



## March 2025 Quarterly Activities Report and Trading Update

DXN Limited (“DXN” or “the Company”), a prefabricated modular data centre specialist, is pleased to provide an update on the operations for the quarter ending 31 March 2025 (the “March Quarter” or “Q3 FY25”).

### Key Highlights

- **Revenue for the quarter of \$2.5 million, an increase of 2% on the previous corresponding period (pcp) being Q3 FY24.**
- **Cash balance of \$3.2 million as at 31 March 2025.**
- **DXN executes on plans to open a third division, Data Centre as a Service (“DCaaS”) via first contract signing, with the potential for additional sites under a frame agreement.**
- **Converted an additional \$1.0 million of loan with PURE Asset Management (“PURE”) to equity, reducing loan balance to \$2.0 million and improving financial flexibility.**
- **Key contract signing of \$0.6 million with BwebwerikiNET Limited (BNL), a Republic of Kiribati State Owned Enterprise**
- **Entered into an agreement to acquire the freehold of Secure Data Centre Pty Ltd as Trustee for SDC Trust (SDC Darwin)**
- **On track to meet \$16m revenue guidance with a healthy pipeline of identified projects**

### Financial highlights

Q3 FY25 delivered revenue of approximately \$2.5 million, an increase of 2% on the pcp, with revenue predominately driven by East Micronesia Cable System (EMCS). The Company ended the quarter with a strong cash position of \$3.2 million and is pleased to share that it remains on track to achieve its FY25 revenue targets of \$16.0 million and back-log orders of approximately \$2.5 million.

Operating cash flow for the March quarter was negative (\$1.8) million, an improvement from negative (\$2.6) million in the December 2024 quarter. Cash flow during the period was impacted by project delays beyond the Company’s control, leading to the deferral of approximately \$0.5 million in milestone payments, with \$0.35 million subsequently received in April. The Company continues to proactively manage working capital and remains focused on maintaining strong relationships with both customers and suppliers.

During the quarter, DXN finalised the recapitalisation of \$1.0 million of its \$3.0 million loan balance with PURE and associated restructuring fees to equity. Under the conversion, PURE received 17,467,142 million shares at the value of \$0.07 per share. The Company’s residual loan balance with PURE is valued at \$2.0 million. The strategic move supports DXN’s ongoing efforts to strengthen its financial foundation and positioning the Company for further growth.

Importantly, during the quarter the Company negotiated and established an agreement with the

administrators of customer Tasmanet. Under the agreement DXN will be paid all outstanding debt totalling approximately \$0.2 million over the next five months. DXN is also working closely with the Tasmanian Government who have provided contingency planning.

### Operating highlights

Modular Data Centre revenue totalled approximately \$1.9 million during the March Quarter, an improvement of 5% on pcp. The revenue contributions were largely derived from the four EMCS projects.

DXN's Data Centre Operations delivered revenue of approximately \$0.7 million in Q3 FY25, a 3% improvement on pcp. Of Significant note during the quarter, DXN executed the Option Deed and a Binding Contract of Sale to purchase SDC Darwin freehold. The agreement was executed in-line with previous announcements made to the market in 2021, whereby DXN was granted an option to acquire the freehold of the land and building of SDC Darwin for \$2.1 million.

DXN has received an independent valuation of \$10 million of the combined data centre and freehold option and the Board is satisfied that executing the freehold option increases shareholders value. The Contract of Sale is subject to conditions precedent including obtaining debt financing for the purchase. DXN has been working with debt financiers including banks and non-bank lenders. DXN has made progress to ensure a positive financing outcome and aims to settle the transaction over the coming month.

During the March quarter DXN continued to grow its leading position within Micronesia with the signing of a \$0.6 million contract with BNL, a Republic of Kiribati State Owned Enterprise specifically with Kiribati's Ministry of Information, Communication and Transport. The project with BNL is focused on improving internet connectivity for Micronesia and adds to the EMCS, a joint initiative of the Governments of the Federated States of Micronesia, Republic of Kiribati and Republic of Nauru.

### Related Party Payments

The aggregate payments to related parties and their associates totalled \$149k. These payments consisted of fees, salaries and superannuation to the managing and non-executive directors.

### Outlook

DXN has commenced the final quarter of FY25 strongly with the execution of the Company's first DCaaS (Data as a service) contract. Under the agreement the Company will design, build, and deploy prefabricated technical infrastructure to a US based global provider of satellite earth stations at an initial site in the Northern Territory. The Total Contract Value (TCV) for the initial site is approximately \$3.6 million and includes an upfront fee of \$0.6 million. Under the frame agreement the Company has the potential to secure contracts for multiple additional sites across regional Australia and into international locations around the world.

Strategically, the signing highlights DXN's capabilities to execute on the Company's growth objectives by establishing a new business unit for operations, focused on a capital light facilities as a service model. The Company believes DCaaS provides significant potential in delivering recurring revenue through the offering of facility as a service. This service offering includes strategic advisory and ongoing expert guidance to support the planning, deployment, and continuous improvement of data centre infrastructure, using DXN prefabricated modules to

facilitate both greenfield and brownfield Data Centre facility construction and ongoing maintenance and management of operations.

