

28 December 2022

ASX Announcement

End of Year Business Update

Update on Contract with Flow2Edge Holdings I Pte Ltd

On 28 November 2022, DXN Limited (ASX:DXN) ("DXN" or "the Company") announced that it had entered into an Exclusive Global Distribution License Agreement (EGDLA) and Exclusive Global Consulting Services Agreement (EGCSA) with Flow2Edge Holdings I Pte Ltd (Flow).

DXN is pleased to announce that it has received A\$2,000,000 in cash as part of the exclusivity and licensing fees associated to the EGDLA.

Further, DXN has also received the first quarterly payment of A\$125,000 related to the EGCSA.

Joint work has commenced for both contracts including design work for projects related to the delivery of a minimum purchase commitment of ten (10) modular data centres annually to Flow per the EGDLA.

Modular Data Centre Design Contracts

Due to the uncertainty in recent months of the Company's EDGE module manufacturing business and subsequent termination of the business sale agreement with Flow as announced on 31 October 2022, many prospective customers delayed discussions. We are pleased to report that, now this uncertainty has been resolved, customers have resumed their engagement with DXN.

As announced at the Annual General Meeting (**AGM**), DXN is in the process of delivering the design orders for modular data centres for:

- DCE Electrical Modular Data Centre Design order for Telstra
- Anglo American Modular Data Centre Design order

Design orders are typically a precursor to Modular orders.

As the team focuses on our core business of modular manufacturing, underpinned by the EGDLA with Flow, as well as potential new modular manufacturing opportunities within Australia, DXN looks forward to providing a further update in its quarterly activities report in January 2023.

Strategic Shift – Data Centre Operations Business Sale

DXN has been considering all strategic options to sell its data centre assets, thereby providing the opportunity to repay existing debt facilities, provide additional working capital to the modular manufacturing business and focus on reaching positive EBITDA.

DXN has received non-binding indicative offers to acquire its data centre assets and negotiations are in advanced stages. DXN will keep shareholders updated on the progress of these negotiations.

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About DXN Limited

DXN is Asia Pacific's only vertically integrated manufacturer and operator of modular data centres. DXN's core business is designing, engineering, manufacturing, maintaining and operating data centres.

The Company has two core divisions that provide a complete symbiotic relationship that better captures what we do, how we do it and why we do it.

These divisions are:

- 1. **Modular Division** designs, engineers, manufactures, and deploys EDGE facilities and critical DC infrastructure; and
- 2. **Data Centre Operations** operates, maintains and markets data centres and critical infrastructure for our own DXN data centres as well as our modular customers. For more https://dxn.solutions.

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ASX Release authorised by the Board