



NEXION Group

Investor Update

March 2023

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This presentation was authorised by the Board of NEXION Group Ltd.



|| NEXION provides Hybrid Cloud
platforms for Software-as-a-Service
solutions used by Enterprise
customers.



NEXION at a Glance (Q2FY23)

Shares on Issue

60% held by the top-20 shareholders

152M

Performance Rights

1.5M

Options¹

36.2M

Cash

1.28M

30 Day VWAP²

Pre Rights Issue Nov. 24

8.1c

Current Share Price

1.8c

¹ Options on issue are 6M exercisable at 40c expiring Jan 24 (unlisted), 21.6M exercisable at 10c expiring Dec 25 (listed), 8.6M exercisable at 30c expiring Feb 25 (unlisted).

² 30 day VWAP as of 25/11/2022 (announcement of NNG pro-rata non-renounceable entitlement issue prospectus)



What we do



NEXION is creating a **Hybrid Cloud network** that delivers complimentary hosting solutions for our customers.



NEXION is creating a comprehensive set of repeatable solutions that underpin Software-as-a-Service.



High-margin, recurring, **long term contracted revenue** generated from our hybrid cloud platform is our bedrock.



NEXION complements Hybrid Cloud with enterprise information and communications **technology-as-a-service** to provide an end-to-end solution from desktop to cloud.

Hybrid Cloud



CLOUD

Fully managed solutions OneCloud – Technology ‘As-a-Service’.



SECURITY

Advanced threat protection from the network edge to the core.



NETWORKS

Converged fiber, wireless and satellite managed networks



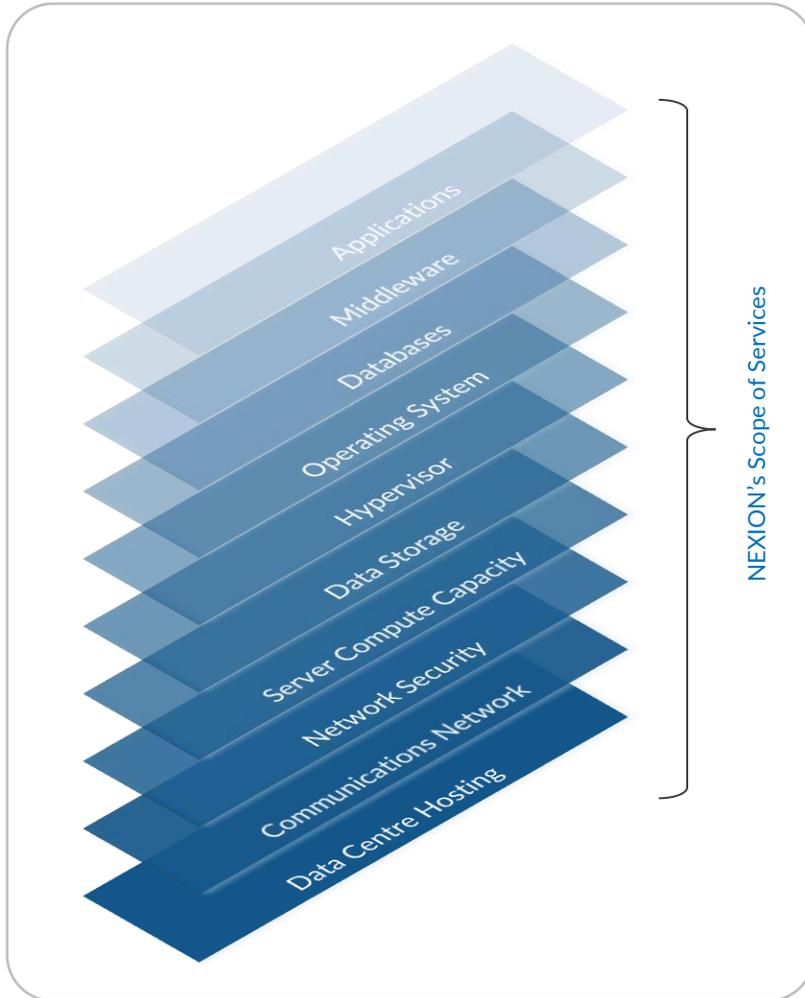
DATA

Distributed data management services across public and private cloud.



