



NEXION Group

NEXION GROUP LTD

ACN 628 415 887

ASX APPENDIX 4D AND INTERIM FINANCIAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2025

Results for announcement to the market

Reporting Periods

- Current period: Six-month period ended 31 December 2025
- Previous corresponding period: Six-month period ended 31 December 2024

	Percentage Change		31 December 2025 \$	31 December 2024 \$
Revenue and net profit				
▪ Revenue from continuing operations	N/A	to	57,362	-
▪ Revenue from discontinued operations	(37%)	to	1,230,194	1,943,780
▪ Loss from continuing operations	37%	to	(78,778)	(582,922)
▪ Profit from discontinued operations for the year	7,651%	to	6,377,049	82,269
▪ Net profit/(loss) attributable to owners	1,358%	to	6,298,271	(500,653)

Dividends

No dividends have been paid or declared since the start of the financial half-year by the Company. The directors do not propose to pay either a final or an interim dividend. The Company does not have a dividend reinvestment plan.

	Percentage Change		31 December 2025 (cents)	31 December 2024 (cents)
Net Tangible Assets (NTA) per Security Dividends				
NTA backing per ordinary share *	158%	to	1.079	(1.864)

* Right of use assets and lease liabilities are included in the calculation.

Operating results

Commentary of the half year financial results for the six months ended 31 December 2025 is contained on page 4 of the Interim Report included with this announcement. The half-year report should be read in conjunction with the most recent annual report.

Gain or Loss of Control over other Entities

The Company disposed of its controlling interest in Nexion W1 DC Pty Ltd on 23 July 2025 and its controlling interests in Blue Sky Telecom Pty Ltd and Nexion Networks Pty Ltd on 31 October 2025. As a result of these transactions, the Company lost control of each entity on the respective completion dates, and the financial results of these subsidiaries have been consolidated up to the date control ceased. The subsidiaries were wholly-owned entities and were 100% disposed of during the period.

Details of associates

The Company did not have any associates or participate in any joint ventures during the half year ended 31 December 2025.

Compliance Statement

This report is based on the attached half-year financial report which has been reviewed by our auditors.



NEXION Group

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INTERIM CONSOLIDATED FINANCIAL REPORT

31 December 2025

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Corporate Directory**Current Directors**

Peter Christie	<i>Executive Chairman</i>
John Bell	<i>Executive Director</i>
Christopher Daly	<i>Non-Executive Director</i>

Company Secretary

Jack Toby

Registered Office

Street: Level 1, 1 Altona Street
West Perth WA, 6005

Telephone: +61 8 9441 4835

Website: www.nexiongroup.io

Principal Place of Business

Street: Level 1, 1 Altona Street
West Perth WA, 6005

Share Registry

Computershare Investor Services Pty Limited

Street: Level 17
221 St Georges Terrace
Perth WA, 6000

Securities Exchange

Australian Securities Exchange

Street: Level 27, 39 Martin Place
Sydney NSW 2000

NSX Code: NNG

Auditor

Stantons International Audit and Consulting Pty Ltd

Street: Level 2
40 Kings Park Road
Perth WA 6005

Telephone: +61 (0)8 9481 3188

Directors' report

Your directors present their report on the Consolidated entity, consisting of Nexion Group Ltd (**Nexion or the Company**) and its controlled entities (collectively **the Group**), for the half-year ended 31 December 2025. The half-year report should be read in conjunction with the most recent annual report.

Nexion is listed on the Australian Securities Exchange (**ASX**).

1. Directors

The names of Directors in office at any time during or since the end of the period are:

- Peter Christie Executive Chairman
- John Bell Executive Director
- Chris Daly Non-Executive Director
- Nasser Abdelghani Executive Director (resigned on 31 October 2025)

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

2. Company Secretary

The following person held the position of Company Secretary at the end of the financial period:

- Jack Toby

3. Dividends paid or recommended

There were no dividends paid or recommended during the period ended 31 December 2025 (31 December 2024: Nil).

4. Significant events and transactions during the year

As announced on 14 July 2025, 12 August 2025 and 12 September 2025, the Company issued 2,400,000 convertible notes at an issue price of 0.10 each (700,000, 800,000 and 900,000 respectively).

