

AGM PRESENTATION

28 November 2022

DXN Limited (ASX: DXN)

This document has been approved by the board of DXN Limited

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CEO ADDRESS

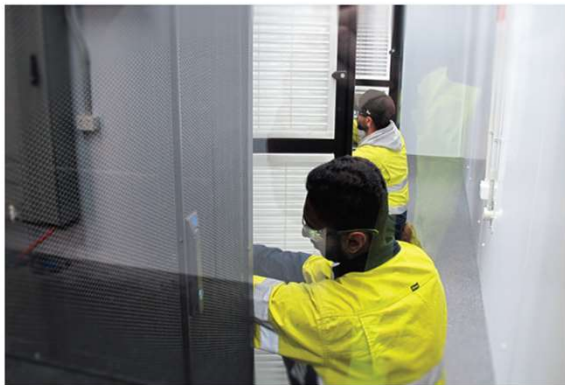
Ms. Shalini Lagrutta



DXN Limited Business Today:

DXN Limited (DXN) owns, operates, designs and manufactures purpose-built data centres that bring critical communication infrastructure closer to where users need it. At DXN we believe in challenging the status quo as to how traditional modern data centres enable the edge.

As the only vertically integrated data centre provider in Asia-Pacific (APAC), DXN have entry into both traditional data centre facilities and complete standalone prefabricated data centre solutions.



DXN Modules

DXN Data Centre Facilities

BUSINESS STREAMS

DXN Modules

Our data centre modules are turnkey prefabricated solutions that are scalable, purpose built and can be rapidly deployed globally. DXN Modules can be used for a number of applications including Edge Data Centres, Cable Landing Stations, Telecommunications Facilities and Communication Equipment Rooms. DXN can deploy customised data centre capacity to meet any technical specifications for commercial colocation class facilities and edge deployments.

Our Uptime Institute TIER III and IV certified design awards also allow for personalisation of your data centre requirements in a more scalable and modular cost-effective way. Full maintenance and support options are also available.



HIGHLIGHTS OF DXN MODULES

- ✓ Every solution is custom designed for specific customer requirements.
- ✓ Designed for any Uptime TIER Level – TIER III Concurrently Maintainable designs or TIER IV 'Fault Tolerant' design with no single point of failures.
- ✓ Complete in-house design, engineering and manufacturing by the DXN Team.
- ✓ Vendor agnostic designs that allow customers to choose the vendors they prefer.
- ✓ Accelerated time-to-market, less than 24 weeks for a typical project delivered to site.
- ✓ Robust high-quality solution designed and built by our Australian based engineering and manufacturing team.
- ✓ Designed and manufactured to last over 20 years in the harshest environments.
- ✓ Modular and scalable design allows the customers to keep the initial CAPEX low and scale as and when needed.
- ✓ Both remote and on-site maintenance and support.



Hyperscale and Edge

- 1-10MW Deployment
- 200-2000 Racks
- Modular Solution that allows scale
- 6 Month Build to any Tier
- Co-Own and Operate Options



Telco and Government

- Edge Deployment
- 20kW to 1MW
- 5-200 Rack
- 16 Week Build
- Co-Own and Operate
- Satellite earth stations



Cable Landing Stations

- Prefabricated specifically for the submarine cable industry
- Rapid Deployment in 90 days
- Highest Quality factory built Surface Protection C4M Standard
- Seismic Rating Zone 4
- Cyclone 5 Rating



Mining

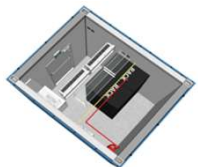
- Purpose Built
- High Quality Australian design and build
- Dark Site Management
- Rugged and Resilient
- Custom Designed



Micro DC

- Plug and play, fully integrated solution
- Combining UPS, cooling, security, monitoring and HMI.
- Ideal for enterprise
- 5G and Edge telco sites where there is a need for solutions closer to the end user.

