated in accordance with the provisions for termination, being by either party with 6 months' notice.
Details:	There are three components to Laila’s remuneration: *(i) Gross annual remuneration package* Laila will be paid a base annual remuneration of $300,000 plus statutory superannuation contributions. The employer may review the employee's performance, remuneration and benefits in accordance with the employer policy from time to time. *(ii) Short term incentive benefits* Laila will be entitled to receive an STI component of 35% of FAR based on achieving agreed KPI's. *(iii) Long term incentive benefits* The LTI component has an annual grant value of up to 10% of FAR. The number of performance rights and/or options will depend on the share price at the allocation or grant date.

Name:	**Shalini Lagrutta**
Title:	Chief Executive Officer and Managing Director
Agreement commenced:	19 January 2022
Term of agreement:	The employment is continuous until terminated in accordance with the provisions for termination, being by either party with 6 months' notice.
Details:	There are three components to Shalini's remuneration: *(i) Gross annual remuneration package* Shalini will be paid a base annual remuneration of $380,000 plus statutory superannuation contributions, which is capped at $30,000 per annum. The employer may review the employee's performance, remuneration and benefits in accordance with the employer policy from time to time. *(ii) Short term incentive benefits* Shalini will be entitled to receive an STI component of 45% of FAR based on achieving agreed KPI's. *(iii) Long term incentive benefits* The LTI component has an annual grant value of up to 25% of FAR. The number of performance rights and/or options will depend on the share price at the allocation or grant date. On 29 December 2024, Shalini was issued with 1,500,000 ordinary shares. On 20 June 2025, Shalini was issued with 5,000,000 performance rights, subject to the following vesting conditions: 1,500,000 – remain employed as Managing Director/CEO as of 1 July 2025 3,500,000 - remain employed as Managing Director/CEO as of 1 July 2026 In the event of cessation of employment during the period, without cause, retirement or resignation, the performance rights will lapse. In the event of cessation of employment during the period due to retrenchment, death or disability, the performance rights will be pro-rated with Board discretion based on the circumstances. Any performance rights that do not vest and become exercisable in accordance with the vesting conditions will automatically lapse.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no other shares issued to directors and other KMP as part of compensation during the year ended 30 June 2025.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Brendan Power	1,333,333	23/01/2024	23/01/2024	22/01/2028	$0.0300	$0.022

Name	Number of options granted during the year 2025	Number of options granted during the year 2024	Number of options vested during the year 2025	Number of options vested during the year 2024
Brendan Power	-	1,333,333	-	-
Peter McGrath[1]	-	2,000,000	-	2,000,000
Tim Hannon[2]	-	1,333,333	-	1,333,333

(1) Peter McGrath (resigned)
(2) Tim Hannon (resigned)

Values of options over ordinary shares granted, exercised and lapsed for directors and other KMP as part of compensation during the year ended 30 June 2025 are set out below:

Name	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed/vested during the year $	Remuneration consisting of options for the year %
Brendan Power	-	-	-	10%

Options granted carry no dividend or voting rights.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date and exercisable date	Share price hurdle for vesting	Fair value per right at grant date
Shalini Lagrutta	1,500,000	22 November 2024	1 July 2025	$0.0000	$0.021
Shalini Lagrutta	3,500,000	22 November 2024	1 July 2026	$0.0000	$0.021

Performance rights granted carry no dividend or voting rights.

Additional information
The earnings of the Group for the five years to 30 June 2025 are summarised below:

	2025 $	2024 $	2023 $	2022 $	2021 $
Sales revenue	16,028,458	10,755,354	6,576,190	15,386,453	8,035,137
EBITDA	5,769	643,944	(4,963,265)	(1,814,952)	(2,619,320)
Loss after income tax	(2,314,248)	(2,303,165)	(9,612,620)	(6,902,449)	(4,812,631)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023*	2022	2021
Share price at financial year end ($)	-	-	-	-	0.01
Basic earnings per share (cents per share)	(0.92)	(1.55)	(8.52)	(0.50)	(0.45)
Diluted earnings per share (cents per share)	(0.92)	(1.55)	(8.52)	(0.50)	(0.45)

* EPS is calculated based on the number of ordinary shares that would have been in existence had the share consolidation occurred on 1 July 2022.

Additional disclosures relating to KMP

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Myo Myint Ohn	28,333,333	-	1,614,286	-	29,947,619
Brendan Power	6,044,444	-	542,857	-	6,587,301
Shalini Lagrutta	225,592	1,500,000	120,054	-	1,845,646
Laila Green	114,288	-	-	-	114,288
	34,717,657	1,500,000	2,277,197	-	38,494,854

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Expired/ exercised/ forfeited	Balance at the end of the year
Options over ordinary shares				
Brendan Power	1,333,333	-	-	1,333,333
	1,333,333	-	-	1,333,333

Performance rights holding

The number of performance rights in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Expired/ exercised/ forfeited	Balance at the end of the year
Performance rights over ordinary shares				
Shalini Lagrutta	553,333	5,000,000	(553,333)	5,000,000

	Vested	Unvested	Balance at the end of the year
Performance rights over ordinary shares			
Shalini Lagrutta	-	5,000,000	5,000,000

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of DXN Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price*	Number under option
23/01/2024	22/01/2028	$0.0300	2,666,666
06/12/2024	06/12/2026	$0.1400	10,000,000
			12,666,666

* Adjusted on share consolidation

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of DXN Limited issued on the exercise of options during the year ended 30 June 2025 and up to the date of this report.

Shares under performance rights
Unissued ordinary shares of DXN Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
29/11/2024	29/11/2027	$0.0000	5,000,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights
There were no ordinary shares of DXN Limited issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

Shares under warrants
Unissued ordinary shares of DXN Limited under warrants at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under warrants
22/10/2021	22/10/2025	$0.0300	13,333,333

No person entitled to exercise the warrants had or has any right by virtue of the retention right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of warrants
There were no ordinary shares of DXN Limited issued on the exercise of warrants during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers and auditor
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 30 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 30 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Moore Australia Audit (WA)
There are no officers of the Company who are former partners of Moore Australia Audit (WA).

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.

