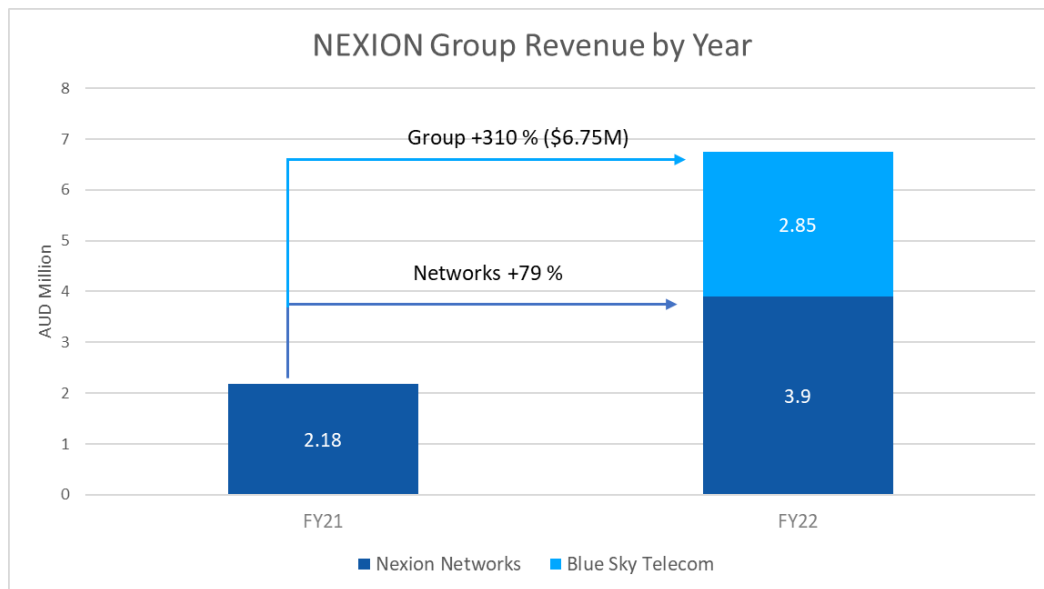


31 August 2022

Commentary on financial year 2022

NEXION Group (ASX: NNG) is pleased to announce its full year results for 2022, its first full year of trading since listing on the ASX in February last year. The company exceeded its prospectus targets for organic growth and full year revenue including acquisitions by significant margins. Underlying revenue growth in the original business was 79% and total revenue growth including completed acquisitions grew by 209%. Cash consumed was steady year-on-year at \$3.3M vs. \$3.2M in FY21 to deliver significantly more revenue as the company moved closer to cash-positive operations. Recent wins and further efficiency gains will deliver positive results early in FY23.



Delivering on our commitment to grow organically and through acquisition, NEXION announced on 25 July 2022, it had entered into binding term sheets to acquire New Zealand information technology companies AISCorp Limited and Silicon Systems Limited that collectively had \$11.71M annual revenue for NZ FY22. These two acquisitions already announced should close prior to November 30, 2022, and our plan is to pursue additional acquisitions until we have global coverage.

Subsequent to year end, we made our first international appointment, a senior technical architect, for our Pacific region in Auckland, New Zealand who has begun the task of winning business with some new enterprise customers. Our acquisition strategy will provide the technical resources in-region that we require to deliver on the new contracts we anticipate winning.

We intend building a global capability that enables us to support global business operators and to do, we are focused on scaling rapidly. We've identified eight global regions where we aim to establish our services, including our hybrid cloud hosting capability and global SD-WAN. We plan to expand into these regions through a combination of direct sales and complimentary business acquisitions. Global reach will enable us to secure larger international contracts with multinational operators and accelerate value for shareholders with rapid organic revenue growth.

COVID travel restrictions remained in place in Western Australia until the first week of March 2022. Opening the borders led to a much higher rate of absenteeism from COVID infections that contributed to flatter growth in the third and fourth quarters, but with these disruptions largely behind us, our core business has resumed its strong organic growth.

In February 2021, IBM Australia Ltd (IBM) (NYSE: IBM) selected NEXION to provide a multimillion-dollar, multiyear agreement for cloud services in Western Australia. **In August 2022, current quarter, IBM extended this agreement to consume additional services** to those already provided by NEXION. Broadening the scope of these services illustrates NEXION's capability to provide hybrid cloud plus managed technology services for large enterprise. This contract will

see NEXION add Data Centre Services, Resilience Services, Client Centre and On-Site Support Services, Digital Workplace Services, Identity and Access Management Services and Storage as a Service to the contract scope **and add \$1.21M of revenue over the coming 12 months and commences on 1st September 2022.**

NEXION's Chief Operating Officer, Kevin Read said *"We are proud to extend the services we provide to IBM. This illustrates our capability to offer a full range of technology services and solutions, that would traditionally be consumed from multiple providers. A global tech giant like IBM adding additional services, is a key indicator of the level of customer service, compliance and innovation offered by the company. These additional services consumed illustrate the organic growth potential in the breadth of solutions we offer"*

Throughout 2022 we continued to build out our technical capability by extending our SD-WAN network reach and enhancing our Hybrid Cloud solution. We adopted Netapp's Keystone storage-as-a-service technology to reduce the capital cost of building out our cloud nodes and added low-earth orbit satellite capability to our network using the new Starlink system. NEXION is now delivering a full range of technology management solutions and services to enterprise customers, including global giants such as IBM.

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 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 authorized by the Board of NEXION Group Ltd.

NEXION Group Ltd

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