NEXION's Scope of Services

NEXION provides core compute, storage, network and security services, essential for enterprises to operate.



Essential Enterprise Information Technology

NEXION's Revenue Streams



Cloud

We host servers and data storage in our points of presence (PoPs) for our customers.



Network

NEXION delivers data and voice across fibre, satellite and wireless networks including security management from end-to-end.



Services

NEXION provides the smart-hands customers need to keep their information technology running.



Products

Where necessary, NEXION sells hardware and software to our customers to support their business.



Performance Update at March 2023

Re-enforced Focus on Profit

Strong Revenue Growth to-date

Reached 2nd anniversary of the IPO and prospectus plan on Feb 18th

Strong revenue growth achieved for the prospectus period.

Diverse customer base developed in Western Australia.

Tier-1 technology partners, IBM, Aryaka, Fortinet and Netapp.



Step-change to achieve profit in FY23

Eliminated excess operating overheads.

Consolidating revenue around higher margin products.

Refreshing the product mix to more scalable technology-led services.

Transitioning out of low-margin, high-capex contracts.



Continued M&A Effort

Achieved in-principal agreement with an Australian M&A debt provider.

Extended the term sheets to acquire Wellington-based Silicon and AISCorp.

Moved Nexion to a profitable position to make debt funding viable.

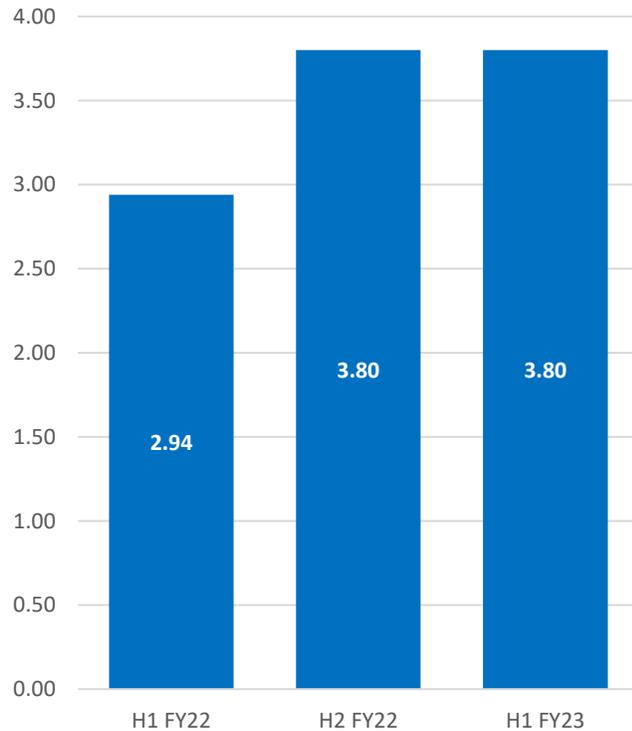
Assessing further acquisitions that add new products and extend NEXION's reach into new markets.



