



28 November 2022

ASX Announcement

DXN Limited enters into Exclusive Global Distribution Licence Agreement and Exclusive Global Consulting Services Agreement with Flow2Edge Holdings I Pte Ltd

Highlights:

- DXN has entered into an Exclusive Global (excluding Australia) Distribution Licence Agreement with Flow2Edge Holdings I Pte Ltd (“Flow2Edge”) targeting the international export market for DXN data centre modules.
- Flow2Edge will pay DXN AU\$2,000,000 in exclusivity and licensing fees.
- DXN has also entered into an Exclusive Global Consulting Services Agreement with Flow2Edge to support their edge data centre operations across Asia Pacific.
- Flow2Edge will pay DXN AU\$1,500,000 in consulting fees, payable over 3 years (initial term).

The Board of prefabricated modular data centre specialist, DXN Limited (ASX: DXN) (“DXN” or “the Company”), is pleased to announce that it has entered into an Exclusive Global Distribution Licence Agreement (“EGDLA”) with Flow2Edge Holdings I Pte Ltd (“FLOW2Edge”) for the marketing and export of DXN’s modular data centre products (“DXN modules”) globally (excluding Australia). FLOW2Edge is an edge product created by FLOW Digital Infrastructure (“FLOW”) which is founded by PAG Real Assets to develop a leading digital infrastructure platform across the Asia Pacific (“APAC”) region.

Further, DXN is pleased to announce that it has also signed an Exclusive Global Consulting Services Agreement (“EGCSA”) with Flow2Edge to support their edge data centre expansion operations across APAC.

DXN’s Chief Executive Officer, Shalini Lagrutta said “The DXN team are immensely proud to partner with FLOW, a high growth and innovative digital infrastructure platform, to assist in its ambitions to grow its presence in the Edge data centre market. It’s a testament to the hard work demonstrated by the DXN team and validation of our products, solutions and customer-centricity. DXN has deployed modular data centres in 33 sites since inception with a total of 48 modules, predominantly into the Australian and Pacific markets. With this partnership, DXN will be able to expand into the high-growth APAC market with a solid partner. We are excited about 2023 and beyond.”

Amandine Wang, Chief Executive Officer of FLOW, commented, “This is an exciting opportunity for FLOW as we expand our footprint and enhance our capabilities to better serve our customers. This strategic partnership will enable us to leverage DXN’s superior Edge data centre design and construction expertise, allow us to efficiently manage our supply chain, and deliver EDGE-as-a-Service in the APAC region with the

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desired speed to market. This is a milestone for FLOW as we continue to invest in digital infrastructure to meet the rapidly growing demand across our markets.”

Transaction Summary

DXN has entered into an EGDLA with FLOW2Edge targeting the international export market for DXN data centre modules. Flow2Edge will pay DXN AU\$2,000,000 in exclusivity fees for an initial 10 year agreement for worldwide (excluding Australia) exclusivity for the marketing and distribution of DXN Modules.

During the first 12 months of the EGDLA, commencing 180 days from signing, FLOW2Edge must place orders with DXN for a minimum of ten (10) DXN modules.

DXN has also entered into an EGCSA with FLOW2Edge to support their edge data centre operations across Asia Pacific. FLOW2Edge will pay DXN AU\$1,500,000 in consulting fees, payable over 3 years, which is the initial term, which can be mutually extended after the initial term.

A summary of key terms and conditions of the EGDLA and EGCSA are set out in the Appendix to this announcement.

Background on FLOW Digital Infrastructure

As set out in the Company’s ASX announcement of 17 October 2022, FLOW Digital Infrastructure is a PAG managed platform founded to develop a leading digital infrastructure platform across the Asia Pacific region. FLOW2Edge, as the edge product of FLOW, is to be funded through capital resources of PAG managed funds. The platform has been set up to invest in and operate key physical assets that constitute the digital infrastructure ecosystem, including cloud, hyperscale, edge and enterprise data centres as well as network and fibre assets.

FLOW believes the Asia Pacific region is currently underinvested in digital infrastructure and an opportunity exists to address gaps in the digital ecosystem. The region has substantial runway for growth underpinned by emerging market demand, core data centres, fibre networks and edge computing.

FLOW was founded by PAG and Kris Kumar (Chairman of FLOW), a pioneer in digital infrastructure in the Asia Pacific region, with three decades of experience in investment, development and operations. PAG is a leading Asia Pacific focused investment firm with US\$50 billion in assets under management and US\$2 billion in existing data centre investments. FLOW is led by a team which comprises of senior executives with decades of industry experience and deep expertise across the digital infrastructure ecosystem. The team has a proven track record across the region in investment, site selection, design, build and operation, and the building of successful joint ventures.

FLOW has plans to invest US\$10 billion in digital infrastructure over the next several years.

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About DXN Limited

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

The Company 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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ASX Release authorised by the Board

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APPENDIX: KEY TERMS AND CONDITIONS

Term of Agreements	<p>EGDLA includes an initial term of 10 years.</p> <p>EGCSA includes an initial term of 3 years.</p>
Commercial Terms	<p>EGCSA with AU\$2,000,000 payable for exclusivity outside Australia within the initial term. Exclusivity does not apply to Australian government or military entities and allows DXN to provide modules to any international clients that FLOW2Edge is either unable or unwilling to service.</p> <p>Minimum commitment to purchase 10 DXN modules per year commencing 180 days after signing in order for FLOW2Edge to retain exclusivity.</p> <p>Invoicing of module fees based on progress or milestones being achieved.</p> <p>EGCSA for AU\$1,500,000 payable over three years.</p>
Termination	<p>Both the EGDLA and EGCSA include standard termination provisions for breach, force majeure, insolvency and change of control. The EGDLA also allows DXN to terminate for FLOW2Edge's failure to meet its minimum purchase commitment and FLOW2Edge to terminate for convenience on 3 months' notice once it has placed orders for at least 10 DXN Modules.</p> <p>The EGCSA also allows FLOW2Edge to terminate if any of the consulting resources are not replaced within the required timeframe or the distribution agreement is terminated.</p>

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