



December 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 31 December 2025 (the “December Quarter” or “Q2 FY26”).

Key Highlights

- **Modular backlog orders of \$10.7 million as at 27 January 2026, supported by a growing pipeline of identified projects, contributing to a total Company backlog of \$15 million.**
- **Revenue for the quarter was \$1.74 million, reflecting a decrease of 63% on the prior corresponding period (pcp), primarily due to customer-driven project deferrals.**
- **Cash balance of \$1.7 million as at 31 December 2025.**
- **First Data Centre as a Service (“DCaaS”) service fees were received in the quarter, establishing a new stream of recurring revenue.**
- **Secured \$3.9 million of project work for customers including APTelecom.**
- **Further execution towards growth strategy in Asia Pacific with the establishment of a strategic, non-binding Memorandum of Understanding (MOU) (accompanied by a shareholder agreement) to establish a joint venture (JV) with Super Sistem Indonesia (SSI).**
- **The Company continues to target revenue growth in FY26, with contributions expected to be weighted toward 2H FY26.**

Shalini Lagrutta, Managing Director of DXN, commented, “We remain confident that revenue growth will be achieved in FY26. While the softness in the first half of the financial year, driven by delays in project progression, has been disappointing, we expect to convert approximately 65% of our backlog into revenue over the next two quarters. As we continue to execute on our strategy, we believe this positions the Company for a return to sustainable top-line growth over the coming years.”

“Asia Pacific is a core region of our growth and last week we made strides towards growing as a prefabricated modular specialist in the region with the signing of an MOU and accompanying shareholder agreement with SSI. This development is important as it delivers an opportunity to localise operations, reduce barriers, secure a local partner, and tap into one of Southeast Asia's fastest-growing digital markets, directly supporting DXN's growth objectives.”

Q2 Financials

DXN closed Q2 with a healthy backlog book of \$14.5 million as at 31 December 2025 and a growing pipeline of new opportunities that provides confidence in revenue acceleration in the coming quarters. Q2 revenue was \$1.7 million, down 63% on pcp, reflecting client project deferrals rather than any loss of contracted revenue. The Company closed the quarter with a cash balance of \$1.7million, 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 in 2H FY26.

Operating cash flow for the December quarter was \$(666,337), compared with \$(427,620) in the September quarter. The Company has observed a slowdown in project progress during the first half of

FY26, however expects activity to improve in the second half of the financial year and continues to manage customer relationships to support project delivery in future periods.

Operating highlights

Modular Data Centre revenue totalled approximately \$1.3 million during the December quarter, reflecting a temporary decrease on pcp, primarily due to slower-than-planned project progress. Modular revenue for the quarter was largely supported by progress with the Globalstar and AP Telecom projects.

The Company secured \$3.9 million of project work during the quarter, including a \$1.4 million Edge Data Centre contract and a \$1.8 million contract for AP Telecom, contributing to the Company's FY26 revenue pipeline. Projects target completion by end of June 2026, boosting Asia-Pacific presence and growth outlook.

DXN's Data Centre Operations delivered revenue of approximately \$0.6 million in Q2 FY26, a 1% improvement on pcp.

During the quarter, DXN completed its first Data Centre as a Service (DCaaS) site and commenced operations. Civil works and utility installations (power and fibre) were completed during the period. Subsequent to quarter end, the final 30% milestone invoice was issued following satisfaction of the applicable contractual conditions. Following quarter end the customer commenced installation of its onsite equipment. Initial service payments have been received, consistent with the commencement of DCaaS services. DXN continues to support the customer in progressing commissioning activities and resolving minor outstanding items.

Related Party Payments

The aggregate payments to related parties and their associates totalled \$661,000 for the quarter. These payments comprised fees, salaries, superannuation and FY25 annual bonus paid to the CFO, managing and non-executive directors. The level of related-party payments for the quarter reflects the timing of these payments.

Outlook

Q3 FY26 has started strongly, with the signing of an MOU with SSI and associated shareholder agreement) to establish a Joint Venture (JV). The MOU and JV will be instrumental in aiding DXN's growth objectives. The MOU positions DXN to capture a share of Indonesia's booming data-centre infrastructure sector, enhancing overall growth prospects, market diversification, and scaling DXN's international expansion.

DXN's FY26 growth outlook is underpinned by geographical expansion leveraging its existing global customer portfolio and continued execution of its Asia-Pacific growth strategy. This expansion targets key Southeast Asian markets, including Singapore, Malaysia, and Indonesia, across the Modular and Data Centre as a Service (DCaaS) segments, and includes a strategic, non-binding MOU, together with a shareholder agreement, to establish a joint venture in Indonesia with Super Sistem Indonesia (SSI).

Current Pipeline	% of overall pipeline	No. of projects (as at 27 January 2026)
Identified	34%	27
Qualified	35%	28
Proposal or RFP Submitted	22%	18
Final Negotiations	5%	4
Verbal win/ Contracting	4%	3
Total	100%	80

Quarterly Webinar

The Company will host an investor webinar with Managing Director Shalini Lagrutta and CFO Laila Green on Friday 30 January 2026 at 11am (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.

For more information please contact:

Managing Director

Shalini Lagrutta

investorrelations@dxn.solutions

Investor Relations

Melanie Singh

melanie@nwrcommunications.com.au

+61 4 39 748 819

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>.

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 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,158	6,179
1.2 Payments for		
(a) research and development	(13)	(25)
(b) product manufacturing and operating costs	(629)	(3,221)
(c) advertising and marketing	(20)	(43)
(d) leased assets	(176)	(339)
(e) staff costs	(1,362)	(2,190)
(f) administration and corporate costs	(600)	(1,322)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	11	25
1.5 Interest and other costs of finance paid	(125)	(250)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	2
1.8 Other (provide details if material)	90	90
1.9 Net cash from / (used in) operating activities	(666)	(1,094)
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	(376)	(584)
(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)	0	0
2.6	Net cash from / (used in) investing activities	(376)	(584)

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	338	338
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	6	(32)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	344	306

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,431	3,120
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(666)	(1,094)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(376)	(584)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	344	306
4.5	Effect of movement in exchange rates on cash held	(5)	(20)
4.6	Cash and cash equivalents at end of period	1,728	1,728

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	1,727	2,430
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other- 31 and 60 day notice bank account	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,728	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. This includes Director, CEO and CFO remuneration including FY25 bonus.	(661)
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. Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.	<p>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).</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(666)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,728
8.3 Unused finance facilities available at quarter end (item 7.5)	0
8.4 Total available funding (item 8.2 + item 8.3)	1,728
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.6
<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: n/a	
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: n/a	
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: n/a	
<i>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.</i>	

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: 29 January 2026

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.