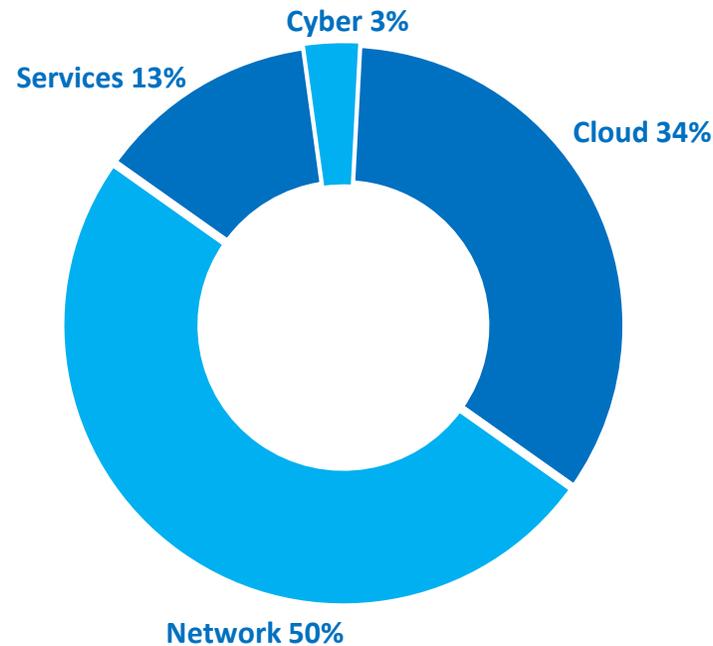


NEXION Revenue Growth

Revenue stabilised at \$3.8M
H1 FY23



Delivering more high-margin,
low-capex product lines.



**Re-enforced focus on profit
over growth in H2FY23.**

Focus since IPO was on growth achieving 83% average annual revenue increases since FY20.

Strong recurring revenue base underpins consistent revenue growth over 8 quarters since IPO.

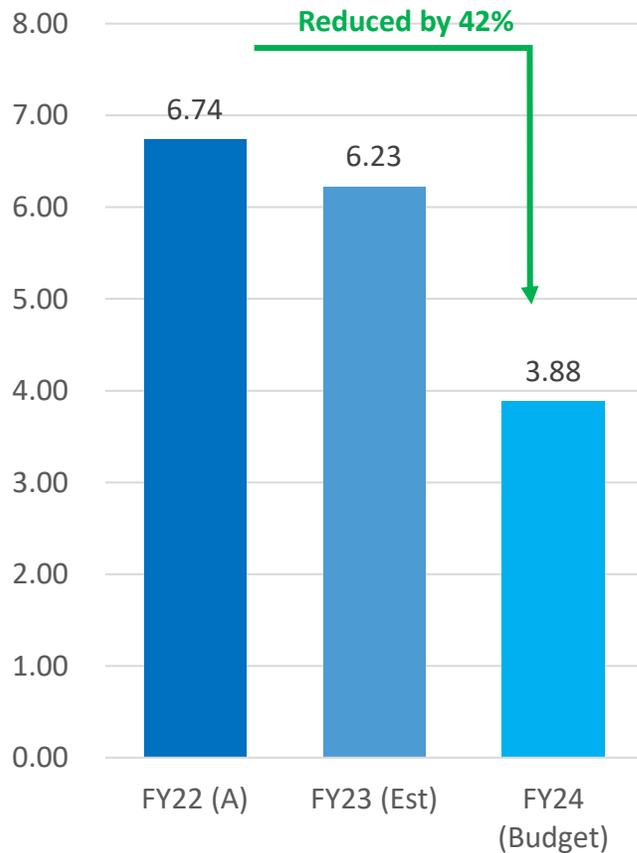
Rapid pivot from growth to profit implemented in Q2 targeting monthly Group trading profit by the end of H2FY23*.

* Trading profit is gross profit less cash operating expenses but excludes abnormal cash items including M&A fees, redundancy payments and scheduled payments on ATO liabilities accrued to-date.

