

9 February 2023

BUSINESS UPDATE

NEXION Group Ltd (ACN 628 415 887) (ASX: NNG) (Company or NEXION) is pleased to provide the following business update.

February 2023 marks the beginning of a new phase for NEXION as we heighten our focus on profitable organic revenue growth and expand our capability with strategic acquisitions.

Shareholders will note the recent change in management reflecting the evolution of NEXION Group from a local start-up to a substantial business with annualised revenues approaching \$10m and international reach. Rapid growth via M&A requires a strong corporate team led by a CEO with relevant credentials and the Board hopes to announce a new CEO appointment in the June Quarter.

NEXION'S plans to acquire Wellington-based AIScorp Limited and Silicon Systems Limited are on track to close by the end of February with our financier currently completing due diligence for the provision of a debt facility to part-fund the transactions. The addition of these businesses will make NEXION a considerably larger organisation with broader skills and greater geographic reach.

NEXION's overarching objective is to create a Hybrid-Cloud platform that can service the requirements of enterprise customers. Global reach provides the opportunity to scale and hybrid-cloud Software-as-a-service (SaaS) solutions deliver higher margins. Once the New Zealand acquisitions are completed, we will expand our horizons to Canada and beyond with additional acquisitions, already under consideration that complement our product mix and extend our technical capability.

A review of operations after last week's management changes demonstrated that the core team is more than capable of delivering what's required to maintain and grow the business. The savings realised should therefore deliver an immediate improvement in the bottom line that will be reflected in the second half financial results.

NEXION will continue to focus on quality outcomes for our customers. Having recently completed its ISO27001 and SOC II certifications, the team is ensuring we have best practices in place to deliver stability, security, and performance across our customers' information technology systems.

NEXION has an excellent team with outstanding skills and dedication to their mission. With the right blend of leadership and resources, NEXION can leverage its strong product offering and achieve great things.

The Board sincerely thanks our customers, suppliers, staff and shareholders for their on-going support.

About NEXION Group Ltd

NEXION is an information technology service provider that offers global network, compute, security and data storage solutions, as-a-service that it integrates with Public Cloud services to form NEXION's hybrid cloud solution called NEXION OneCloud. NEXION sells its OneCloud capacity and technology management services to enterprise customers on term contracts of up to 60-months. The company's enterprise ICT managed services division offers Technology as a Service across the globe.

www.nexiongroup.io

This announcement has been authorised by the Board of NEXION Group Ltd.

Should you wish to contact the company in relation to this announcement please contact Chairman and Interim CEO, Peter Christie at peter.christie@nexiongroup.io.

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