As announced on 28 July 2025, the Company completed the sale of its wholly owned subsidiary, Nexion W1 DC Pty Ltd, to Carrier Connect Data Solutions Inc. for total consideration of \$2.5 million comprising upfront and deferred payments as well as a secured vendor finance arrangement. The divestment strengthens the Group's financial position.

On 28 August 2025, the Company executed a Share Purchase Agreement for the sale of its wholly owned subsidiaries, Nexion Networks Pty Ltd and Blue Sky Telecom Pty Ltd to Pier DC Pty Ltd with the transaction.

On 31 October 2025, following shareholder approval on 29 October 2025, the Group completed the sale of Nexion Networks Pty Ltd and Blue Sky Telecom Pty Ltd to Pier DC Pty Ltd.

On 17 November 2025, 17,500,000 convertible notes were cancelled by the Group and assumed by Pier DC Pty Ltd as part of the sale of the subsidiaries.

5. Operating and financial review

5.1. Nature of Operations Principal Activities

Nexion's operating subsidiary, Nexion Infrastructure Pty Ltd delivers data centre operations and maintenance services. The company continues to pursue opportunities to deploy FuseAI's enterprise asset management software and seek out new opportunities in the software sector.

5.2. Operations Review

Nexion's recurring revenue from post-completion of the sale of the subsidiaries consists of two vendor finance repayments \$32,567 per month and a data centre maintenance contract of \$10,000 per month. The principal amount of the vendor finance loans at implementation totalled \$2,879,500 and earn 9% interest per annum.

During the latter part of the half, Nexion sought approval from the ASX for its shares to re-commence trading on the ASX. This process remains ongoing as the company seeks to meet ASX requirements.

Nexion's operating subsidiary, Nexion Infrastructure Pty Ltd delivers data centre operations and maintenance services. The company continues to pursue opportunities to deploy FuseAI's enterprise asset management software and seek out new opportunities in the software sector.

Directors' report

5.3. Financial Review

a. Operating results

	31 December 2025	31 December 2024
	\$	\$
Loss before income tax	(78,778)	(582,922)

b. Financial position

	31 December 2025	30 June 2025
	\$	\$
Net assets/(liabilities)	2,182,810	(4,035,200)

	31 December 2025	30 June 2025
	\$	\$
Cash and cash equivalents	38,724	9,188

6. Events Subsequent to Reporting Date

There are no other significant events after balance date that are not covered in this Directors' Report or within the financial statements at Note 18 Events subsequent to reporting date.

7. Environmental Regulations

The consolidated entity's operations are not subject to any significant environmental regulation under Australian Commonwealth or State law.

8. Auditor's independence declaration

The lead auditor's independence declaration under section 307C of the *Corporations Act 2001 (Cth)* for the half-year ended 31 December 2025 has been received and can be found on page 5 of the interim financial report.

PETER CHRISTIE

Director

Dated this Friday, 27 February 2026



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27 February 2026

Board of Directors
Nexion Group Limited
Level 1, 1 Altona Street,
West Perth, WA 6005

Dear Sirs

RE: NEXION GROUP LIMITED

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Nexion Group Limited.

As Audit Director for the review of the financial statements of Nexion Group Limited for the half-year ended 31 December 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Eliya Mwale
Director

Consolidated Statement of profit or loss and other comprehensive income

for the half-year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
Revenue from contracts with customers	5	57,362	-
Cost of goods sold	6	(13,320)	(360)
Gross Profit		44,042	(360)
Other income	7	402,565	282,875
Expenses			
Consulting and accounting expenses		(371,510)	(586,492)
Employee benefits expenses		(56,035)	(13,076)
Occupancy expenses		(700)	(1,001)
Share based payments	9	-	(15,631)
Finance costs		(81,951)	(101,377)
Impairment loss		53,090	-
Depreciation		-	(74,752)
Other expenses		(70,479)	(73,108)
Expected credit loss		2,200	-
Loss before income tax		(78,778)	(582,922)
Income tax benefit/expense		-	-
Loss from continuing operations for the year		(78,778)	(582,922)
Net profit from discontinued operations for the year	11	6,377,049	82,269
Net profit/(loss) for the year, attributable to owners of Nexion Group Ltd		6,298,271	(500,653)
Foreign exchange differences		4,504	(403)
Total comprehensive income/(loss) attributable to owners of Nexion Group Ltd		6,302,775	(501,056)
<i>Basic and diluted earnings/loss per share attributable to the ordinary equity holders of Nexion Group Ltd</i>			
Basic and diluted loss per share (cents) for continuing operations	8	(0.04)	(0.29)
Basic and diluted earnings per share (cents) for discontinuing operations	8	3.15	0.04