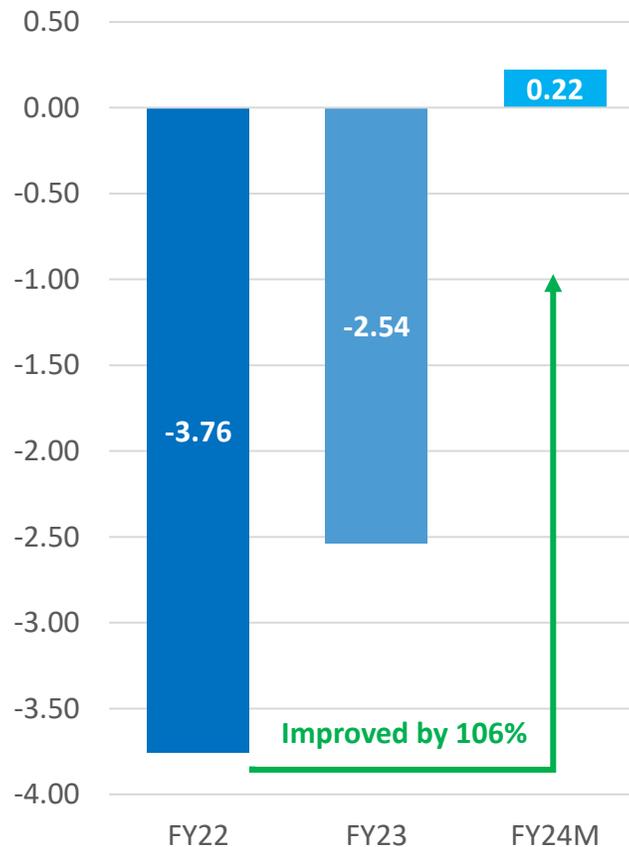


Operating Plan for the Remainder of FY23 & FY24.

\$2.86M Cost Reduction Completed



\$3.98m EBITDA Improvement



Substantial improvements Implemented in February and March 2023

Right-sized the workforce to deliver profit from the existing revenue baseline.

Eliminated some low margin contracts that distracted the team from pursuing profitable growth.

Renegotiated supply contracts to suit current needs.

Introducing new products that deliver solid gross margins on term recurring revenue.



NEXION's New General Manager, Nasser Abdelghani

Introducing Nasser who now leads the team in Perth and Nexion's operations.



Nasser joined the group as part of the Blue Sky Telecom acquisition in 2021 and has been instrumental in the development of Nexion's strategy.

Nasser possesses over 15 years' experience in the IT and Telecommunication sector. He is a qualified satellite engineer, having successfully led and deployed multimillion-dollar projects nationally and internationally.

Educated at Curtin University, graduating with the Bachelor of Engineering and Telecommunication, Nasser had a distinguished career at Orion Satellite Systems (Thaicom) for 12 years since 2008 as a Senior Satellite Engineer.

In 2020 Nasser had joined BlueSky Telecom as the Chief Technology Officer, having introduced new products and Services. His impact had resulted in dramatically transforming BlueSky Telecom into an attractive acquisition target for Nexion Networks.

