



September 2025 Quarterly Activities Report and Trading Update

DXN Limited (“DXN” or “the Company”), a prefabricated modular data centre specialist, is pleased to provide an operational and financial update for the quarter ending 30 September 2025 (the “September Quarter” or “Q1 FY26”).

Key Highlights

- **Modular backlog orders of \$6.2 million as at 30 September 2025, supported by a growing pipeline of identified projects for FY26, contributing to a total Company backlog of \$11.9 million.**
- **Revenue for the quarter was \$0.94 million, reflecting a temporary decrease of 68.8% on the prior corresponding period (pcp), primarily due to customer-driven project deferrals. With project activity resuming and milestones scheduled for the coming quarters, revenue is expected to strengthen as deferred work is delivered.**
- **Cash balance of \$2.4 million as at 30 September 2025.**
- **Data Centre as a Service (“DCaaS”) project delivery remains on track, with site construction scheduled for completion by the end of October, marking the achievement of the final project milestone. DCaaS service fees are expected to commence from November 2026, establishing a new stream of recurring revenue.**
- **Asia-Pacific expansion strategy strengthened with the onboarding of dedicated sales and engineering talent, enhancing regional capability and positioning DXN for accelerated growth and new customer opportunities across key markets.**
- **Highly confident in delivering FY26 revenue growth, albeit 2HFY26 weighted.**

Shalini Lagrutta, Managing Director of DXN, commented, “We experienced an extraordinary convergence of events in Q1 with three major clients simultaneously deferring project work; this was an unprecedented occurrence in our operating history. This temporary revenue dip stems purely from client-side timing adjustments, not from any underlying operational weaknesses.

“Our long-term trajectory remains firmly on course. We are confident we can deliver FY26 revenue growth, although this will be skewed towards the second half of FY26. We continue to make foundational advances in market structuring, talent acquisition, and product innovation, all of which position us for significant growth.

“Our new DCaaS division is poised for a landmark milestone, with the inaugural site on the verge of going live. We have received strong validation of this project, with a client describing the site “as their best global model to date”. This powerful endorsement highlights our leadership in the DCaaS space and our ability to deliver scalable, high-value solutions that resonate with major partners eventuating into future repeat work.

“A significant portion of our efforts this quarter has been dedicated to structuring the Company for sustained success in the Asia-Pacific region. These structural enhancements will enable us to capitalise on emerging opportunities and drive regional expansion. To support our growth ambition we have bolstered our team, resulting in a meaningful increase in our sales pipeline.”

Q1 Financials

DXN closed Q1 with a healthy backlog book of \$11.9 million as at 30 September 2025 and a growing pipeline of new opportunities that provides confidence in revenue acceleration in the coming quarters. Q1 revenue was \$0.94 million, down 68.8% on pcp, reflecting timing shifts in project delivery rather than any loss of contracted revenue. Three major customer milestones were deferred, with a portion expected to be realised in Q2 as project activity has recommenced. The Company closed the quarter with a cash balance of \$2.4 million, which was temporarily affected by slower project execution and delayed milestone receipts. Cash generation is expected to strengthen as project delivery progresses, and contracted milestone payments are received.

Operating cash flow for the September quarter was \$(428,000), compared with \$60,000 in the June quarter. The movement primarily reflects a slowdown in project progress during the period, due to the combination of deferred milestone receipts and the timing of supplier payments relating to work completed in the prior quarter. Notwithstanding these timing effects, the Company maintains disciplined working capital management and prudent cost control and continues to manage cash flows and stakeholder relationships to support project delivery in future periods.

Operating highlights

Modular Data Centre revenue totalled approximately \$0.3 million during the September quarter, reflecting a temporary decrease on pcp, primarily due to slower-than-planned project progress. Activity during the quarter was impacted by delayed progress across the Globalstar, Ventia and DP World projects; however, these projects remain active with revenue now expected to be recognised in subsequent quarters as delivery momentum improves.

A key internal development has been the evolution of DXN's Strutcore product line. Originally tailored for telco solutions, the Company has invested considerable time and resources, in close collaboration with hyperscale customers with the aim to adapt the solution for broader hyperscale applications. This work aligns directly with commitments made during DXN's October 2024 capital raise and positions the Company to address a critical market need of delivering off-site build solutions for hyperscalers facing shortages in on-site resources. The Company anticipates these advancements will translate into new deals, further strengthening DXN's competitive edge.