The Company believes it is on track to achieve its FY25 target of \$16 million in revenue and has identified over 60 project opportunities in its current pipeline as highlighted below.

Current Pipeline	% of overall pipeline	No. of projects (as at 31 March 2025)
Identified	42%	27
Qualified	22%	14
Proposal or RFP Submitted	19%	12
Final Negotiations	11%	7
Verbal win/ Contracting	6%	4
<b>Total</b>	<b>100%</b>	<b>64</b>

**Shalini Lagrutta, Managing Director of DXN, commented,** “The team continues to execute on our strategic objectives and are pushing hard to achieve \$16 million in revenue for the financial year. We believe we are still on track to achieve our FY25 revenue target, and believe we are well-positioned to finalise various deals which are currently in the contracting and negotiation stages.

Third quarter project-wins were slower than anticipated mainly due to delays in customer decision-making associated with larger deal sizes and volume requirements. However, I strongly believe that the business is heading in the right direction, the team are executing on all strategic objectives including innovating with new products and services for new market verticals, increasing the recurring revenue segment, retaining core talent and bringing on some amazing new team members who will contribute to DXN’s growth. We have made significant strides this quarter in executing on our objectives and are in the process of finalising a significant number of opportunities in our pipeline as we push towards year end.”

**Quarterly Webinar**

The Company will host an investor webinar with Managing Director Shalini Lagrutta and CFO Laila Green on Friday, 2 May 2025 at 11:00am (AEST).

Investors can register for the webinar via the link below:  
[https://us02web.zoom.us/webinar/register/WN\\_ExCKcgrbQUiAhyI6lUHuCg](https://us02web.zoom.us/webinar/register/WN_ExCKcgrbQUiAhyI6lUHuCg)

Following the presentation investors will have the opportunity to ask questions.

Investors may submit questions prior to the webinar to [melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au) or do so via the Q&A function during the webinar.

**Ends-**

This announcement was authorised for release by the Board of Directors.

For more information please contact:

**Managing Director**

**Investor Relations**

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Shalini Lagrutta

[investorrelations@dxn.solutions](mailto:investorrelations@dxn.solutions)

Melanie Singh

[melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au)

+61 4 39 748 819

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### About DXN Limited

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

The Company works with major government and blue-chip enterprise customers.

It has two core divisions:

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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## Appendix 4C

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

**Name of entity**

DXN Limited

**ABN**

46 620 888 548

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

31 March 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,050	7,727
1.2 Payments for		
(a) research and development	(25)	(69)
(b) product manufacturing and operating costs	(2,387)	(7,696)
(c) advertising and marketing	(14)	(20)
(d) leased assets	(139)	(747)
(e) staff costs	(732)	(2,341)
(f) administration and corporate costs	(559)	(1,138)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	12	26
1.5 Interest and other costs of finance paid	(104)	(327)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	117	121
1.8 Other (provide details if material)	0	(101)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,781)</b>	<b>(4,565)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(17)	(57)
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	(86)	(261)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(103)</b>	<b>(318)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	6,128
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(8)	(42)
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	(1,000)
3.7	Transaction costs related to loans and borrowings	(31)	(31)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(39)</b>	<b>5,055</b>

<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	5,096	2,984
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,781)	(4,565)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(103)	(318)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(39)	5,055

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	14
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,170</b>	<b>3,170</b>

5. Reconciliation of cash and cash equivalents 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	Previous quarter \$A'000
5.1	Bank balances	3,170	5,096
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)		0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,170</b>	<b>5,096</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	149
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<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>		

7. <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	2,000	2,000
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 <b>Total financing facilities</b>	2,000	2,000
7.5 <b>Unused financing facilities available at quarter end</b>		0
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.		
<p>A \$2.0m secured facility with Pure Asset Management to finance working capital. The interest rate (including line fee) is 11.25% p.a. plus a 2.5% establishment fee. The maturity date is 14 October 2025 and the facility is secured by a General Security Agreement over the assets of the company</p>		

8. <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)	(1,781)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,170
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	3,170
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	1.78
<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?	
<p>Answer: DXN operates under a project-based model, where net operating cash flows naturally fluctuate based on the timing of progress payments. Accordingly, the current level of cash flows is not expected to remain constant. Cash flow will continue to vary depending on project stages, milestones achieved, and the timing of customer payments. During the period, milestone payments of approximately \$500k were delayed due to circumstances outside of DXN's control. Had these payments been received as forecasted, the estimated funding runway would have increased to approximately 2.87x.</p>	
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?	
<p>Answer: No</p>	

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, DXN expects to be able to continue its operations and meet its business objectives. This expectation is based on its project-based business model, which generates revenue through progress payments tied to contractual milestones. The entity actively manages its cash flow and resources to align with project demands and has a robust pipeline of current and future projects. Additionally, the entity maintains sufficient financial and operational capacity to address short-term fluctuations and ensure long-term sustainability.

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.

## 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: 30 April 2025

Authorised by: The Board of Directors  
 (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 – eg 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.