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes

Consolidated Statement of financial position

as at 31 December 2025

	Note	31 December 2025 \$	30 June 2025 \$
<i>Current assets</i>			
Cash and cash equivalents		38,724	9,188
Trade and other receivables	10	495,400	-
Prepayments		48,822	38,874
Assets held for sale	11	-	1,035,999
Total current assets		582,946	1,084,061
<i>Non-current assets</i>			
Other receivables	10	2,419,048	-
Property, Plant and equipment	12	3,311	3,492
Total non-current assets		2,422,359	3,492
Total assets		3,005,305	1,087,553
<i>Current liabilities</i>			
Trade and other payables	13	735,017	555,389
Provision for employee benefits		6,502	-
Liabilities directly associated with assets held for sale	11	-	2,866,744
Loans payable	14	80,976	80,000
Convertible note subscription		-	1,620,620
Total current liabilities		822,495	5,122,753
Total liabilities		822,495	5,122,753
Net assets/(liabilities)		2,182,810	(4,035,200)
<i>Equity</i>			
Contributed equity	15	14,975,104	14,975,104
Convertible notes equity component		-	84,765
Forex reserves		(1,039)	(5,543)
Accumulated losses	16	(12,791,255)	(19,089,526)
Total equity		2,182,810	(4,035,200)

The consolidated statement of financial position is to be read in conjunction with the accompanying notes

Consolidated Statement of changes in equity

for the half-year ended 31 December 2025

	Convertible Notes	Contributed Equity	Share Based Payment Reserve	Foreign Exchange Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$	\$
<i>Balance at 1 July 2024</i>	47,515	14,975,104	22,782	(5,144)	(15,900,641)	(860,384)
Loss after income tax expense	-	-	-	-	(500,653)	(500,653)
Other comprehensive loss net of tax	-	-	-	(403)	-	(403)
Total comprehensive loss for the half-year attributable to the owners of the parent	-	-	-	(403)	(500,653)	(501,056)
Convertible notes equity component	34,923	-	-	-	-	34,923
Share based payment	-	-	15,631	-	-	15,631
Balance at 31 December 2024	82,438	14,975,104	38,413	(5,547)	(16,401,294)	(1,310,886)
<i>Balance at 1 July 2025</i>	84,765	14,975,104	-	(5,543)	(19,089,526)	(4,035,200)
Profit after income tax expense / benefit	-	-	-	-	6,298,271	6,298,271
Other comprehensive income net of tax	-	-	-	4,504	-	4,504
Total comprehensive loss for the half-year attributable to the owners of the parent	-	-	-	4,504	6,298,271	6,302,775
Convertible notes equity component	(84,765)	-	-	-	-	(84,765)
Balance at 31 December 2025	-	14,975,104	-	(1,039)	(12,791,255)	2,182,810

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of cash flows

for the half year ended 31 December 2025

	Note	31 December 2025 \$	31 December 2024 \$
<i>Cash flows from operating activities</i>			
Receipts from customers		33,130	1,882,692
Payments to suppliers and employees		(620,675)	(2,522,905)
R&D rebate & government subsidies received	7	284,310	282,875
Interest income received		53,581	3,572
Finance costs		(81,951)	(21,750)
Net cash (used in) operating activities		(331,605)	(375,516)
<i>Cash flows from investing activities</i>			
Proceeds from vendor finance arrangement		13,224	-
Payment for property, plant, and equipment		-	30
Proceeds from disposal of subsidiaries		200,000	-
Net of cash disposed from disposal of subsidiaries		(69,340)	-
Deposits refunded		-	67,847
Net cash provided/(used in) by investing activities		143,884	67,877
<i>Cash flows from financing activities</i>			
Payments for loans		(22,743)	(126,217)
Convertible notes subscription		240,000	650,000
Payment of lease liabilities		-	(69,556)
Net cash provided by financing activities		217,257	454,227
Net increase in cash and cash equivalents		29,536	146,588
Cash and cash equivalents at the beginning of the period		9,188	71,910
Cash and cash equivalents at the end of the period		38,724	218,498

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 1. Basis of preparation

These are the consolidated financial statements and notes of Nexion Group Ltd (**Nexion or the Company**) and its controlled entities (collectively **the Group**). Nexion is a company limited by shares, domiciled and incorporated in Australia.