DXN's Data Centre Operations delivered revenue of approximately \$0.7 million in Q1 FY26, a 3.7% improvement on pcp.

DXN has successfully completed site construction and installation for its first Data Centre as a Service (DCaaS). Utilities to the site including power and internet are expected to go live by the end of October once this is achieved, service fees are scheduled to commence from early November. This deployment forms part of DXN's inaugural DCaaS agreement with a US-based global satellite provider.

Related Party Payments

The aggregate payments to related parties and their associates totalled \$156,000. These payments consisted of fees, salaries and superannuation to the managing and non-executive directors.

Outlook

Q1 commenced slower than anticipated, due to unforeseen circumstances that saw project deferrals from three customers. Despite an unfavourable start the Company expects to recognise the revenue in upcoming quarters, this combined with strong activity behind the scenes, positions DXN with a clear runway for growth. The Company's \$11.9 million total backlog provides a solid foundation as it actively pursues opportunities across its core prefabricated modular segments and pursues opportunities in the DCaaS space. Together, this backlog and an increasingly active pipeline underpin the Company's confidence in delivering revenue growth in FY26, albeit weighted towards 2HFY26.

Besides business-as-usual growth in our regular product and market segment targets, a key factor of DXN's FY26 growth outlook is geographical expansion leveraging our existing global customer portfolio, specifically into Southeast Asian markets including Singapore, Malaysia and Indonesia. This will cover all products in the Modular market segment and DCaaS segment.

Current Pipeline	% of overall pipeline	No. of projects (as at 14 October 2025)
Identified	35%	26
Qualified	27%	20
Proposal or RFP Submitted	25%	19
Final Negotiations	8%	6
Verbal win/ Contracting	5%	4
Total	100%	75

Quarterly Webinar

The Company will host an investor webinar with Managing Director Shalini Lagrutta and CFO Laila Green on Monday 3 November 2025 at 9am (AEDST).

Investors can register for the webinar via the link [here](#).

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

Investors may submit questions prior to the webinar to 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.

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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 three core divisions:

1. **Modular Division** – Delivers prefabricated, scalable EDGE data centres and critical infrastructure, tailored to diverse industries including telecom, mining, defence, and subsea cable operators.
2. **Data Centre Operations** – Owns and manages data centres in Darwin and Hobart, providing colocation, monitoring, and managed hosting services.
3. **Data Centre as a Service (DCaaS)** – A capital-light “facility as a service” model, offering bespoke data centre and satellite ground station solutions with end-to-end management, maintenance, and 24/7 monitoring.

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")

30 September 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	4,021	4,021
1.2	Payments for		
	(a) research and development	(11)	(11)
	(b) product manufacturing and operating costs	(2,589)	(2,589)
	(c) advertising and marketing	(23)	(23)
	(d) leased assets	(163)	(163)
	(e) staff costs	(828)	(828)
	(f) administration and corporate costs	(722)	(722)
1.3	Dividends received (see note 3)	0	0
1.4	Interest received	14	14
1.5	Interest and other costs of finance paid	(125)	(125)
1.6	Income taxes paid	0	0
1.7	Government grants and tax incentives	2	2
1.8	Other (provide details if material)	0	0
1.9	Net cash from / (used in) operating activities	(428)	(428)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	(208)	(208)
	(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 (3 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)	0	0
2.6	Net cash from / (used in) investing activities	(208)	(208)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
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	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	0	0
3.7	Transaction costs related to loans and borrowings	(37)	(37)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(37)	(37)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,120	3,120
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(428)	(428)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(208)	(208)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(37)	(37)
4.5	Effect of movement in exchange rates on cash held	(16)	(16)
4.6	Cash and cash equivalents at end of period	2,431	2,431

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	2,431	2,431
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)		0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,431	2,431

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	(156)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

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.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	5,000	5,000
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	5,000	5,000
7.5 Unused financing facilities available at quarter end		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.		
A \$5 million secured facility has been arranged with iPartners. The facility carries an interest rate of 9.95% per annum and matures in November 2026. It is secured by a General Security Agreement (GSA) over the Darwin Property and the Darwin DC (SDC).		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(428)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,431
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	2,431
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6
<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: DXN operates a project-based model, where net operating cash flows inherently fluctuate due to the timing of progress payments. Therefore, the current level of net operating cash flows is not expected to remain constant. Cash flows will vary based on the stage and progress of projects, including milestones achieved and the timing of customer payments.	
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: No	

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: 31 October 2025

Authorised by: The Board of DXN Limited
 (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.