



29 January 2026

# Quarterly Activities Report

For the quarter ending 31 December 2025

NEXION Group Ltd (NEXION or Company) (ASX: NNG) is pleased to present its activities report for the second quarter of the 2026 financial year.

During the quarter, Nexion Group completed the sale to Pier DC Pty Ltd (ACN 603 333 599) of 100% of the share capital in Nexion Networks Pty Ltd (ACN 617 824 923) and Blue-Sky Telecom Pty Ltd (ACN 163 443 463) for consideration of \$4.55M (Networks Sale) on November 17, 2025. Consequently, receipts from customers of those businesses were booked for only half of the quarter.

From mid-November, Nexion Group focused on its now core businesses of:

- Data centre operations and infrastructure management;
- Sales, delivery and support of the FuseAI agentic digital twin and predictive analytics software platform.

Nexion's recurring revenue from post-completion of the Networks Sale consists of two vendor finance repayments and a data centre maintenance contract that total \$42,567 per month. The principal amount of the vendor finance loans at implementation total \$2,879,500 and earn 9% interest per annum.

The operations team has transitioned to Pier DC and Nexion Group is focused on building a new team in Perth to drive sales revenue from technical infrastructure maintenance contracts and the infrastructure performance optimisation and the FuseAI software platform.

In the second half, Nexion will apply the FuseAI software platform to the Belmont Data centre, delivering a digital twin that monitors, rack occupation, cooling, heat dissipation, power consumption, security video analysis and network utilisation. On completion this will become a core vertical market solution that Nexion offers to the booming global data centre industry.

Nexion prepared submissions to the ASX for approval to re-commence trading of NNG shares on the exchange. That process is expected to conclude during February 2026.

## **Payments to Related Parties in Appendix 4C**

The ASX Appendix 4C for the quarter reflects no payments to related parties in item 6.1.

## **Summary of the expenditure incurred on the activities during the quarter:**

Product manufacturing and operating costs: \$187,000

Staff costs: \$101,000

Administration and corporate costs: \$120,000

## **About NEXION Group Ltd**

NEXION Group Ltd is a leading technology provider delivering infrastructure performance optimisation software and associated management services. The Company delivers advanced software for industrial asset management, integrating cutting-edge AI and business intelligence tools to enhance enterprise efficiency and data-driven decision-making.



[www.nexiongroup.io](http://www.nexiongroup.io)

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This announcement has been authorized by the Board of NEXION Group Ltd.

## Appendix 4C Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Nexion Group Ltd

**ABN**

48 628 415 887

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

31 December 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	475	1,360
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(187)	(811)
(c) advertising and marketing	(0)	(1)
(d) leased assets	-	-
(e) staff costs	(101)	(305)
(f) administration and corporate costs	(120)	(525)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	55	55
1.5 Interest and other costs of finance paid	(0)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>122</b>	<b>(228)</b>

**Note:**

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(g) entities	-	200
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	12	12
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other (deconsolidation of entities)	(58)	(58)
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(46)</b>	<b>154</b>

<b>3. Cash flows from financing activities</b>		
<b>3.1</b> Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
<b>3.2</b> Proceeds from issue of convertible debt securities	-	240
<b>3.3</b> Proceeds from exercise of options	-	-
<b>3.4</b> Transaction costs related to issues of equity securities or convertible debt securities	-	-
<b>3.5</b> Proceeds from borrowings	-	-
<b>3.6</b> Repayment of borrowings	(77)	(177)
<b>3.7</b> Transaction costs related to loans and borrowings	-	-
<b>3.8</b> Dividends paid	-	-
<b>3.9</b> Other (cash balance of acquired entity at date of acquisition)	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>(77)</b>	<b>63</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</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	37	47
4.2	Net cash from / (used in) operating activities (item 1.9 above)	122	(228)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(46)	154
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(77)	63
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>36</b>	<b>36</b>

**Note:**

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
	<b>31 December 2025</b>	<b>30 September 2025</b>
5.1 Bank balances	36	37
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>36</b>	<b>37</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
The amount in item 6.1 relates to directors' fees and other consulting fees paid for the quarter.	
<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>	

<b>7. 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 – Convertible Notes	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	-	-
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	122
8.2 Cash and cash equivalents at quarter end (item 4.6)	36
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	36
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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	
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.	

**9. Additional Disclosure**

**Convertible Notes**

All of the convertible notes were issued with the same terms and conditions.

Refer to the announcement on 18 June 2024 titled "NNG Convertible Note Finance".

The purpose of the issue is to raise funds to contribute to costs incurred for a proposed acquisition as first announced on 23 April 2024 (Proposed Transaction).

Nexion may elect to repay the Convertible Notes in cash at any time prior to maturity.

The Convertible Notes are unsecured, mature on 31 May 2026 and attract interest at 10% per annum.

Interest is payable at the earlier of:

- 1) maturity of the Convertible Notes;
- 2) conversion of the Convertible Notes; and
- 3) upon the early repayment of the Convertible Notes by Nexion prior to maturity, at Nexion's election.

The Convertible Notes are, subject to shareholder approval, convertible into the Conversion Securities (defined below) at the election of the Noteholder, subject to:

- 1) Nexion obtaining shareholder approval for the issue of the Conversion Securities;
- 2) ASX not objecting to the conversion of the Convertible Notes; and
- 3) either:
  - a) Nexion confirmation that the Proposed Transaction will not occur; or
  - b) The Proposed Transaction does not occur by the date of maturity.

On conversion, the Noteholder will receive fully paid ordinary shares in Nexion (Shares) calculated as the total face value of the Convertible Notes divided by \$0.10 (Conversion Shares). In addition, the Noteholder will receive 4.25 free-attaching options exercisable at \$0.001 each and expiring on 30 June 2026 for every one Conversion Share issued on conversion of the Convertible Notes (Conversion Options).

The Conversion Shares and Conversion Options are collectively referred to as the Conversion Securities

During the quarter, all Convertible Notes on issue were terminated pursuant to a deed of termination and release with the holders of the Convertible Notes and Pier DC Pty Ltd. Pier DC Pty Ltd effectively assumed responsibility for the liabilities created by the Convertible Notes. Refer to announcement on 17 November 2025 titled "NNG Sale of Networks Business Completion 17-Nov-25".

**Sales of Subsidiaries**

Nexion W1 DC Pty Ltd was disposed of on 23 July 2025, while Nexion Networks Pty Ltd and Blue Sky Telecom Pty Ltd were disposed of on 31 October 2025. Cash balances held by the disposed entities were derecognised on deconsolidation and are presented in item 2.5 – Other (deconsolidation of entities).

Vendor financing loan receivables form part of the consideration are classified under item 2.3 – Cash flows from loans to other entities, with related interest receipts classified under item 1.4 – Interest received.

## 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: By the board  
(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 – e.g., 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.