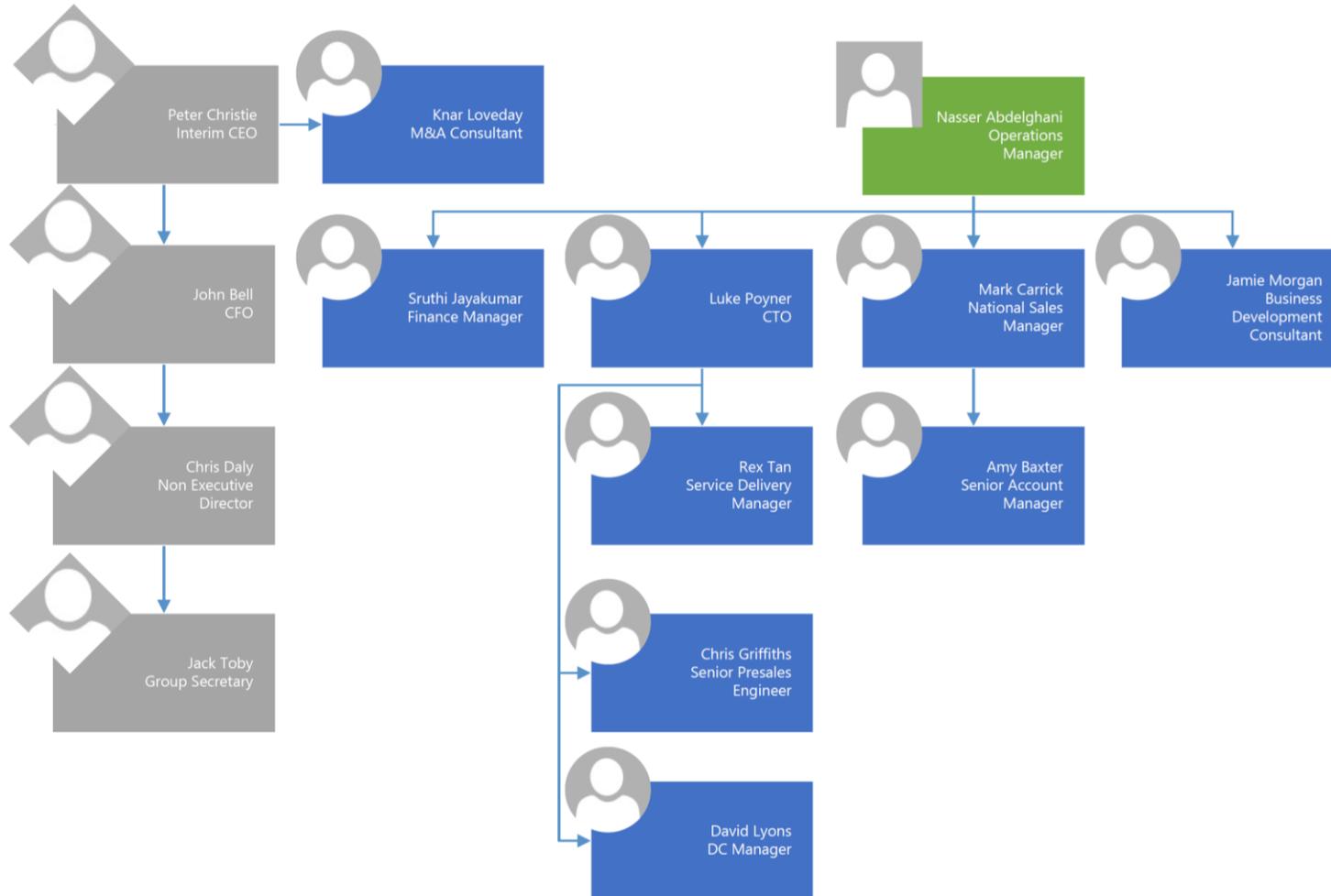
Nasser is renowned in the industry for being a transformational leader with a solid background in remote connectivity, voice and satellite deployment.

He has been instrumental in right sizing Nexion's operations and working closely with the team to formulate a go to market strategy as the company evolves and matures into the next phase of growth.



Renewed Executive Team

Workforce right-sized for current revenue base, technical focus and growth objectives.



Workforce Changes.

Restructured around core operating functions of technology, finance, sales, infrastructure and service delivery.

New Board member, John Bell who is also our CFO.

Focus on service excellence, process optimisation and profitable new business.

Hiring new sales skills to restart growth after a short period of consolidation.



Focused on Productivity, Service and Profit

Operational enhancements that make the business easy to manage, measure and scale.

Measure & Manage

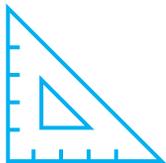
Consolidating around one business management tool, ConnectWise.

Managed workflow from quote to delivery.

Integrating ConnectWise and to Xero for accurate financial reporting.

Full cost allocation including labour to COGS.

Daily reconciliations for complete visibility of revenue, margins and cash.



Cash Management

New product initiatives and existing platform refreshes aim for zero capex upgrades.

Revenue retention with new solutions and pro-active upgrade offers to existing customers.

Eliminate labour-intensive products and services that don't scale.

Sell physical equipment on a cash-on-order basis to optimise working capital.



Revenue Growth

Revitalised sales team incentivised to grow revenue, profitably.

Increase wallet share across existing network-only (satellite, data and voice) customers.

Broader set of technology partners and staff skill-sets aligned to local needs.

New products including database management, application hosting and service orchestration.





Executing Acquisitions

Why Acquisitions

Building a stronger public company with scale and diversity.

Achieve scale quickly to enable self-funded, sustainable growth both organically and via further acquisitions.

Access debt facilities to aid growth. Conservative debt augments share price growth by issuing fewer shares to fund growth as free-cash-flow from operations increases.

Scale enables higher margins if the product mix and operating processes are managed effectively across low-capex, high-margin recurring revenue services.

