



31 July 2025

## Quarterly Activities Report

For the quarter ending 30 June 2025

NEXION Group Ltd (**NEXION** or **Company**) (ASX: NNG) is pleased to present its activities report for the fourth quarter of the 2025 financial year, reflecting a transformative period marked by strategic realignment and operational success.

The Company has made significant strides in optimizing its financial position, reactivating key subsidiaries, and strengthening its core network business.

### Highlights

**Proposed Transaction:** The material transaction announced in 2024 is no longer proceeding, allowing NEXION to refocus resources on core operations and new growth opportunities.

**Data Centre Sale:** The Company successfully divested its 2MW data centre in Perth, Western Australia, resulting in a \$2.2M vendor loan and \$300k in cash, delivering a strong financial outcome for shareholders.

**FuseAI Launch:** NEXION is relaunching its subsidiary, Fuse Forward Australia Pty Ltd, (to be renamed FuseAI) which will focus on AI-enabled business intelligence systems tailored for heavy industries, including mining, utilities, and oil & gas.

**Strong Performance of NEXION Networks:** The networks business continues to perform robustly, achieving growth and operating profit, with notable wins including the management contract for the DCA data centre in Canning Vale.

The Board is actively preparing to reinstate NNG to ASX quotation, signaling confidence in the Company's strategic direction incorporating AI-driven software products with its traditional network and cloud business.

### Activities Update

NEXION has navigated a pivotal quarter, leveraging its expertise in hybrid-cloud systems and innovative network technology solutions to drive growth and enhance shareholder value.

The decision to discontinue the proposed transaction announced on 23 April 2024 has allowed NEXION to redirect its focus toward high-growth opportunities. The Company remains committed to delivering innovative solutions including AI-driven business intelligence to its expanding customer base.

The divestment of the Perth-based 2MW data centre marks a significant milestone. The transaction has yielded a secured \$2.2M vendor loan and \$300k in cash, strengthening NEXION's balance sheet and providing liquidity to support future initiatives. This outcome underscores the Company's commitment to delivering value to shareholders.

NEXION has reactivated its subsidiary, Fuse Forward Australia Pty Ltd, to capitalise on the growing demand for AI-enabled business intelligence systems. The subsidiary will target heavy industries such as mining, utilities, and oil & gas, offering tailored solutions to enhance operational efficiency and decision-making.

The networks business continues to demonstrate strong performance, with sustained revenue growth and operating profit. Key achievements include:

- Securing a management contract for the DCA facility in Canning Vale, reinforcing NEXION's position as a trusted provider of network and infrastructure management services.
- Expanding relationships with existing customers in the iron ore sector, with new contracts for network infrastructure deployments.
- Continued growth in the satellite segment, particularly through innovative enterprise network backup solutions for remote mining operations, leveraging Starlink satellite services.

The sales pipeline remains robust, driven by increasing demand for NEXION's innovative technology solutions and a growing customer base in key industries. The Company continues to see strong interest in its enterprise network backup solutions and managed services, particularly in Western Australia's mining sector.

#### **Payments to Related Parties in Appendix 4C**

The ASX Appendix 4C for the quarter ended 30 June 2025 includes payments to related parties in item 6.1. These payments relate to directors remuneration and accounting services paid during the quarter.

#### **Summary of the expenditure incurred on the activities during the quarter:**

Product manufacturing and operating costs: \$442,000

Advertising and marketing: \$1,000

Staff costs: \$253,000

Administration and corporate costs: \$313,000

Interest and other costs of finance paid: \$4,000.

#### **About NEXION Group Ltd**

NEXION Group Ltd is a leading technology provider delivering innovative hybrid-cloud and AI-driven solutions. The Company operates two core businesses: Networks, providing secure, high-performance connectivity, managed network services, and cybersecurity solutions to support enterprises and cloud ecosystems; and Business Intelligence and Artificial Intelligence (BI/AI), through its Fuse Forward subsidiary, delivering advanced software for industrial asset management, integrating cutting-edge AI and traditional business intelligence tools to enhance enterprise efficiency and data-driven decision-making.