Shalini Lagrutta	Myo Myint Ohn
Managing Director	Non-Executive Chair

28th August 2025

Moore Australia Audit (WA)

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Auditor's Independence Declaration

Under Section 307c of the Corporations Act 2001

To the directors of DXN Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Shuan Williams
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
28th day of August 2025

Moore Australia Audit (WA)
Chartered Accountants

	Note	Consolidated 2025 $	2024 $
Revenue from continuing operations			
Sales to customers	5	16,028,458	10,755,354
Cost of goods sold		(10,636,293)	(4,903,037)
Gross profit		5,392,165	5,852,317
Other income	6	445,762	498,113
Expenses			
Administration expenses		(502,838)	(524,947)
Compliance and legal expenses		(409,102)	(489,028)
Consultants and contractors		(332,023)	(685,270)
Depreciation and amortisation expenses	7	(1,001,881)	(1,496,974)
Employee benefits expenses		(3,832,910)	(2,682,806)
Reversal of/(impairment) of inventories		2,387	(49,298)
Impairment of receivables	11	(147,756)	(22,174)
Loss on disposal of assets		(4,301)	(2,047)
Marketing expenses		(53,274)	(21,434)
Occupancy expenses		(149,618)	(989,609)
Telecommunication and technology expenses		(183,035)	(132,968)
Travel expenses		(219,688)	(106,905)
Finance costs	7	(1,113,695)	(1,450,135)
Loss before income tax expense		(2,109,807)	(2,303,165)
Income tax expense	8	(204,441)	-
Loss after income tax expense for the year attributable to the owners of DXN Limited		(2,314,248)	(2,303,165)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of DXN Limited		(2,314,248)	(2,303,165)

	Note	2025 Cents	2024 Cents
Earnings per share for loss attributable to the owners of DXN Limited			
Basic earnings per share	9	(0.92)	(1.55)
Diluted earnings per share	9	(0.92)	(1.55)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

DXN Limited
Consolidated statement of financial position
As at 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Assets			
Current assets			
Cash and cash equivalents	10	3,119,895	2,983,785
Trade and other receivables	11	3,434,592	1,248,749
Inventories/work in progress	12	558,999	372,587
Bank guarantees and deposits	13	797,639	118,000
Other assets	14	168,462	161,746
		8,079,587	4,884,867
Total current assets		8,079,587	4,884,867
Non-current assets			
Property, plant and equipment	15	3,761,548	1,806,872
Right-of-use assets	16	1,155,236	3,523,943
Intangibles	17	2,915,799	2,997,902
Bank guarantees and deposits	13	33,917	708,144
Other assets	14	205,849	238,333
Total non-current assets		8,072,349	9,275,194
Total assets		16,151,936	14,160,061
Liabilities			
Current liabilities			
Trade and other payables	18	3,218,780	1,548,799
Contract liabilities	19	969,457	3,484,648
Borrowings	20	90,839	84,848
Lease liabilities	21	229,841	660,519
Employee benefits	22	234,092	225,974
Other financial liabilities	23	293,333	300,000
Total current liabilities		5,036,342	6,304,788
Non-current liabilities			
Borrowings	20	5,043,869	4,080,385
Lease liabilities	21	1,086,197	3,494,225
Employee benefits	22	65,188	36,278
Other financial liabilities	23	-	656,658
Total non-current liabilities		6,195,254	8,267,546
Total liabilities		11,231,596	14,572,334
Net assets/(liabilities)		4,920,340	(412,273)
Equity			
Issued capital	24	54,538,374	47,395,502
Reserves	25	580,989	405,789
Accumulated losses		(50,199,023)	(48,213,564)
Total equity/(deficiency)		4,920,340	(412,273)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2023	45,424,949	1,428,566	(47,028,659)	(175,144)
Loss after income tax expense for the year	-	-	(2,303,165)	(2,303,165)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,303,165)	(2,303,165)
Transactions with owners in their capacity as owners:				
Issue of shares (note 24)	2,100,000	-	-	2,100,000
Capital raising costs (note 24)	(135,522)	-	-	(135,522)
Issue of shares - share-based payments (note 24)	6,075	-	-	6,075
Transfer from accumulated losses	-	(1,118,260)	1,118,260	-
Share-based payments (note 25)	-	95,483	-	95,483
Balance at 30 June 2024	47,395,502	405,789	(48,213,564)	(412,273)

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total (deficiency in equity) / equity $
Balance at 1 July 2024	47,395,502	405,789	(48,213,564)	(412,273)
Loss after income tax expense for the year	-	-	(2,314,248)	(2,314,248)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,314,248)	(2,314,248)
Transactions with owners in their capacity as owners:				
Issue of shares (note 24)	7,826,000	-	-	7,826,000
Capital raising costs (note 24)	(771,628)	-	-	(771,628)
Issue of shares - share-based payments (note 24)	88,500	-	-	88,500
Transfer from accumulated losses	-	(328,789)	328,789	-
Options issued (note 25)	-	297,333	-	297,333
Options exercised (note 25)	-	(44,000)	-	(44,000)
Share-based payments (note 25)	-	250,656	-	250,656
Balance at 30 June 2025	54,538,374	580,989	(50,199,023)	4,920,340

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2025 $	Consolidated 2024 $
Cash flows from operating activities			
Receipts from customers		11,344,927	12,900,580
Payments to suppliers and employees		(14,828,007)	(10,743,611)
R&D cost paid to supplier		(105,483)	-
Government grants		120,963	246,895
Interest received		37,075	5,800
Interest paid		(463,098)	(363,056)
Bank guarantee for projects		-	(875,497)
Net cash (used in)/from operating activities	36	(3,893,623)	1,171,111
Cash flows from investing activities			
Payments for plant and equipment		(2,373,875)	(38,937)
Repayment of Darwin Warrant		(873,831)	(144,436)
Net cash (used in) investing activities		(3,247,706)	(183,373)
Cash flows from financing activities			
Proceeds from issue of shares and options	24,36	6,127,771	1,775,000
Payment of capital raising costs	24	(42,362)	(135,522)
Proceeds from borrowings	36	5,000,000	-
Repayment of finance facility	36	(3,000,000)	-
Repayment of lease liabilities	36	(614,856)	(869,084)
Transaction costs related to loans and borrowings		(199,538)	-
Net cash from financing activities		7,271,015	770,394
Net increase in cash and cash equivalents		129,686	1,758,132
Cash and cash equivalents at the beginning of the financial year		2,983,785	1,268,293
Effects of exchange rate changes on cash and cash equivalents		6,424	(42,640)
Cash and cash equivalents at the end of the financial year	10	3,119,895	2,983,785

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover DXN Limited and the entities it controlled (together referred to as the 'Group') at the end of, or during, the year. The financial statements are presented in Australian dollars, which is DXN Limited's functional and presentation currency.

DXN Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8
341, George Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28th August 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year ended 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention except for liabilities for cash-settled share-based payment arrangements which are measured at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The Group incurred a loss of $2,314,248 (FY24: a loss of $2,303,165) for the period ended 30 June 2025 and operating cash outflow of $3,893,623 (FY24: cash inflow of $1,171,111).

The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group refinancing debt facilities, successfully raising additional share capital, and generating ongoing revenue from new and existing DC module contracts and data centre operations.

Note 2. Material accounting policy information (continued)

Key factors supporting this assessment include:

Strengthened capital structure – A successful $6.5m capital raise enabled the repayment of $1.0m of the Pure Asset Management loan, which was further reduced by $1.0m through a share subscription approved at the 2024 AGM. In FY25, the Group refinanced with a $5.0m loan facility from iPartners to repay the remaining $2.0m Pure loan balance, acquire the SDC Darwin freehold, settle acquisition-related Darwin warranties, and relinquish the lease liabilities associated with the Darwin property, further improving the Group's balance sheet position.