Acquisition Strategy

Acquiring small operators between \$5M and \$20M annual revenue with high growth and strong NPAT.

Acquisitions funded from equity and debt to \$75M gross revenue then internally funded with conservative leverage thereafter.

Aggressive acquisition revenue growth of 85% per annum on average to \$75M then trending to a steady-state of 21% acquisition growth per annum thereafter.

New Zealand Acquisitions



AISCorp and Silicon are both based in Wellington.

Each provides a complimentary set of skills for customers across most verticals.

High-growth businesses with hands-on owners and executives remaining in-place to become part of the NEXION team.

Teams can support new projects introduced by NEXION's new Auckland office.

Revenue	AUD \$11.7M*
Growth	29%
FY22 EBITDA	AUD \$1.12M*

* Un-audited data based on information provided by the vendors at the time the binding term sheets were executed in June 2022.



Conservative Debt Funding for M&A Growth

Announcing Nexion's new debt solution and M&A partner.

Investment partnership with an experienced Sydney-based funder to the information technology sector.

Experienced technology investment partner has funded more than 20 acquisitions.

Backed by more than 200 high-net-worth and family office investors.

Full-service partner providing end-to-end transaction support from term-sheet to acquisition to accelerate Nexion's M&A strategy.

Traditional principal & interest debt facility for M&A.

Final terms and conditions are yet to be agreed, however indicative terms include:

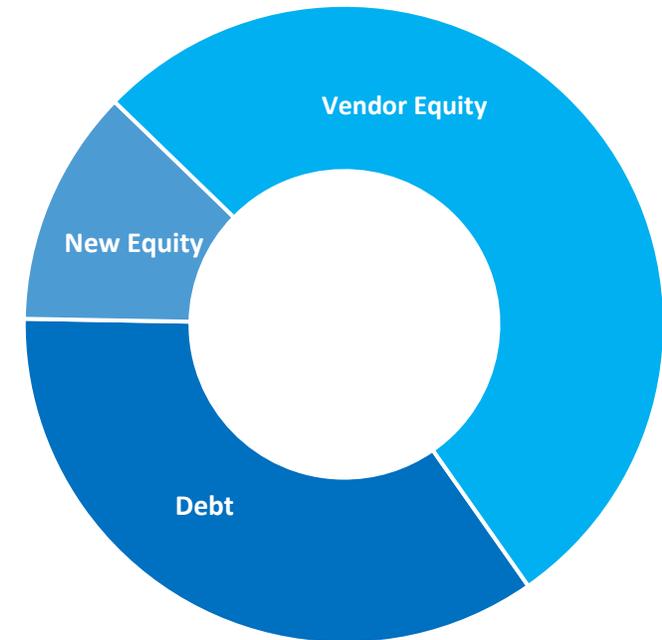
EBIDA interest cover ratio starting at 2x and increasing to 3x after 12 months.

EBIDA debt service cover starting at 1x after 12 months then increasing to 1.5x

Drawn-down debt to current asset cover of 1.5x

Interest and fees in-line with comparable facilities at BBSW + lender's margin.