The registered office and the principal office of the Company is 1 Altona Street West Perth WA, 6104. The financial statements were authorised for issue on 27 February 2026 by the directors of the Company.

a. Basis of preparation

This consolidated interim financial report is intended to provide users with an update on the latest annual financial statements of Nexion Group Ltd and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in combination with the annual financial statements of the Nexion for the year ended 30 June 2025, together with any public announcements made during the half-year.

All amounts are presented in Australian Dollars, unless otherwise noted. For the purposes of preparing the report, the half-year has been treated as a discrete reporting period.

i. Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

ii. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

b. Going Concern assessment

The financial report has been prepared on a going concern basis, which assumes the Group will be able to realise its assets and discharge its liabilities in the normal course of business. As at 31 December 2025, the Group had cash and cash equivalents of \$38,724, net assets of \$2,182,810 and net current liabilities of \$239,549, and in the half-year then ended recorded a loss of \$78,778 from continuing operations and net operating cash outflow of \$331,605.

During the half year to 31 December 2025, management has mitigated the going concern risk by:

- reduced expenses significantly by the sale of its subsidiaries
- receiving research and development (R&D) tax incentive
- the Company has been progressing plans to regain an active stock exchange listing which would involve a capital raise to provide additional working capital and support the Group's ongoing operations.

The Directors have considered the Group's ability to continue as a going concern. While the Group's securities remain suspended from trading on the ASX, the Board notes that they expect the accelerated payout of approximately \$2.2m from its vendor finance loan to Carrier Connect from the sale of Nexion W1 DC Pty Ltd. In addition, the Group continues to derive stable revenue from its Infrastructure business, which holds a contract to maintain the Belmont data centre for Carrier Connect valued at \$120,000 per annum.

In the event that the Group is unable to obtain sufficient funding for on-going operational and capital requirements, there is material uncertainty that may cast significant doubt as to whether the Group will continue as a going concern and therefore proceed with realising its assets and discharging its liabilities in the normal course of business at the amounts stated in the financial report.

The consolidated financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that may be necessary should the Group not be able to continue as a going concern.

Note 2. Material accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

a. Use of estimates and judgements

Judgement is required in assessing whether the carrying value of goodwill arising from business combinations is impaired. There have been no other material revisions to the nature and amount of estimates reported in prior periods.

b. Revenue Recognition

AASB 15 establishes principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers and requires application of a five-step process to identify the contract with the customer, identify performance obligations in the contract, determine transaction price, allocate the transaction price to the performance obligations and recognise revenue when performance obligations are satisfied.

Revenue is recognised for the major business activities as follows:

(i) Software, subscriptions and virtual products

For software, subscription and virtual products, the performance obligation is satisfied when access is facilitated.

(ii) Data centre services

Data centre services revenue primarily consist of recurring monthly service fees and upfront project fees. Revenue from the provision of recurring monthly service fees is recognised in the accounting period in which the services are rendered. Project fees primarily comprise installation services relating to a customer's initial deployment. As this is not considered to be a distinct service, revenue is deferred and recognised over the term of the contract with the customer, taking into account renewal options that are held by the customer.

The Group applies the practical expedient in the revenue standard and does not disclose information about the transaction price allocated to remaining performance obligations on contracts that are unsatisfied, as the Group has the right to consideration from its customers in an amount that corresponds directly with the value to the customer of the Group's services to date. This is applied to all its data centre services revenue, on the basis that the upfront project fees are not a significant portion of each contract.

The Group enters into contracts with customers that guarantee certain performance measures such as uptime and on time delivery of services. If these guarantees of service performance are not achieved, the Group reduces revenue for any credits or cash payments that may be due to customers under contract. Key areas of estimation include the amount of the service credits, the likelihood that the service credits will be claimed, and the time period over which they impact revenue.

(iii) Voice and satellite services

Revenue from hardware sales provided as part of the voice and satellite services is recognised when the hardware is delivered to the customer. For voice and satellite services, the performance obligation is satisfied when the services have been provided at a point in time, usually on a monthly basis.

All revenue is stated net of the amount of goods and services tax (GST).

(iv) Interest income

Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(v) Research and development rebates, and other government incentives

Research and development rebates and other government incentives are recognised on an accruals basis.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 2. Material accounting policies (cont.)**c. Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.