Strong contracted revenue base – As at 30 June 2025, the Group held $12.0m in backlog orders, providing strong revenue visibility into FY26:
- Data Centres: $2.6m
- Modules: $6.4m
- DCaaS: $3.0m

Growing project pipeline – The Group has a developing pipeline of DC module, DCaaS and data centre projects expected to generate additional revenues over the next 12–24 months.

Robust liquidity and balance sheet – Cash at bank of $3.1m at 30 June 2025, a significant improvement in the current ratio to 1.54 (FY24: 0.8), and a strengthened net asset position of $4.9m.

Stable recurring revenue – Established data centre and DCaaS operations continue to provide a dependable earnings base.

Asset realisation potential – DC assets are realisable at values exceeding book value, providing an additional source of liquidity if required.

Funding flexibility – The Group retains the capacity to raise capital to support growth initiatives or meet future debt obligations.

The financial statements have been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities, and the realisation of assets and liabilities in the ordinary course of business.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 34.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DXN Limited ('Company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. DXN Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Material accounting policy information (continued)

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is DXN Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the Company’s functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised based on the transfer of control of goods or services to the customer, reflecting the consideration to which the Group expects to be entitled. For each contract, the Group first identifies the contract and the performance obligations within it. The transaction price is then determined, taking into account estimates of variable consideration and the time value of money. This transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue is recognised when or as performance obligations are satisfied. For contracts where performance obligations are satisfied over time, the Group uses the percentage-of-completion method. This method recognises revenue based on the progress toward completing the performance obligations, measured using either input methods (such as costs incurred) or output methods (such as milestones achieved), whichever method more accurately reflects the transfer of control to the customer.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Data centre services
Revenue is recognised only when the service has been provided, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group. Any upfront discounts provided to customers are amortised over the contract term. This approach aligns with AASB 15, as revenue is deferred and recognised over the duration of the contract with the customer. Since the performance obligation is fulfilled over time, the revenue is recognised progressively over the contract period.

Note 2. Material accounting policy information (continued)

DXN module sales
The Group custom-builds turnkey data centre modules for customers. Revenue is recognised based on key milestones and in proportion to the stage of completion of the work performed as of the reporting date. Revenue from these sales is determined by the price stipulated in the contract, including any agreed-upon variations to the contract amount. Revenue is recognised only to the extent that there is a high probability that a significant reversal of revenue will not occur. Since the performance obligation is fulfilled over time, the revenue is recognised progressively over the duration of the project.

Incremental costs of obtaining a contract that are expected to be recovered are capitalised as a contract asset and amortised over the term of the contract with the customer.

Interest
Interest income is recognised as it accrues using the effective interest method. This method calculates the amortised cost of a financial asset and allocates interest income over the relevant period using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's net carrying amount.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Research and development tax incentive claim
The Group recognises refundable R&D tax offset as a government grant under AASB120 Government Grants. Such refunds are recognised on an accrual basis only when the amount can be measured reliably, and it is probable that the economic benefits associated with the offset will flow to the Group. Accordingly, revenues from the receipt of refundable R&D tax offset is recognised only at a point in time.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period’s tax payable to generate a refundable tax offset.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Note 2. Material accounting policy information (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Note 2. Material accounting policy information (continued)

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding Darwin property at cost) over their expected useful lives at the following rates:

Leasehold improvements	10%-67%
Plant and equipment	13%-73%
Motor vehicles	25%
Office equipment	20%-67%
DC modules	10%-73%
ICT hardware	40%-67%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development (Module development)
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being finite life of 3 years for Tasmania and 10 years for Secure Data Centre.

Note 2. Material accounting policy information (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Warrants
Warrants issued by the Group in connection with borrowings are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. The entire financial instrument (being the loan and warrants) is accounted for as a compound financial instrument and for warrants that meet the definition of equity, the debt component is fair valued on initial recognition, and the residual amount is allocated to the equity (warrant) component. There is no subsequent remeasurement of the warrants after initial recognition. For warrants that meet the definition of a financial liability, these are measured at fair value at initial recognition and are subsequently measured at fair value through profit or loss at the end of each reporting period.

Note 2. Material accounting policy information (continued)

Employee benefits

Short term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 2. Material accounting policy information (continued)

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of DXN Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make good provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss. Make good provisions are recorded as part of the Group's lease liabilities.

Note 4. Operating segments

Identification of reportable operating segments
The Group is organised into three operating segments: Data centre manufacturing, Data centre operations and Data Centre as a Service. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer ('CEO') and the Group's Executive Leadership Team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM on a monthly basis is the segment profit that represents the profit earned by each segment without allocation of the share of central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and income tax expense.

Major customers
The Group has a number of customers to which it provides services and products.

Data centre manufacturing
The Group supplied a number of customers, of which during the year ended 30 June 2025 one accounted for 22.4% of revenue (2024: main customer was 17.6%). The next most significant contributed 16.8% (2024: 16.8%).

Data centre operations
The Group supplies a number of customers, of which during the year ended 30 June 2025 one accounted for 35% of revenue (2024: main customer was 31.9%).

Data Centre as a Service
This new offering has just commenced and the initial customer accounts for 100% of the revenue.

There were no intersegment sales during the reporting periods.

Note 4. Operating segments (continued)

Operating segment information

Consolidated - 2025	Data centre manufacturing $	Data centre operations $	DCaaS $	Other (Corporate) $	Total $
Revenue					
Revenue from external customers	13,063,780	2,576,089	388,588	-	16,028,457
Other income	135,461	222,380	-	87,921	445,762
Total revenue	13,199,241	2,798,469	388,588	87,921	16,474,219
Results					
Profit / (loss) before income tax	1,021,272	519,113	388,576	(4,243,210)	(2,314,249)
Income tax	-	-	-	-	-
Profit / (loss) after income tax	1,021,272	519,113	388,576	(4,243,210)	(2,314,249)
Assets					
Segment assets	5,298,914	7,526,833	280,594	3,045,595	16,151,936
Total assets					16,151,936
Liabilities					
Segment liabilities	4,336,488	5,719,759	6,702	1,168,647	11,231,596
Total liabilities					11,231,596

Consolidated - 2024	Data centre manufacturing $	Data centre operations $	DCaaS $	Other (Corporate) $	Total $
Revenue					
Revenue from external customers	8,090,918	2,664,436	-	-	10,755,354
Other income	105,670	117,443	-	275,000	498,113
Total revenue	8,196,588	2,781,879	-	275,000	11,253,467
Results					
Loss before income tax	1,981,051	(944,883)	-	(3,339,333)	(2,303,165)
Income tax	-	-	-	-	-
Loss after income tax	1,981,051	(944,883)	-	(3,339,333)	(2,303,165)
Assets					
Segment assets	3,479,997	7,680,602	-	2,999,462	14,160,061
Total assets					14,160,061
Liabilities					
Segment liabilities	9,875,064	3,050,313	-	1,646,957	14,572,334
Total liabilities					14,572,334

Assets used jointly by reportable segments are allocated on the basis of the revenues earned by the individual reportable segments.

All revenue is derived in Australia.