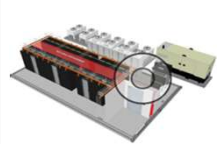
MODULE SIZES OVERVIEW:



E1 Module
(2 Rack
MicroDC)



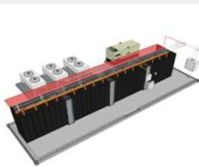
A1 Module
(10 Rack
Module)



2 x C1
Module
(20 Rack
Module)



D1 Module
(6 Rack
Module)



C1 Module
(15 Rack
Module)



4 x C1
Module
(50 Rack
Module)



Modular Designs: DXN Modules can be fully custom designed from a 2-rack solution up to 50 racks catering for various Edge deployment strategies, fully ready for rugged outdoor applications.



Expansion: One option is to completely duplicate the module alongside the first when the customer is ready for expansion. The second option is to build a larger module to support the future rack space Day 1 and expand on power and cooling in a modular way.

BUSINESS STREAMS

DXN Colocation and Cloud

The DXN Data Centre network currently sits at three facilities in Australia and are highly connected to other providers. DXN offers a range of co-location and Cloud Space Capacity for Production or DR solutions. Our cloud offering includes Public, Private and Hybrid Cloud options with build easy Hybrid Cloud environments allowing easy burst out from existing deployments with proven redundant and non-blocking cloud architecture implemented with customers in US and Australia. DXN Co-location facilities offer high speed and flexible networking options, with no charges for Cross Connects.

Colocation Cloud Offerings:

- | | | |
|----------------------------|--------------------------|----------------------|
| ✓ Co-location | ✓ Virtual Machines | ✓ Micro PoP |
| ✓ Cross Connects | ✓ Block Storage | ✓ Private Cloud |
| ✓ Virtual Network Products | ✓ SDN/Virtual Networking | ✓ Bare Metal Servers |
| ✓ Cloud Interconnects | ✓ Object Storage | ✓ GPU Infrastructure |
| ✓ Remote Hands | ✓ Reseller Portals | ✓ Public Networking |

Data Centre Business Unit are non-core business to DXN going forward as non-binding offers have been received.

DXN Data Centre Facilities

DXN-TAS01



Our Tasmanian facility is highly secure, always growing, and the only private sector data centre in the state. TAS01 is a government accredited DC and currently provides services to the Tasmanian Government and is one of three commercial DCs in Tasmania.

DXN-SYD01



Our Sydney Data Centre is conveniently located in the heart of Sydney Olympic Park and we can offer your own secure module in our data centre – a data centre within a data centre! Our facility is reliable – Uptime Institute certified and has connectivity to other major data centres via a selection of carriers.

SDC DARWIN



Currently, SDC Darwin is the only continuously maintainable data centre in the Northern Territory of Australia. SDC Darwin provides services to the NT, Federal governments and multinationals along with several managed service providers, telecommunications, and enterprise customers.

Executive Summary

Three years of strong sales progress

Financial

Revenue growth from \$1.4m in FY19 to \$16m in FY22

- Underpinned by strong Data Centre Manufacturing sales
- Increased Data Centre Operations revenue