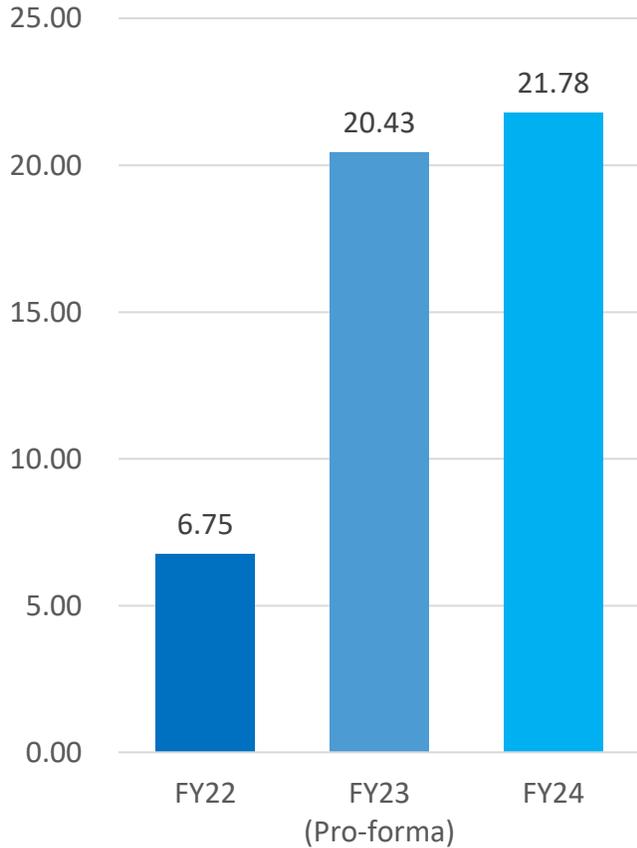
Typical Acquisition Structure



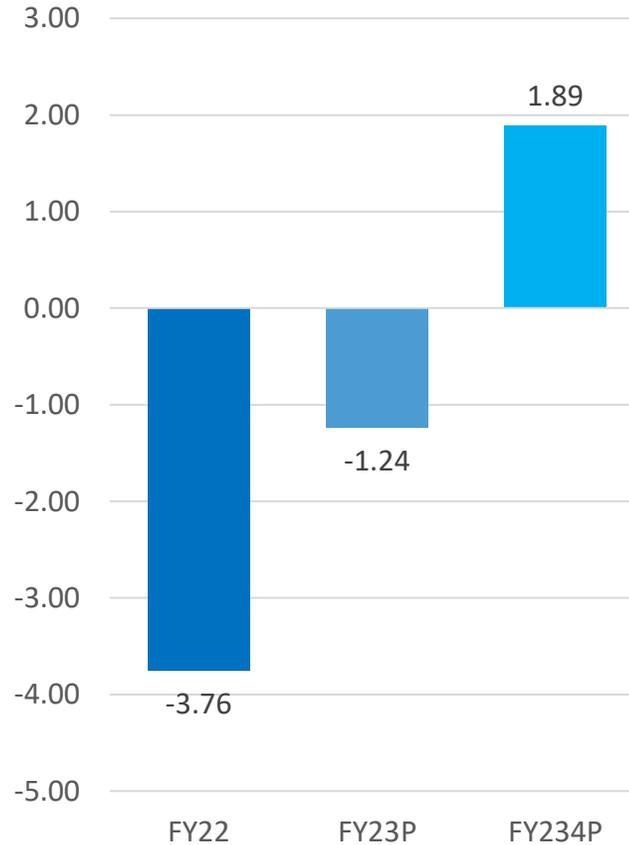


Pro-forma FY24 Plan including 2 Acquisitions

Increase Revenue 223%



Deliver Positive EBITDA



Business Combinations Deliver Profit and Cash

First round of acquisitions places NEXION Group on a stronger footing.

3X increase in revenue and 8X increase in EBITDA.

Debt facility enables rapid transition to larger scale.

EBITDA quantum improves NEXION's insulation from commercial risks.

Increased scale offers opportunities to extract better margins.

Data assumes completion of the acquisition of Silicon and AIScorp



Strategy Heading Into Q4

Complete the transition to cash flow positive.

Create Profit

Complete the elimination of excess resources and overheads.

Reduce drag on the P&L by exiting residual obligations from our growth phase.

Increase utilisation of existing assets, skills and resources.

Focus on optimising operations with streamlined management processes and accurate measurement of costs.



Build Strength

Build a stronger business with strategic acquisitions.

Acquire excellent skills in technology that adds value to the rest of the group.

Gain a diversified customer base that ensures consistent revenue growth across industry and geography.

Improve net profits from economies of scale and resource sharing.



Innovate

Broaden the technology base with unique products select new strategic partners.

Continue developing the OneNet Hybrid Cloud solution as a unique proposition to our customers.

Focus on scalable solutions with regular recurring revenue and high gross margins.

Invest in skill development that makes Nexion very good at a select-few important things.





NEXION Group

We believe in what's next, not what's now.