Note 5. Revenue

	Consolidated 2025 $	Consolidated 2024 $
Revenue from contracts with customers		
Sales to customers	16,028,458	10,755,354

100% of the Group's revenue from external customers is recognised over time.

All revenue is derived in Australia.

Note 6. Other income

	Consolidated 2025 $	Consolidated 2024 $
Research and development tax incentive claim	131,094	-
Export marketing development grant	-	69,174
Government wage subsidies	4,367	6,540
Lease liability reversed[1]	174,347	24,811
Other[2]	135,954	397,588
Other income	445,762	498,113

1 *Liability adjustment for the Secure Data Centre in Darwin.*
2 *Includes amortisation of warrant, sublease income and interest income.*

Note 7. Expenses

	Consolidated 2025 $	Consolidated 2024 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Depreciation - property, plant and equipment	493,331	512,551
Depreciation - right-of-use assets	372,419	832,842
Total depreciation	865,750	1,345,393
Amortisation		
Amortisation - intangibles	136,131	151,581
Total depreciation and amortisation	1,001,881	1,496,974
Finance costs		
Interest and finance charges paid/payable on borrowings	889,848	982,093
Interest and finance charges paid/payable on lease liabilities	223,847	468,042
	1,113,695	1,450,135
Net foreign exchange loss (included in administration expenses)		
Net foreign exchange loss	42,637	20,353
Superannuation expense		
Defined contribution superannuation expense	214,249	215,130
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	3,618,661	2,462,544

Note 8. Income tax

	Consolidated 2025 $	Consolidated 2024 $
Income tax expense		
Current tax	204,441	-
Deferred tax - origination and reversal of temporary differences	-	-
Aggregate income tax expense	204,441	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(2,109,807)	(2,303,165)
Tax at the statutory tax rate of 25%	(527,452)	(575,791)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenditure	87,867	26,673
Foreign tax withheld	204,441	103,676
	(235,144)	(445,442)
Current year tax losses not recognised	490,854	623,539
Other deferred tax balances not recognised	(51,269)	(178,097)
Income tax expense	204,441	-

	Consolidated 2025 $	Consolidated 2024 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carried forward revenue losses	9,324,477	8,335,553
Leases	329,009	1,038,686
Plant and equipment	1,014,012	1,014,012
Capital raising costs	25,111	34,424
Provisions and accruals	99,083	65,735
Customer contracts	478,858	444,837
Borrowing costs	-	11,000
Total deferred tax assets not recognised	11,270,550	10,944,247

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

	Consolidated 2025 $	Consolidated 2024 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Carried forward revenue losses	315,476	880,986
Set-off of deferred tax liability	(315,476)	(880,986)
Deferred tax asset	-	-

Note 8. Income tax (continued)

	Consolidated 2025 $	Consolidated 2024 $
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Warranty liability	26,667	-
Right-of-use assets	288,809	880,986
Set-off against deferred tax asset	(315,476)	(880,986)
Deferred tax liability	-	-

The tax benefits of the above deferred tax assets will only be obtained if:
(i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
(ii) the Group continues to comply with the conditions for deductibility imposed by law; and
(iii) no changes in income tax legislation adversely affect the Group in utilising the benefits.

Note 9. Earnings per share

	Consolidated 2025 $	Consolidated 2024 $
Loss after income tax attributable to the owners of DXN Limited	(2,314,248)	(2,303,165)
	Cents	Cents
Basic earnings per share	(0.92)	(1.55)
Diluted earnings per share	(0.92)	(1.55)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	252,136,289	148,710,218
Weighted average number of ordinary shares used in calculating diluted earnings per share	252,136,289	148,710,218

At 30 June 2025 and 30 June 2024, options, warrants and performance rights over ordinary shares were excluded from the calculation of the weighted average number of ordinary shares used in calculating diluted earnings per share due to being anti-dilutive, as the Group reported a loss for the period.

Note 10. Cash and cash equivalents

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Cash at bank and on hand	3,119,895	2,983,785

Note 11. Trade and other receivables

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Trade receivables	3,563,480	1,274,197
Less: Allowance for expected credit losses	(128,888)	(40,485)
	3,434,592	1,233,712
GST receivable	-	15,037
	3,434,592	1,248,749

Allowance for expected credit losses
The Group has recognised a loss of $88,403 in the profit or loss in respect of the expected credit losses for the year ended 30 June 2025 (2024: $22,174).

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
Consolidated	2025 %	2024 %	2025 $	2024 $	2025 $	2024 $
0 to 30 days	-	-	3,307,551	1,152,950	-	-
30 to 60 days	-	-	126,500	-	-	-
60 to 90 days	-	-	541	35,615	-	-
over 90 days	100.000%	47.300%	128,888	85,632	128,888	40,485
			3,563,480	1,274,197	128,888	40,485

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2025 $	Consolidated 2024 $
Opening balance	40,485	18,311
Additional provisions recognised	88,403	22,174
Closing balance	128,888	40,485

Note 12. Inventories/work in progress

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Materials and consumables	109,073	106,807
Work in progress - Customers (contract asset)[1]	449,926	265,780
	558,999	372,587

[1] *Relates to external customers.*

Note 13. Bank guarantees and deposits

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Module Guarantees[1]	797,639	118,000
Non-current assets		
3 Dampier Road, Welshpool, WA[1]	33,917	33,917
Module Guarantees[2]	-	674,227
	33,917	708,144
	831,556	826,144

[1] *Relates to deposits given to landlords' legal representatives at 30 June 2025 over leased premises. These deposits are held in solicitor trust accounts and are classified as restricted cash.*
[2] *Relates to deposits for various project guarantees held with Westpac and in solicitors trust account at 30 June 2025 and are classified as restricted cash.*

Note 14. Other assets

	Consolidated 2025 $	Consolidated 2024 $
Current assets		
Prepayments	147,732	36,304
Other deposits	13,556	15,657
Other current assets	7,174	109,785
	168,462	161,746
Non-current assets		
Other non-current assets (Borrowing costs capitalised net of amortisation)	205,849	238,333
	374,311	400,079

Note 15. Property, plant and equipment

	Consolidated 2025 $	Consolidated 2024 $
Non-current assets		
Darwin property - at cost	2,239,967	-
Leasehold improvements - at cost	765,434	756,984
Less: Accumulated depreciation	(284,389)	(207,056)
	481,045	549,928
Plant and equipment - at cost	458,417	457,882
Less: Accumulated depreciation	(449,619)	(339,039)
	8,798	118,843
Motor vehicles - at cost	26,016	26,016
Less: Accumulated depreciation	(26,016)	(26,016)
	-	-
Office equipment - at cost	28,798	28,798
Less: Accumulated depreciation	(28,798)	(28,798)
	-	-
DC modules - at cost	2,091,571	2,075,244
Less: Accumulated depreciation	(1,236,399)	(952,458)
	855,172	1,122,786
ICT hardware - at cost	131,349	73,835
Less: Accumulated depreciation	(54,845)	(58,520)
	76,504	15,315
Construction WIP	100,062	-
	3,761,548	1,806,872