For contracts that both convey a right to the group to use an identified asset and require services to be provided to the group by the lessor, the group has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any service provided by the supplier as part of the contract.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 2. Material accounting policies (cont.)**d. Business Combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

e. Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When a component is classified as a discontinued operation, the results of the discontinued operation are presented separately in the statement of profit or loss and other comprehensive income as a single post-tax amount, comprising the profit or loss of the discontinued operation and the post-tax gain or loss recognised on measurement to fair value less costs to sell or on disposal.

Assets and liabilities of a disposal group classified as held for sale are presented separately in the statement of financial position. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortised while so classified.

Comparative information in the statement of profit or loss and other comprehensive income is re-presented to separately disclose discontinued operations for all periods presented.

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 3. Significant events and transactions

As announced on 14 July 2025, 12 August 2025 and 12 September 2025, the Company issued 2,400,000 convertible notes at an issue price of 0.10 each (700,000, 800,000 and 900,000 respectively).

As announced on 28 July 2025, the Company completed the sale of its wholly owned subsidiary, Nexion W1 DC Pty Ltd, to Carrier Connect Data Solutions Inc. for total consideration of \$2.5 million comprising upfront and deferred payments as well as a secured vendor finance arrangement. The divestment strengthens the Group’s financial position.

On 28 August 2025, the Company executed a Share Purchase Agreement for the sale of its wholly owned subsidiaries, Nexion Networks Pty Ltd and Blue Sky Telecom Pty Ltd to Pier DC Pty Ltd with the transaction.

On 31 October 2025, following shareholder approval on 29 October 2025, the Group completed the sale of Nexion Networks Pty Ltd and Blue Sky Telecom Pty Ltd to Pier DC Pty Ltd.

On 17 November 2025, 17,500,000 convertible notes were cancelled by the Group and assumed by Pier DC Pty Ltd as part of the sale of the subsidiaries.

Note 4. Operating segments

Identification of reportable operating segments

For management purposes, during the reporting period the Group is organised into one main operating segment, being the provision of Hybrid Cloud infrastructure and telecommunication services used by corporations to host and operate their core business systems. The chief operating decision makers of the Group are the Executive Directors and Officers.

All the Group’s activities are interconnected and all significant operating decisions are based on analysis of the Group as one segment. The financial results of the segment are the equivalent of the financial statements as a whole. At 31 December 2025, all revenues and material assets are considered to be derived and held in one geographical area being Australia. During the period the company disposed of certain business assets as described in Note 3, however Nexion’s operating subsidiary, Nexion Infrastructure Pty Ltd continues to deliver data centre operations and maintenance services. The company continues to pursue opportunities to deploy FuseAI’s enterprise asset management software and seek out new opportunities in the software sector.

Note 5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

The Group has disaggregated revenue into various categories in the following table which is intended to depict how the nature, amount, timing and uncertainty of revenue and cashflows are affected by economic data. All of the revenue for the Group is derived at a point in time.

	31 December 2025	31 December 2024
	\$	\$
Product Categories		
Networking	57,362	-
	57,362	-

Revenue from contracts with customers are nil in prior period due to the reclassification to discontinued operations as disclosed in Note 11

Note 6. Cost of goods sold

	31 December 2025	31 December 2024
	\$	\$
Product Categories		
Networking	-	210
Consulting	11,520	150
Services	1,800	-
	13,320	360

Cost of goods sold from revenue from contracts with customers related to discontinued operations are disclosed in Note 11

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 7. Other income

	31 December 2025	31 December 2024
	\$	\$
Interest received	118,255	-
R&D tax credit	284,310	282,875
	402,565	282,875

Note 8. Earnings per share (EPS)

	31 December 2025	31 December 2024
	\$	\$
a. Reconciliation of profit/(loss) used in calculating earnings/(loss) per share		
Loss from continuing operations	(78,778)	(582,922)
Profit from discontinued operations	6,377,049	82,269

b. Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share

	31 December 2025	31 December 2024
	No.	No.
	202,307,854	202,307,854

c. Earnings/(Loss) per share

Basic and diluted (loss) per share (cents) from continuing operations
Basic and diluted earnings per share (cents) from discontinuing operations

	31 December 2025	31 December 2024
	\$	\$
	(0.04)	(0.29)
	3.15	0.04

Note 9. Share-based compensation

a. Zero Exercise Price Options

On 30 November 2023, the Company issued to directors and senior executives, 4,500,000 Class C Zero Exercise Price Options, 4,500,000 Class D Zero Exercise Price Options, 2,250,000 Class E Zero Exercise Price Options, 1,500,000 Class F Zero Exercise Price Options and 2,250,000 Class G Zero Exercise Price Options (together "ZEPOs").