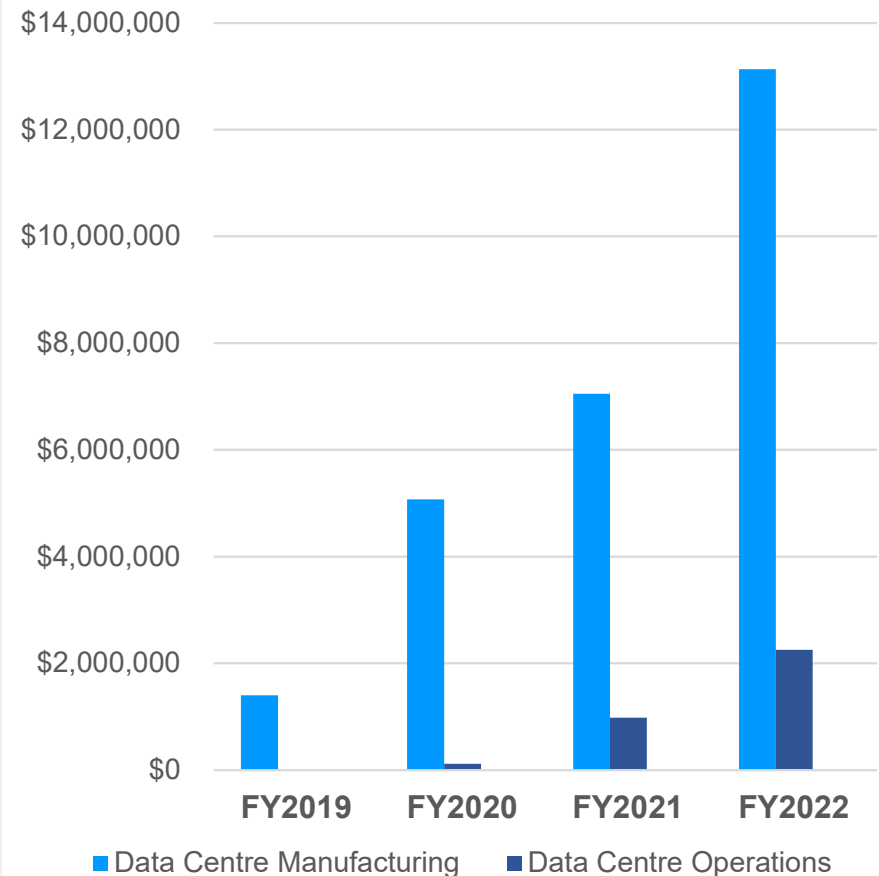
Data Centre Manufacturing

- Data Centre Manufacturing is a profitable Operating Segment
- Profit before tax of \$1.1m in FY22 up from \$850k in FY21

Data Centre Operations

- Total Data Centre Revenue for FY22 at \$2.3m up from \$1m in FY21
- SYD01
 - Introduced DXN Cloud to our Sydney data centre
 - Additional rack and cloud growth on the back of new cloud product offering
- TAS01
 - TAS01 and SDC Darwin revenues are tracking as per forecast

DXN Customer Revenue



FY22 Key Highlights

Key Projects Delivered

DXN completed delivery of the following modular data centre projects in FY22:



Edge module



Cable Landing Station



Palau Cable Landing Station



Centre of National Resilience (Perth)
- main data centre and communication modules



Second and third edge
data centre deployment



Edge module



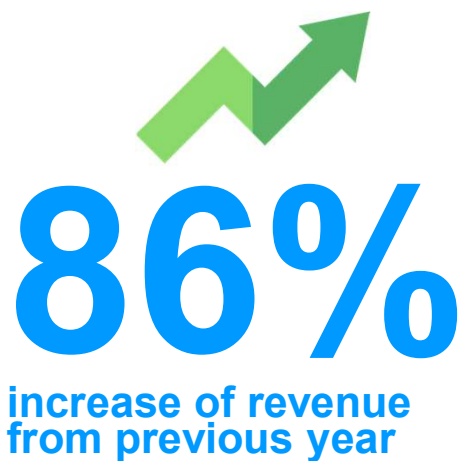
Palau Cable Landing Station



Edge Data Centre

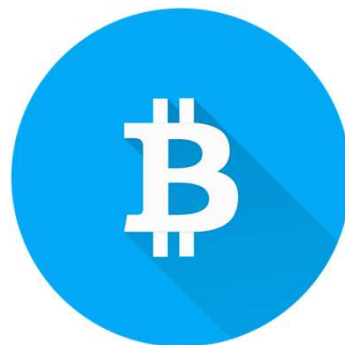


Global internet customer modular data
centre design project



Growth of Revenue in FY22

DXN in FY22 recorded it's best year to date with \$13.1m of revenue from the modules business, up 86% from prior year. Further the divisional profit increased 27% to 1.1m.



New Products

During FY22, DXN has also successfully designed, built and market tested new products for the modular manufacturing business focused on telco and crypto hosting solutions which has enabled DXN to enter the telco market in Australia.

Breakthrough Key Customers

In Q2 FY23, DXN received the following design orders:



(DCE) Modular data centre design order



Modular data centre design order

Typically, module orders will be received for these projects once design is complete.