Note 15. Property, plant and equipment (continued)

	Darwin property $	Leasehold improvements $	Plant and equipment $	Motor vehicles $	Office equipment $	DC modules $	ICT hardware $	Construction WIP $	Total $
Balance at 1 July 2023	-	-	226,415	10,714	640	921,239	685	-	1,159,693
Additions	-	-	23,805	-	-	10,230	16,965	-	51,000
Cessation of held for sale	-	626,422	6,933	-	-	485,902	-	-	1,119,257
Disposals	-	-	-	-	-	(10,527)	-	-	(10,527)
Depreciation expense	-	(76,494)	(138,310)	(10,714)	(640)	(284,058)	(2,335)	-	(512,551)
Balance at 30 June 2024	-	549,928	118,843	-	-	1,122,786	15,315	-	1,806,872
Additions	2,239,967	8,450	536	-	-	32,026	71,266	100,062	2,452,307
Disposals	-	-	-	-	-	(4,300)	-	-	(4,300)
Depreciation expense	-	(77,333)	(110,581)	-	-	(295,340)	(10,077)	-	(493,331)
Balance at 30 June 2025	2,239,967	481,045	8,798	-	-	855,172	76,504	100,062	3,761,548

Note 16. Right-of-use assets

	Consolidated 2025 $	2024 $
Non-current assets		
Land and buildings - right-of-use	1,839,999	4,459,873
Less: Accumulated depreciation	(684,763)	(935,930)
	1,155,236	3,523,943

Additions to the right-of-use assets during the ended 30 June 2025 and 30 June 2024 were $nil.

During the year ended 30 June 2024, the Group surrendered its lease on the Sydney property. The final lease payment was made in November 2024.

Right-of-use assets related to leased property in Perth and Hobart.

The Group leases land and buildings under agreements up to five years, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

For AASB 16 Lease disclosures refer to:
- note 7 for depreciation on right-of-use assets and interest on lease liabilities;
- note 21 for lease liabilities;
- note 27 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 17. Intangibles

	Consolidated 2025 $	Consolidated 2024 $
Non-current assets		
Goodwill - at cost	1,986,421	1,986,421
Research & development - at cost	78,556	24,528
Software - at cost	44,587	112,729
Less: Accumulated amortisation	(44,587)	(112,729)
	-	-
Customer contracts - at cost	2,703,418	2,703,418
Less: Accumulated amortisation	(1,852,596)	(1,716,465)
	850,822	986,953
	2,915,799	2,997,902

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Research & development $	Software $	Customer contracts $	Total $
Balance at 1 July 2023	25,541	195,951	15,450	-	236,942
Additions	-	25,193	-	-	25,193
Disposals	-	-	(2,391)	-	(2,391)
Cessation of held for sale	1,960,880	-	2,391	1,123,084	3,086,355
R&D offset against incentive	-	(196,616)	-	-	(196,616)
Amortisation expense	-	-	(15,450)	(136,131)	(151,581)
Balance at 30 June 2024	1,986,421	24,528	-	986,953	2,997,902
Additions	-	171,373	-	-	171,373
R&D cash received	-	(117,345)	-	-	(117,345)
Amortisation expense	-	-	-	(136,131)	(136,131)
Balance at 30 June 2025	1,986,421	78,556	-	850,822	2,915,799

Goodwill	Goodwill on the acquisition of assets and revenue of Data Centre 3 Pty Ltd from TasmaNet Pty Ltd, and acquisition of Secure Data Centre – Darwin.
Research & development	Relates to the development costs spent to date on module research/design.
Patents and trademarks	Related to patents and was amortised over the estimated useful life of the patents.
Software	Related to acquired software.
Customer contracts	Relates to the minimum contracted revenues/EBITDA in relation to the acquisition of DC module assets of Data Centre 3 Pty Ltd from TasmaNet Pty Ltd and customer contracts acquired from the purchase of Secure Data Centre – Darwin.

Impairment testing

The Group's total goodwill balance predominantly relates to the Data Centre segment operations of Secure Data Centre, Darwin (SDC).

Note 17. Intangibles (continued)

	Consolidated 2025 $	Consolidated 2024 $
SDC	1,960,880	1,960,880

The carrying amount of the SDC goodwill has been tested for impairment as at 30 June 2025. The recoverable amount of the above goodwill is based on a value-in-use calculation using the present value of cash flow projections over a 4-year period. The following assumptions were used in the value-in-use calculations:

Assumption	How determined
Forecast revenue & expenses	Annual growth rate of 2.33%
Discount rate	Pre-tax discount rate of 11.69%

Sensitivity to changes in assumptions
The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the SDC CGU to exceed its recoverable amount.

Note 18. Trade and other payables

	Consolidated 2025 $	Consolidated 2024 $
Current liabilities		
Trade payables[1]	1,506,634	783,104
GST payable	7,394	-
Payroll liabilities	79,164	54,334
Other payables and accruals[2]	1,625,588	711,361
	3,218,780	1,548,799

Terms and conditions relating to the above financial instruments.
1 *Trade payables are non-interest bearing and generally on 30 day terms.*
2 *Other payables are non-interest bearing have no fixed repayment terms.*

Refer to note 27 for further information on financial instruments.

Note 19. Contract liabilities

	Consolidated 2025 $	Consolidated 2024 $
Current liabilities		
Contract liabilities[1]	969,457	3,484,648

1 *Relates to amounts received in advance from external customers for the custom-built DXN data centre and cable landing station modules.*

Note 20. Borrowings

	Consolidated 2025 $	Consolidated 2024 $
Current liabilities		
Insurance premium funding	56,350	54,716
FlexiCommercial Pty Ltd[1]	42,888	42,888
Less: Unexpired charges	(8,399)	(12,756)
	90,839	84,848
Non-current liabilities		
FlexiCommercial Pty Ltd[1]	46,462	89,350
iPartners Pty Ltd[2]	5,000,000	-
Pure Asset Management Pty Ltd[3]	-	4,000,000
Less: Unexpired charges	(2,593)	(8,965)
	5,043,869	4,080,385
	5,134,708	4,165,233

Refer to note 27 for further information on financial instruments.