At 30 June 2024, the Group recognised \$22,782 in relation to the ZEPOs. The ZEPOs fully vested on 30 November 2024, and a further \$15,631 was recognised during the half year ended 31 December 2024.

At 30 June 2025, the balance in the share based payment reserve relating to the ZEPOs was transferred to accumulated losses, as the vesting conditions were ultimately not satisfied and the arrangement was therefore deemed to have lapsed and been settled as at 30 November 2024.

There was no impact on share based payment reserves for the period ended 31 December 2025.

	Total Vesting Expense	
	31 December 2025	31 December 2024
	\$	\$
Zero Exercise Price Options (ZEPOs)	-	15,631
Total	-	15,631

The value of the rights is recognised as a share-based payments expense/(reversals) over the period from grant date to vesting date.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 10. Trade and other receivables

	Note	31 December 2025 \$	30 June 2025 \$
<i>Current</i>			
Trade receivables		85,012	60,780
Less: Allowance for expected credit losses	i)	(58,580)	(60,780)
		26,432	-
Other receivables	ii)	468,968	-
Total current trade and other receivables		495,400	-
<i>Non-current</i>			
Other receivables	ii)	2,419,048	-
Total non-current trade and other receivables		2,419,048	-

i) Included in the allowance for expected credit losses are amounts relating to Kingsley International Pty Ltd of \$32,133 and Read Tech of \$26,447. This includes receivables owing from ex-directors for non-business related expenditure. Following an agreed settlement of \$40,000, \$3,800 has been received as at 31 December 2025.

ii) Other receivables include a GST receivable of \$4,547, deferred consideration receivable of \$564,000 and vendor finance receivables of \$422,975 and \$1,896,494 arising from the sale of the subsidiaries.

The expected credit loss allowance for trade receivables as at 31 December 2025 is determined as follows:

	Current	0 to 30 days past due	31 to 60 days past due	More than 60 days past due	Total
31 December 2025	\$	\$	\$	\$	\$
Gross carrying	12,453	12,453	1,526	58,580	85,012
Loss allowance	-	-	-	(58,580)	(58,580)
Net receivables	12,453	12,453	1,526	-	26,432

Trade and other receivables that are neither past due nor impaired, are considered to be recoverable.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 11. Discontinued operations

On 23 July 2025, the Company completed the sale of its wholly owned subsidiary, Nexion W1 DC Pty Ltd (“W1DC”), to Carrier Connect Data Solutions Inc. for total consideration of \$2,500,000 comprising cash payments of \$200,000 and deferred payments of 100,000 as well as a secured vendor finance arrangement amounting to \$2,200,000. The divestment strengthens the Group’s financial position and allows greater strategic focus on its core network and software business.

At 30 June 2025, the Group classified W1DC as a disposal group held for sale. The disposal group comprised:

- Total assets of \$211,281, consisting mainly of cash, trade receivables and property, plant and equipment; and
- Total liabilities of \$900,363, consisting primarily of trade payables and lease liabilities.

As the sale was completed during the current reporting period, no assets or liabilities were classified as held for sale at 31 December 2025. Revenue and expenses, gains and losses relating to the discontinuation of W1DC have been eliminated from profit or loss from the Group’s continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

Operating profit/(loss) of W1DC is summarised as follows:

	23 July 2025 \$	31 December 2024 \$
Revenue	9,770	62,380
Cost of goods sold	-	(149,668)
Gross profit/(loss)	9,770	(87,288)
Occupancy expenses	-	(15,171)
Finance costs	-	(13,861)
Depreciation	-	(10,146)
Other expenses	(668)	(17,504)
Profit/(loss) before income tax expense	9,102	(143,970)
Income tax expense	-	-
Profit/(loss) after income tax expense	9,102	(143,970)
Gain on disposal before income tax	2,737,433	-
Income tax expense	-	-
Gain on disposal after income tax expense	2,737,433	-
Profit/(loss) after income tax expense from discontinued operations	2,746,535	(143,970)