[www.nexiongroup.io](http://www.nexiongroup.io)

NEXION Group Ltd – ABN: 48 638 455 887

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Should you wish to contact the company in relation to this announcement, please contact:  
[investor.relations@nexiongroup.io](mailto:investor.relations@nexiongroup.io)

This announcement has been authorized by the Board of NEXION Group Ltd

## Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Nexion Group Ltd

**ABN**

48 628 415 887

**Quarter ended ("current quarter")**

30 June 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	904	4,105
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(442)	(2,214)
(c) advertising and marketing	(1)	(4)
(d) leased assets	-	-
(e) staff costs	(253)	(980)
(f) administration and corporate costs	(313)	(1,783)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	4
1.5 Interest and other costs of finance paid	(4)	(6)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	283
1.8 Other		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(109)</b>	<b>(595)</b>

**Note:**

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(9)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets		
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	-	<b>(9)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	80	730
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	80	80
3.6	Repayment of borrowings	(35)	(231)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (cash balance of acquired entity at date of acquisition)	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>125</b>	<b>579</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	31	72
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(109)	(595)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	125	579
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>47</b>	<b>47</b>

**Note:**

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000  30 June 2025	Previous quarter \$A'000  31 March 2025
5.1	Bank balances	47	31
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>47</b>	<b>31</b>

<b>6. Payments to related parties of the entity and their associates</b>		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
The amount in item 6.1 relates to directors' fees and other consulting fees paid for the quarter.		
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities – Convertible Notes	1,510	1,510
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	1,510	1,510
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.  Convertible Notes. Refer to the Additional Disclosure in Section 9 below.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(109)
8.2	Cash and cash equivalents at quarter end (item 4.6)	47
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	47
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.43
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No, due to the sale of the data centre. Refer announcement on 28 July 2025.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The sale of the data centre generated \$200,000 in cash during July 2025 with further amounts to be received subsequently. Refer announcement on 28 July 2025.	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes	
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

**9. Additional Disclosure**

**Convertible Notes**

There were 15,100,000 convertible notes of \$0.10 each on issue at 30 June 2025.

All of the convertible notes on issue were issued with the same terms and conditions.

Refer to the announcement on 18 June 2024 titled “NNG Convertible Note Finance”.

The purpose of the issue is to raise funds to contribute to costs incurred for a proposed acquisition as first announced on 23 April 2024 (Proposed Transaction).

Nexion may elect to repay the Convertible Notes in cash at any time prior to maturity.

The Convertible Notes are unsecured, mature on 31 May 2026 and attract interest at 10% per annum.

Interest is payable at the earlier of:

- 1) maturity of the Convertible Notes;
- 2) conversion of the Convertible Notes; and
- 3) upon the early repayment of the Convertible Notes by Nexion prior to maturity, at Nexion’s election.

The Convertible Notes are, subject to shareholder approval, convertible into the Conversion Securities (defined below) at the election of the Noteholder, subject to:

- 1) Nexion obtaining shareholder approval for the issue of the Conversion Securities;
- 2) ASX not objecting to the conversion of the Convertible Notes; and
- 3) either:
  - a) Nexion confirmation that the Proposed Transaction will not occur; or
  - b) The Proposed Transaction does not occur by the date of maturity.

At this stage the Company expects the Convertible Notes to be repaid in full in cash with no Conversion Securities (defined below) to be issued.

On conversion, the Noteholder will receive fully paid ordinary shares in Nexion (Shares) calculated as the total face value of the Convertible Notes divided by \$0.10 (Conversion Shares). In addition, the Noteholder will receive 4.25 free-attaching options exercisable at \$0.001 each and expiring on 30 June 2026 for every one Conversion Share issued on conversion of the Convertible Notes (Conversion Options).

The Conversion Shares and Conversion Options are collectively referred to as the Conversion Securities

**Compliance statement**

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2025

Authorised by: By the board  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity’s activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.