1 *This is a Chattel Mortgage Facility with FlexiCommercial Pty Ltd for a Pressbrake Machine in use in the Perth factory. The interest rate on this facility is 9.996% and is repayable over 5 years (until July 2027) with no balloon payment.*

2 *$5,000,000 secured facility with iPartners and was used to acquire the property at 27 Harvey Street, Darwin, NT. and to repay the Darwin vendor warranty and Pure loan. The facility carries an interest rate of 9.95% per annum and matures in November 2026. It is secured by a General Security Agreement (GSA) over the Darwin Property and the Darwin DC (SDC).*

3 *$4,000,000 secured facility with Pure Asset Management Pty Ltd ('Pure') is to finance working capital and acquisitions. On 29 May 2025 the loan with Pure was paid off in full.*

Note 20. Borrowings (continued)

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2025 $	Consolidated 2024 $
Total facilities		
Insurance premium funding	56,350	54,716
FlexiCommercial Pty Ltd	89,350	132,238
Pure Asset Management Pty Ltd	-	4,000,000
iPartners Pty Ltd	5,000,000	-
	5,145,700	4,186,954
Used at the reporting date		
Insurance premium funding	56,350	54,716
FlexiCommercial Pty Ltd	89,350	132,238
Pure Asset Management Pty Ltd	-	4,000,000
iPartners Pty Ltd	5,000,000	-
	5,145,700	4,186,954
Unused at the reporting date		
Insurance premium funding	-	-
FlexiCommercial Pty Ltd	-	-
Pure Asset Management Pty Ltd	-	-
iPartners Pty Ltd	-	-
	-	-

Note 21. Lease liabilities

	Consolidated 2025 $	Consolidated 2024 $
Current liabilities		
Lease liability	229,841	660,519
Non-current liabilities		
Lease liability	1,086,197	3,494,225
	1,316,038	4,154,744

Refer to note 27 for further information on financial instruments.

Note 22. Employee benefits

	Consolidated 2025 $	Consolidated 2024 $
Current liabilities		
Annual leave	209,231	201,113
Long service leave	24,861	24,861
	234,092	225,974
Non-current liabilities		
Long service leave	65,188	36,278
	299,280	262,252

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated 2025 $	Consolidated 2024 $
Employee benefits obligation expected to be settled after 12 months	24,861	24,861

Note 23. Other financial liabilities

	Consolidated 2025 $	Consolidated 2024 $
Current liabilities		
Other financial liabilities[1 & 2]	293,333	300,000
Non-current liabilities		
Other financial liabilities[2]	-	656,658
	293,333	956,658

1 *200 million warrants were issued to Pure Asset Management Pty Ltd as part of the Debt Facility arrangement as announced to the market on 9 September 2021. These warrants expire on 15 October 2025. There are 13,333,333 warrants on issue as at 30 June 2025.*
2 *$300,000 was withheld from the purchase price of SDC to cover any warranty claims associated with the acquisition and was paid in full in May 2025.*

Note 24. Issued capital

	Consolidated 2025 Shares	2024 Shares	2025 $	2024 $
Ordinary shares - fully paid	298,703,639	184,889,354	54,538,374	47,395,502

Note 24. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2023	1,721,314,836		45,424,949
Issue of shares - share-based payments (i)	21 August 2023	2,025,000	$0.0030	6,075
Issue of shares - placement	4 December 2023	430,000,000	$0.0020	860,000
Capital raising costs		-		(54,600)
Issue of shares - placement	29 January 2024	545,000,000	$0.0020	1,090,000
Issue of shares - directors	29 January 2024	75,000,000	$0.0020	150,000
Capital raising costs		-		(80,922)
Cancellation of shares on consolidation (ii)	12 February 2024	(2,588,450,482)	$0.0000	-
Balance	30 June 2024	184,889,354		47,395,502
Issue of shares - share-based payments (i)	3 July 2024	2,000,000	$0.0520	104,000
Issue of shares	18 October 2024	46,700,000	$0.0700	3,269,000
Issue of shares	6 December 2024	46,157,143	$0.0700	3,231,000
Issue of shares - share-based payment	29 December 2024	1,500,000	$0.0700	88,500
Issue of shares - conversion of debt (iii)	28 February 2025	17,457,142	$0.0700	1,222,000
Capital raising costs (iv)		-		(771,628)
Balance	30 June 2025	298,703,639		54,538,374

(i) *Shares issued in lieu of payment to corporate advisor.*
(ii) *On 22 January 2024, the Company held a general meeting of shareholders where the shareholders approved a consolidation of capital on the basis of every 15 ordinary shares being consolidated into 1 ordinary share in DXN. The consolidation of share capital was completed on 12 February 2024.*
(iii) *Fully paid ordinary shares to Pure in conjunction with the reduction and restructure of the Company's existing debt and financing arrangements with Pure (Pure Shares).*
(iv) *Capital raising costs are comprised of payments in cash and 290,000 options issued to brokers (refer to note 37 for the details of the options).*

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
Management controls the capital of the Group to maintain a prudent debt to equity ratio, provide the shareholders with adequate returns and ensure the Group can fund its operations and continue as a going concern.

The Group’s debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

Management effectively manages the Group’s capital by assessing the Groups financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There are no externally imposed capital requirements other than as disclosed in note 20.

The capital risk management policy remains unchanged from the 2024 Annual Report.

Note 25. Reserves

	Consolidated 2025 $	Consolidated 2024 $
Share-based payments reserve	250,656	18,486
Options reserve	330,333	387,303
	580,989	405,789

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Options reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $	Options $	Total $
Balance at 1 July 2023	1,118,264	310,302	1,428,566
Share-based payments	18,482	77,001	95,483
Transfer to accumulated losses	(1,118,260)	-	(1,118,260)
Balance at 30 June 2024	18,486	387,303	405,789
Share-based payments	250,656	-	250,656
Transfer to accumulated losses	(18,486)	(310,303)	(328,789)
Options issued	-	297,333	297,333
Options exercised	-	(44,000)	(44,000)
Balance at 30 June 2025	250,656	330,333	580,989

Refer to note 37 for the details of share options and performance rights issued.

Note 26. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 27. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Board identifies, evaluates financial risks within the Group's operating units regularly.

Note 27. Financial instruments (continued)

The Group's principal financial instruments comprise cash and cash equivalents and borrowings. The Group also has other financial instruments such as receivables and payables which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

	Consolidated 2025 $	Consolidated 2024 $
Financial assets		
Cash and cash equivalents	3,119,895	2,983,785
Trade and other receivables	3,434,592	1,248,749
Bank guarantees	831,556	826,144
	7,386,043	5,058,678
Financial liabilities		
At amortised cost:		
Trade and other payables	3,157,173	1,548,799
Borrowings	5,134,708	4,165,233
Lease liabilities	1,316,038	4,154,744
Other financial liabilities	293,333	956,658
	9,901,252	10,825,434

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Management has determined that this risk is not significant.

The Group has not entered into forward foreign exchange contracts during the current financial year.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. At 30 June 2025 and 30 June 2024, the Group's cash/cash equivalents (note 10) and borrowings (note 20) are fixed interest rate instruments. Therefore, they are not subject to interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above.

The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Group does not have any significant credit risk exposure.