Cash outflows generated by W1DC are as follows:

	23 July 2025 \$	31 December 2024 \$
Net cash (used in)/from operating activities	(972)	77,682
Net cash (used in) financing activities	-	(69,556)
Cash (outflows)/inflows from discontinued operations	(972)	8,126

Cash flows from investing activities attributable to W1DC were not applicable during the period.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

11. Discontinued operations (continued)

The details of the disposal of W1DC are as follows:

	23 July 2025 \$
Total sale consideration (discounted)	2,138,898
Carrying amount of net liabilities disposed	598,535
Gain on disposal before income tax	2,737,433
Income tax expense	-
Gain on disposal after income tax	2,737,433

On 31 October 2025, the Company completed the sale of Nexion Networks Pty Ltd (“Networks”) and Blue Sky Telecom Pty Ltd (“BST”). In consideration for the purchased shares, the purchaser shall assume the assumed liabilities of Networks and BST of \$1,138,469, assume liability of the convertible notes (including accrued interest) totaling \$2,022,766, pay \$679,500 to the Company via vendor finance and pay 80% of the aggregate accounts receivable up to 90 days old in Networks and BST amounting to \$465,072.

At 30 June 2025, the Group classified Networks and BST as disposal groups held for sale. The disposal groups comprised total assets of \$587,179 for Networks and \$237,539 for BST, consisting mainly of cash, trade receivables, inventory, property, plant and equipment and intangible assets; and total liabilities of \$1,603,826 for Networks and \$362,555 for BST, primarily comprising trade and other payables and employee-related liabilities. As the sales of both Networks and BST were completed during the reporting period, no assets or liabilities were classified as held for sale at 31 December 2025.

Revenue and expenses, gains and losses relating to the discontinuation of Nexion Networks and BST have been eliminated from profit or loss from the Group’s continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

As at 31 December 2025, the fair value of the total gain on disposal of Networks and BST was \$3,458,675.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

11. Discontinued operations (continued)

Operating profit/(loss) of Networks is summarised as follows:

	31 October 2025 \$	31 December 2024 \$
Revenue	1,024,161	1,437,675
Cost of goods sold	(513,430)	(604,951)
Gross profit	510,731	832,724
Other income	-	3
Consulting and accounting expense	(2,868)	(111,549)
Employee benefits expense	(383,713)	(578,349)
Occupancy expenses	(81,278)	(24,667)
Finance costs	(8,984)	(18,732)
Depreciation	(7,888)	(16,023)
Other expenses	(29,505)	(173,228)
Profit/(loss) before income tax expense	(3,505)	(89,821)
Income tax expense	-	-
Profit/(loss) after income tax expense from discontinued operations	(3,505)	(89,821)
Gain on disposal before income tax	3,323,951	-
Income tax expense	-	-
Gain on disposal after income tax expense	3,323,951	-
Profit/(loss) after income tax expense from discontinued operations	3,320,446	(89,821)

Cash flows generated by Networks are as follows:

	31 October 2025 \$	31 December 2024 \$
Net cash from operating activities	107,703	263,945
Net cash used in financing activities	(41,716)	(126,217)
Cash flows from discontinued operations	65,987	137,728

Cash flows from investing activities attributable to Nexion Networks were not applicable during the period.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

11. Discontinued operations (continued)

The details of the disposal of the Networks are as follows:

	31 October 2025 \$
Total sale consideration (discounted)	3,021,180
Carrying amount of net assets disposed	302,771
Gain on disposal before income tax	3,323,951
Income tax expense	
Gain on disposal after income tax	3,323,951

Operating profit of BST is summarised as follows:

	31 October 2025 \$	31 December 2024 \$
Revenue	196,263	443,725
Cost of goods sold	(16,599)	(192,428)
Gross profit	179,664	251,297
Other income	-	50,381
Occupancy expenses	-	(34,406)
Finance costs	-	(101)
Depreciation	-	63,669
Other expenses	(4,320)	(14,781)
Profit before income tax expense	175,344	316,059
Income tax expense	-	-
Profit after income tax expense from discontinued operations	175,344	316,059
Gain on disposal before income tax	134,724	-
Income tax expense	-	-
Gain on disposal after income tax expense	134,724	-
Profit after income tax expense from discontinued operations	310,068	316,059

Cash flows generated by BST are as follows:

	31 October 2025 \$	31 December 2024 \$
Net cash used in operating activities	(35,612)	(78,277)
Net cash from investing activities	-	67,847
Cash outflows used in discontinued operations	(35,612)	(10,430)

Cash flows from financing activities attributable to BST were not applicable during the period.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

11. Discontinued operations (continued)

The details of the disposal of BST are as follows:

	31 October 2025 \$
Total sale consideration (discounted)	114,850
Carrying amount of net assets disposed	19,874
Gain on disposal before income tax	-
Income tax expense	-
Gain on disposal after income tax	134,724

Note 12. Non-current assets – property, plant and equipment

	31 December 2025 \$	30 June 2025 \$
Plant & equipment - at cost	4,432	4,432
Plant & equipment - accumulated depreciation	(940)	(940)
Foreign exchange movement	(181)	-
Total property, plant and equipment	3,311	3,492

Note 13. Trade and other payables

	31 December 2025 \$	30 June 2025 \$
Trade payables	612,217	477,803
Accrued expenses	113,500	63,500
Other payables	9,300	14,086
	735,017	555,389

Due to the short-term nature of the trade and other payables the carrying amount is considered to reflect its fair value.

Note 14. Loans payable

	31 December 2025 \$	30 June 2025 \$
Loans – other	80,976	80,000
	80,976	80,000

i) Other loans comprise \$40,000 advanced from directors and \$40,976 as premium funding arrangements.

Condensed notes to the consolidated financial statements

for the half-year ended 31 December 2025

Note 15. Equity - issued capital

	31 December 2025 No.	30 June 2025 No.	31 December 2025 \$	30 June 2025 \$
Fully paid ordinary shares	202,307,854	202,307,854	14,975,104	14,975,104
			No.	\$
Movements in ordinary share capital				
Balance as at 1 July 2025			202,307,854	14,975,104
Balance as at 31 December 2025			202,307,854	14,975,104

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholder's meetings, each ordinary share is entitled to one vote when a poll is called.

Note 16. Equity – Accumulated losses

	31 December 2025 \$	31 December 2024 \$
Accumulated losses at the beginning of the period	19,089,526	18,360,199
Loss/(Profit) for the year	(6,298,271)	500,652
Accumulated losses at the end of the period	12,791,225	18,860,851

Note 17. Key management personnel disclosures

The aggregate compensation paid or payable to Directors and Key Management Personnel of the consolidated entity is set out below:

	31 December 2025 \$	31 December 2024 \$
Short-term employee benefits	168,375	237,750
Share based payments	-	14,068
	168,375	251,818

Note 18. Events subsequent to reporting date

Nexion Networks Pty Ltd ("Networks") was in a dispute with a supplier for the termination of their contract. Subsequent to period end, Networks has settled this dispute with the supplier which has a net effect of reducing the amount payable by Pier DC to Nexion Group Limited for the purchase of Nexion Networks and Bluesky by \$220,000 and has been appropriately accounted for at reporting date.

There are no other significant events that have arisen since the end of the reporting period which may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group.

Note 19. Commitments and contingencies

The Group has no material commitments or contingent liabilities as at the reporting date.

Directors' declaration

The Directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* (Cth) and:
 - (a) comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001;
 - (b) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in Note 1 to the financial statements;
 - (c) give a true and fair view of the financial position as at 31 December 2025 and of the performance for the half-year ended on that date of the consolidated entity.
2. in the directors' opinion there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



PETER CHRISTIE

Director

Dated this Friday, 27 February 2026

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
NEXION GROUP LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Nexion Group Limited and its consolidated entities (collectively "the Group"), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, condensed notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that causes us to believe that the accompanying half-year financial report of Nexion Group Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of Nexion Group Limited's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 27 February 2026.

Material Uncertainty in Relation to Going Concern

We draw attention to Note 1(b) in the half year financial report, which indicates that Group had cash and cash equivalents of \$38,724, net assets of \$2,182,810 and net current liabilities of \$239,549. During the half year period, the Group recorded a loss of \$78,778 from continuing operations and had net operating cash outflows from operating activities of \$331,605. As stated in Note 1(b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Our conclusion is not modified in respect of this matter.



Responsibility of the Directors for the Financial Report

The directors of Nexion Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd
Eliya Mwale

Eliya Mwale
Director

West Perth, Western Australia
27 February 2026