DXN launched its Cloud product in partnership with **OrionVM**, an Australian based cloud solution provider in SYD01. Following this, DXN has also received new data centre orders for rack and cloud services for SYD01 from an international hosting company for a **36 month** term, for a total of **~\$450k** for the term. DXN also has further 36 month contract with OrionVM for fiber services for **~\$170k** for the term.



Further in Q2 FY23, DXN Perth team achieved their **ISO certification** for **ISO9001:2015** (*quality management systems*), **ISO14001** (*environmental management systems*), **ISO45001** (*occupational health and safety*).

Looking Forward

Corporate activity in FY23

August 2022 DXN received an approach by Flow Digital for the purchase of all its businesses (data centre manufacturing and data centre operations). In September 2022 the proposal was amended to include just the data centre manufacturing business.

In October 2022 it was announced that this transaction would not proceed after a significant condition precedence was not fulfilled.

As announced to the market on 28 November 2022, DXN has signed a licencing and distribution contract with Flow Digital for the manufacture of data centre modules for the international export market. Flow will pay \$2m in exclusivity licensing fee. The contract will grow the company's pipeline significantly, including a minimum of 10 modules per year.

Also announced to the market on 28 November 2022, DXN has signed a consulting agreement to support Flow's Edge data centre operations across APAC, generating \$1.5m in fees over three years.

Further details and key terms are in our ASX Announcement dated 28th November

Strategic Shift

- On 31 October 2022, DXN announced to the market that it is considering strategic options to sell its data centre assets, thereby removing debt, recapitalising the business and focusing on a positive EBIDTA modular data centre manufacturing business going forward.
- DXN has received non-binding indications of interest to acquire its data centre assets and negotiations are being progressed.

Growth and Focus

- With a strong Australian pipeline, and a solid distribution partner in APAC with Flow, DXN expects growth in the data centre manufacturing business in 2023.

DXN and Flow Partnership

Reach: DXN access to the APAC data centre market opens up

Resourcing: DXN and Flow can divide and conquer

Focus: DXN focuses on what it does best, innovation and build while leveraging Flow's reach.

Innovation in Go to Market Strategies: Edge-as-a-Service

Recurring Revenue: Flow DXN partnership introduces consistent modules order business for DXN, further revenue from consultancy services provided by DXN

Sustainability: Flow is committed to Sustainability in the data centre space and will be working on solution development in this space with DXN

Exclusive Global Distribution License Agreement

- 10-year term (renewal by mutual agreement)
- Exclusivity territory: worldwide, excluding Australia and Excluded Entities
- Flow has a Minimum Order Commitment of placing orders for at least 10 modules in any rolling 12-month period
- Exclusivity fee: AUD2M (payable upon signing of EGDLA)
- Favourable payment terms for production

Exclusive Global Consulting Services Agreement

- 3-year term (renewal by mutual agreement)
- DXN to provide consulting services to Flow in APAC
- Fee: AUD1.5M (Initial Term Fixed Consulting Fees)