Note 27. Financial instruments (continued)

Liquidity risk
Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2025	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	3,157,173	-	-	-	3,157,173
Other financial liabilities	-	293,333	-	-	-	293,333
Interest-bearing - variable						
Lease liability	-	313,746	310,132	789,951	39,433	1,453,262
Interest-bearing - fixed rate						
Borrowings:						
Insurance premium funding	3.83%	58,375	-	-	-	58,375
FlexiCommercial Pty Ltd	10.00%	49,261	49,058	-	-	98,319
iPartners	9.95%	497,500	5,207,178	-	-	5,704,678
Total non-derivatives		4,369,388	5,566,368	789,951	39,433	10,765,140

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	1,548,799	-	-	-	1,548,799
Other financial liabilities	-	300,000	425,000	231,658	-	956,658
Interest-bearing - variable						
Lease liability	-	951,813	580,936	1,692,216	2,513,151	5,738,116
Interest-bearing - fixed rate						
Borrowings:						
Pure	11.25%	450,000	4,300,000	-	-	4,750,000
Insurance premium funding	3.83%	57,648	-	-	-	57,648
FlexiCommercial Pty Ltd	10.00%	52,711	94,653	3,662	-	151,026
Total non-derivatives		3,360,971	5,400,589	1,927,536	2,513,151	13,202,247

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 28. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

Note 29. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2025	2024
	$	$
Short term employee benefits	857,881	507,624
Bonus payments	423,836	172,670
Post-employment benefits	84,015	34,005
Termination benefits	-	28,086
Share-based payments	270,886	140,000
	1,636,618	882,385

Note 30. Remuneration of auditors

For services provided for the financial year the following fees were paid or payable for services provided by Moore Australia Audit (WA), the auditor of the Company, and its network firms:

	Consolidated	
	2025	2024
	$	$
Audit services - Moore Australia Audit (WA)		
Audit or review of the financial statements	94,019	64,000
Other services - network firms		
Tax compliance	19,500	7,000
Consulting	-	12,000
	19,500	19,000

Note 31. Contingent liabilities

There were no contingent liabilities as at 30 June 2025 and 30 June 2024.

Note 32. Commitments

There were no capital commitments as at 30 June 2025 and 30 June 2024.

Note 33. Related party transactions

Parent entity
DXN Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Note 33. Related party transactions (continued)

Key management personnel
Disclosures relating to key management personnel are set out in note 29 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 34. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2025 $	2024 $
Loss after income tax	(3,160,854)	(2,658,418)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss	(3,160,854)	(2,658,418)

Statement of financial position

	Parent	
	2025 $	2024 $
Total current assets	7,458,474	4,479,729
Total non-current assets	1,735,009	6,416,307
Total assets	9,193,483	10,896,036
Total current liabilities	4,703,334	6,071,587
Total non-current liabilities	798,744	5,619,051
Total liabilities	5,502,078	11,690,638
Net assets/(liabilities)	3,691,405	(794,602)
Equity		
Issued capital	54,538,374	47,395,502
Reserves	580,989	405,789
Accumulated losses	(51,427,958)	(48,595,893)
Total equity/(deficiency)	3,691,405	(794,602)

Note 34. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities
Apart from the deposits disclosed at note 31, the parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %
Tas01 Pty Ltd	Tasmania, Australia	100%	100%
Secure Data Centre Pty Ltd	Northern Territory, Australia	100%	100%
SDC Trust	Northern Territory, Australia	100%	100%
DXN SDC Darwin Pty Ltd*	New South Wales, Australia	100%	-
DXN DCaaS Pty Ltd*	New South Wales, Australia	100%	-

* *Incorporated on 4 April 2025.*

Note 36. Cash flow information

Reconciliation of loss after income tax to net cash (used in)/from operating activities

	Consolidated 2025 $	Consolidated 2024 $
Loss after income tax expense for the year	(2,314,248)	(2,303,165)
Adjustments for:		
Depreciation and amortisation	1,001,881	1,496,974
Write off of current assets	(55,316)	71,472
Share-based payments	346,489	101,561
Finance costs	(92,178)	(574,535)
Borrowing costs	445,972	185,000
Change in fair value of warrants	168,333	(275,000)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(2,318,252)	(1,017,847)
Decrease/(increase) in inventories/work in progress	(134,728)	448,580
Decrease/(increase) in prepayments	(118,602)	91,576
Increase in trade and other payables	1,655,190	545,060
Increase/(decrease) in contract liabilities	(2,515,191)	2,786,377
Increase in employee benefits	37,027	31,725
Decrease in income in advance	-	(416,667)
Net cash (used in)/from operating activities	(3,893,623)	1,171,111

Note 36. Cash flow information (continued)

Non-cash investing and financing activities

	Consolidated 2025 $	Consolidated 2024 $
Shares issued - conversion of capitalised interest (Pure)	1,000,000	325,000

Changes in liabilities arising from financing activities

Consolidated	Pure $	Insurance premiums funding $	iPartners Pty Ltd $	FlexiCommercial Pty Ltd $	Lease liability $	Total $
Balance at 1 July 2023	4,000,000	118,265	-	175,126	8,906,155	13,199,546
Net cash (used in) financing activities	-	-	-	-	(869,084)	(869,084)
Finance facility drawn down	-	250,086	-	-	-	250,086
Repayment of finance facility	-	(316,568)	-	(61,676)	-	(378,244)
Cessation of assets held for sale	-	-	-	-	1,869,826	1,869,826
Lease surrender	-	-	-	-	(6,498,670)	(6,498,670)
Other changes	-	-	-	-	746,517	746,517
Balance at 30 June 2024	4,000,000	51,783	-	113,450	4,154,744	8,319,977
Net cash from/(used in) financing activities	(3,000,000)	-	5,000,000	-	(614,856)	1,385,144
Finance facility drawn down	-	257,857	-	-	-	257,857
Repayment of finance facility	-	(255,316)	-	(33,066)	-	(288,382)
Conversion of debt to equity	(1,000,000)	-	-	-	-	(1,000,000)
Lease surrender	-	-	-	-	(2,015,231)	(2,015,231)
Other changes	-	-	-	-	(208,619)	(208,619)
Balance at 30 June 2025	-	54,324	5,000,000	80,384	1,316,038	6,450,746

Note 37. Share-based payments

Options

Set out below are summaries of options:

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Adjustment on capital consolidation	Expired/ exercised/ forfeited	Balance at the end of the year
22/10/2021	22/10/2024	$0.2100	725,924	-	-	(725,924)	-
23/01/2024	22/01/2028	$0.0300	4,666,666	-	-	(2,000,000)	2,666,666
06/12/2024	06/12/2026	$0.1400	-	10,000,000	-	-	10,000,000
			5,392,590	10,000,000	-	(2,725,924)	12,666,666
Weighted average exercise price			$0.0540	$0.1400	$0.0000	$0.0780	$0.1170

Note 37. Share-based payments (continued)

2024

Grant date	Expiry date	Exercise price[1]	Balance at the start of the year	Granted	Adjustment on capital consolidation	Expired/ exercised/ forfeited	Balance at the end of the year
22/10/2021	22/10/2024	$0.2100	10,888,857	-	(10,162,933)	-	725,924
23/01/2024	22/01/2028	$0.0300	-	70,000,000	(65,333,334)	-	4,666,666
			10,888,857	70,000,000	(75,496,267)	-	5,392,590

[1] Adjusted on share consolidation

	Balance at the start of the year	Granted	Adjustment on capital consolidation	Expired/ exercised/ forfeited	Balance at the end of the year
Weighted average exercise price	$0.2100	$0.0300	$0.0540	$0.0000	$0.0540

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2025 Number	2024 Number
22/10/2021	22/10/2024	-	725,924
23/01/2024	22/01/2028	2,666,666	4,666,666
06/12/2024	06/12/2026	10,000,000	-
		12,666,666	5,392,590

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.67 years (2024: 3.13 years).

Performance rights

Set out below are summaries of performance rights:

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Adjustment on capital consolidation	Expired/ exercised/ forfeited	Balance at the end of the year
29/11/2024	29/11/2027	$0.0000	-	5,000,000	-	-	5,000,000
22/07/2021	14/07/2024	$0.0000	553,333	-	-	(553,333)	-
			553,333	5,000,000	-	(553,333)	5,000,000

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Adjustment on capital consolidation	Expired/ exercised/ forfeited	Balance at the end of the year
22/07/2021	14/07/2024	$0.0000	8,300,000	-	(7,746,667)	-	553,333
			8,300,000	-	(7,746,667)	-	553,333

Set out below are the performance rights exercisable at the end of the financial year:

Grant date	Expiry date	2025 Number	2024 Number
22/07/2021	14/07/2024	-	553,333
29/11/2024	29/11/2027	5,000,000	-
		5,000,000	553,333

Note 37. Share-based payments (continued)

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.44 years (2024: 0.04 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
06/12/2024	06/12/2026	$0.0600	$0.1400	50.00%	-	3.85%	$0.021

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/11/2024	29/11/2027	$0.0500	$0.0000	53.85%	-	3.32%	$0.059

Recognised share-based payment expenses

The expense recognised for employee and services received during the period are as follows:

	Consolidated 2025	Consolidated 2024
Performance rights and options		
- Employees	346,488	101,561
- Services	290,000	-
	636,488	101,561

Note 38. Events after the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
DXN Limited	Body Corporate	New South Wales, Australia	100%	Australian
Tas01 Pty Ltd	Body Corporate	Tasmania, Australia	100%	Australian
Secure Data Centre Pty Ltd	Body Corporate	Northern Territory, Australia	100%	Australian
SDC Trust	Trust	Northern Territory, Australia	100%	Australian
DXN SDC Darwin Pty Ltd*	Body Corporate	New South Wales, Australia	100%	Australian
DXN DCaaS Pty Ltd*	Body Corporate	New South Wales, Australia	100%	Australian

* *Incorporated on 4 April 2025.*

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Shalini Lagrutta
Managing Director

Myo Myint Ohn
Non-Independent, Non-Executive Chair

28th August 2025

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Independent Audit Report
To the members of DXN Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of DXN Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How the matter was addressed in our audit
Customer contracts – Revenue Recognition, Valuation of works in progress (WIP), trade accounts receivable and contract liabilities	
Refer to Note 2 Revenue Recognition, Note 3 Critical Accounting Judgements, Estimates and Assumptions, Note 11 Trade & Other Receivables, Note 12 Work in Progress and Note 19 Contract Liabilities	
For the year ended 30 June 2025, a portion of the Group's revenue is derived from the sales of DXN Modules. At balance date, DXN Module-related balances were Works in Progress (WIP) - $0.45 million ("mill"), trade debtors - $3.43 mill and contract liabilities - $0.97 mill. The accurate recording of revenue is highly dependent upon the following key factors: • Knowledge of the individual characteristics and status of contracts. • Management's invoicing process including – Accurate measurement of work done based on the Module build's stage of completion – Invoices prepared in compliance with contract terms and conditions described in the contract, provided they fulfil the criteria of AASB 15 *Revenue from Contracts with Customers.* – Recognition of any variations in accordance with contractual terms and based on an assessment as to when the Group believes it is highly probable that a significant reversal in revenue recognised will not occur. We focused on this matter as a key audit matter due to the significance of contract-based revenue to the Group combined with the need to comply with a variety of contractual conditions, leading to judgemental risk associated with revenue recognition.	Our procedures included among others: • Obtained an understanding of the processes and relevant controls relating to accounting for customer contracts to ensure compliance with AASB 15. • Read significant customer contracts to understand the terms/conditions and their revenue recognition impact, and accuracy of contract liabilities (or income in advance). • Tested the accuracy and completeness of contracting revenue and related cost of sales to supporting documentation on a sample basis. • Performed cut-off testing on revenue and income in advance to ensure they were recorded accurately and in the appropriate reporting period. • Examined costs included within WIP balances on a sample basis by verifying the amounts to source documentation and tested its recoverability through subsequent invoicing (if applicable), discussions with management and review of other supporting evidence. • Reviewed ageing of trade receivables and & testing its recoverability to subsequent receipts. We also considered Board minutes and the expected credit loss assessment performed by management and other documents concerning any expected credit loss in regard to trade receivables and works in progress. • Reviewed the relevant disclosures contained in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

c) for such internal control as the directors determine is necessary to enable the preparation of:

    i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

    ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of DXN Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Shaun Williams
Partner – Audit and Assurance
Moore Australia Audit (WA)
Perth
28th day of August 2025

Moore Australia Audit (WA)
Chartered Accountants

The shareholder information set out below was applicable as at 27 August 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Quoted options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	57	0.01	-	-
1,001 to 5,000	147	0.16	-	-
5,001 to 10,000	351	0.85	-	-
10,001 to 100,000	646	7.26	-	-
100,001 and over	263	91.72	8	100.00
	1,464	100.00	8	100.00
Holding less than a marketable parcel	462	0.72	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	53,804,277	18.01
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	31,692,024	10.61
MR WONG CHI WAI ROY	9,259,259	3.10
MR ANDREW WALSH	8,153,254	2.73
MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	7,734,897	2.59
MR BRENDAN ERIN JOSEPH POWER	6,044,444	2.02
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,581,585	1.87
MR AUREL FARCAS & MS DANIELA FARCAS <FARCASH SUPER FUND A/C>	5,250,000	1.76
PUNTERO PTY LTD	4,872,616	1.63
MR HARRY CHESHER WHITING	4,119,596	1.38
AV&RV PTY LTD <VEDIG SUPER A/C>	3,931,333	1.32
BNP PARIBAS NOMS PTY LTD	3,834,526	1.28
DIXSON TRUST PTY LIMITED	3,557,143	1.19
SEALEX PTY LTD <THE SEAL A/C>	3,474,684	1.16
SAILORS OF SAMUI PTY LTD	3,434,377	1.15
MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING <WHITING FAMILY S/F A/C>	3,263,387	1.09
SNOWBALL FIDUCIARY PTY LIMITED <SNOWBALL ASSET MGMT A/C>	3,225,420	1.08
MR CAMERON ROSS BARBER	2,988,265	1.00
CERTANE CT PTY LTD <BC2>	2,941,176	0.98
TRANTER (SA) PTY LTD <TRANTER FAMILY A/C>	2,432,412	0.81
	169,594,675	56.76

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares	12,666,666	8
Performance rights	5,000,000	1
Warrants - held by Pure Asset Management Pty Ltd (The Income and Growth Fund)	13,333,333	1

Substantial shareholders

There are no substantial holders in the Company.

Substantial shareholders in the Company are set out below:

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.