Flow Digital Infrastructure

Investor, developer and operator of digital infrastructure in Asia Pacific

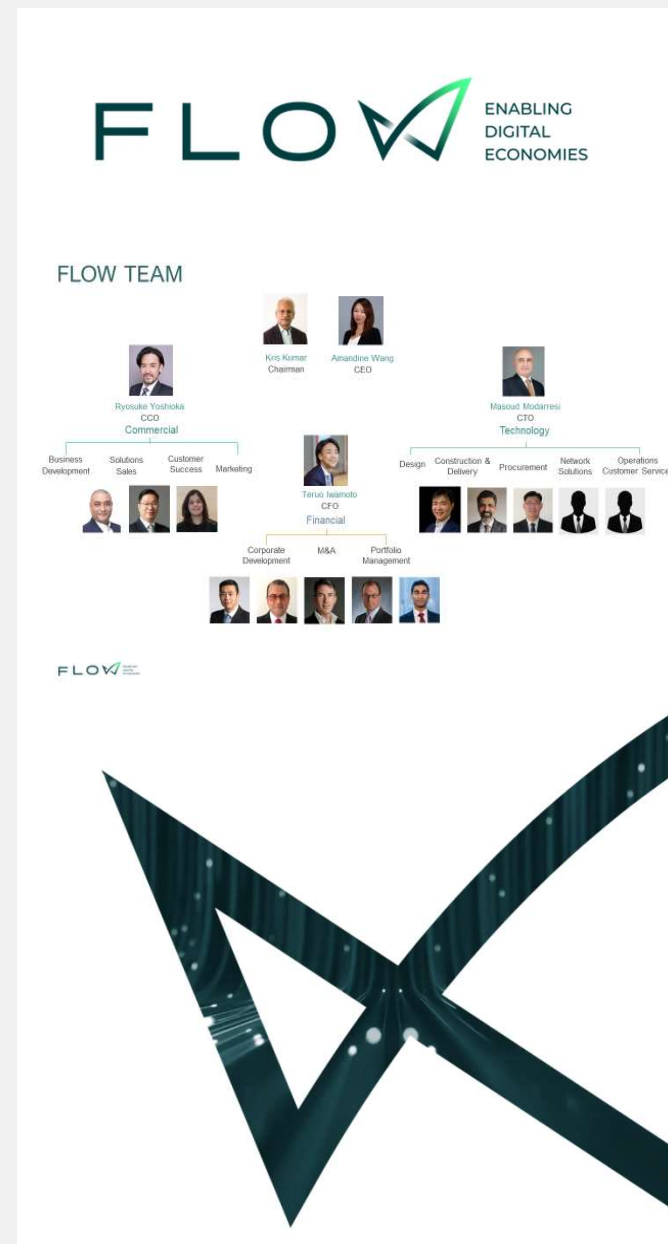
- Asia-Pacific digital infrastructure platform targeting mature and emerging markets in ASEAN, India and China
- Acquisition, development, operation, and repositioning of physical assets across the digital infrastructure ecosystem

Addressing gaps in the digital ecosystem and growth opportunities in emerging Asia

- Asia-Pacific is under-invested in digital infrastructure and can be a "bottle neck" for hyperscale operators and end-users
- The region is fragmented with no dominant operators, and with significant disparity between Tier 1 and emerging markets
- The industry has substantial runway for growth, underpinned by emerging market demand, core data centers, fiber networks and edge computing

Best-in-class team sponsored by leading Asian private investment manager

- Supported by PAG, a leading Asia-Pacific focused investment firm with **USD50B in AUM** and **USD2B** in existing data center investments
- FLOW has well-laid plans to invest **USD10B** in Digital Infrastructure over the next 5-7 years
- Senior executives with decades of industry experience and deep expertise across the digital infrastructure ecosystem
- The FLOW team has a proven track record across the region in investment, site selection, design, build and operation, and the building of successful joint-ventures



The Future of Digital Infrastructure

Customers will require infrastructure flexible enough to rapidly deploy any workload, anytime and anywhere.

To meet this need, we need smaller data centres that are:

EASY



ANYWHERE



SUSTAINABLE



REMOTELY MANAGED



Edge Data Centres in APAC

First to Market

**APAC Edge DC
market is
non-homogenous**

**Private Equity
Investment in the
Region**

Edge DC's in APAC

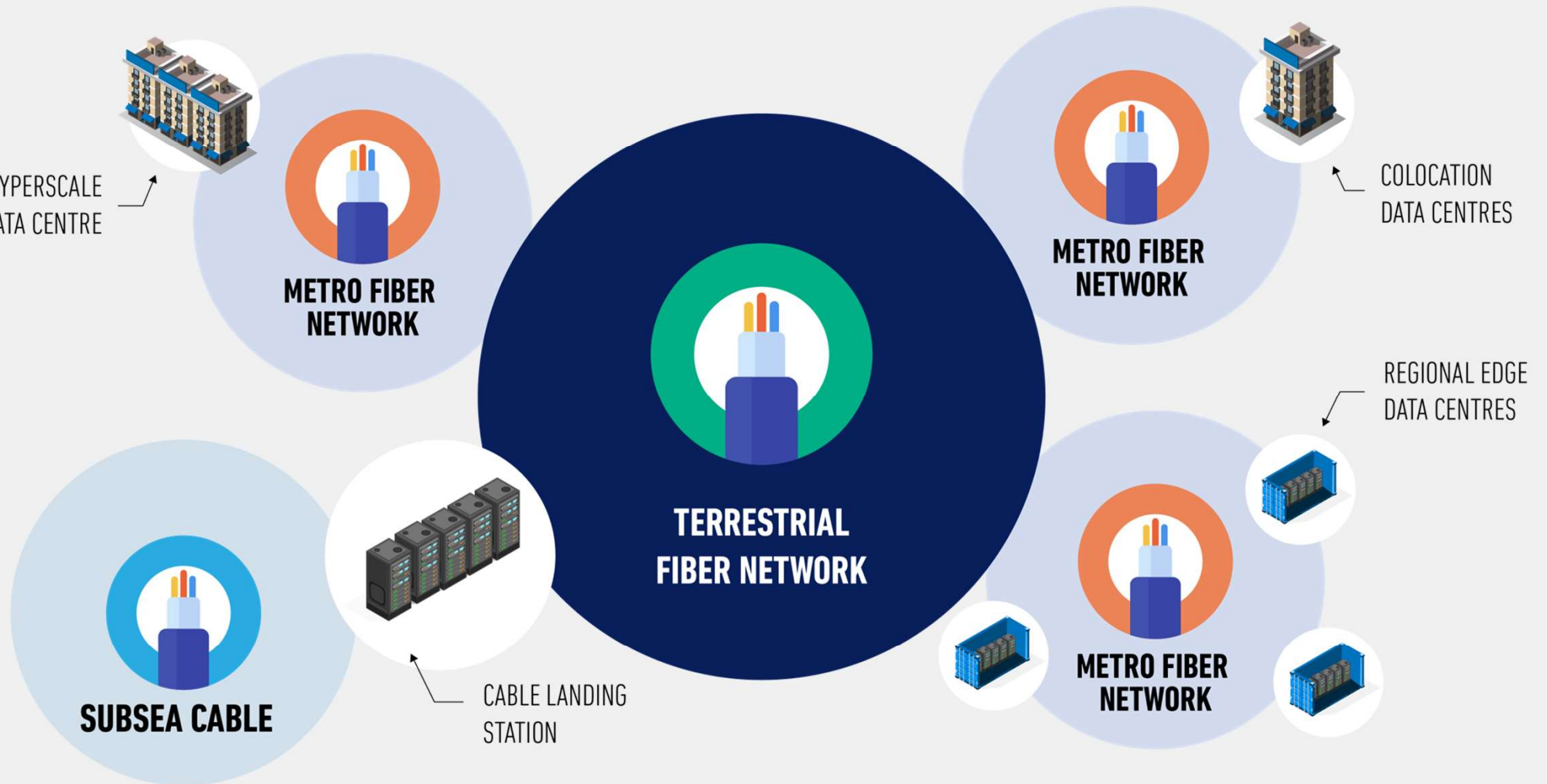
1. On-prem onsite DCs
2. Regional DCs

Business Model

1. White-space as a service
2. Standardised modular data centre builds for global internet companies

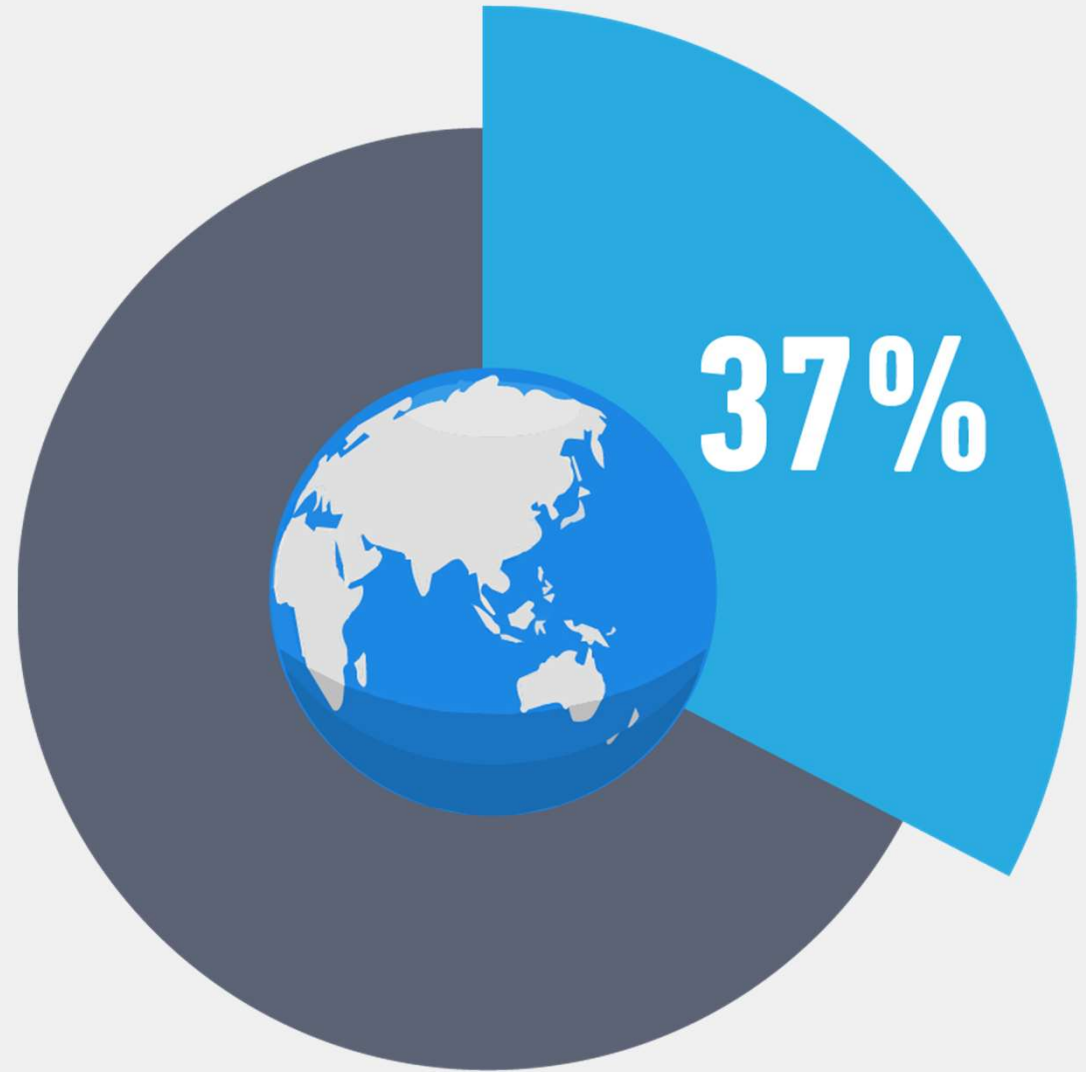
**The metamorphosis
of the humble Cable
Landing Station
(CLS)**

Digital Infrastructure Ecosystem



“APAC” Edge Adoption

It is forecasted that 37% of the global Infrastructure Edge footprint will be in Asia Pacific.



SOURCE: State of the Edge 2021: A Market and Ecosystem Report for Edge Computing



THANK YOU



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APPENDIX

DXN - Current Deployment Locations

Key

Existing DXN Data Centre Facilities

- 1 Sydney
- 2 Tasmania
- 3 Northern Territory
- 4 Perth

DXN Modules

- | | |
|--------------------------------|---------------------------------|
| 4 AGIG | 15 Venues West |
| 5 Teletok | 16 AHG |
| 6 SpeedCast | 17 SubCo |
| 7 Telcom Niue | 18 Boeing |
| 8 Avaroa Cable Limited | 19 Covalent Lithium |
| 9 Southern Cross Cable Network | 20 Streamline Connect |
| 10 SES Networks | 21 Newcrest Mining |
| 11 Speedcast Project 2 | 22 SISCC |
| 12 Synergy | 23 Wingu Africa Edge DC and CLS |
| 13 Rolute | 24 BSCC Palau |
| 14 SES Networks Project 2 | 25 Multiplex |



DXN Modules Customers and Market Segment

Mining						
Energy						
Gas						
Cable Landing Station						
Defence						
Telecommunications						
Government						
Edge DC						

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