DXN

DXN INFRASTRUCTURE AT THE EDGE

DXN Limited
Level 2, 66 King Street, Sydney NSW 2000
Phone: 1300 328 239 | ACN 620 888 548

5 November 2026

ASX Supervision

By email: listingssupervisionmelbourne@asx.com.au

Dear Sir/Madam,

DXN Limited ('DXN'): Response to ASX Aware Letter

We refer to your letter dated 30 October 2026 in relation to ASX Supervision's request for information.

Set out below are our responses to the questions contained in your letter.

1. **Does DXN consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?**

   'After quarter end, DXN was notified by its maiden US-listed neo-cloud operator that, following a strategic shift in its business, it intends to cancel the A$8.8 million AI HPC contract announced on 3 June 2026. The cancellation has not yet been finalised. The contract is paid on progress, so DXN has recognised revenue as the project advanced and long-lead parts were ordered. The customer has not disputed its obligation to pay for work completed and costs committed to date, which DXN expects to total approximately $4.2 million (48% of the original contract value). Of this, $0.1 million was recognised in Q1 FY27, with most of the balance expected to be recognised in Q2 FY27 and a final $1.1 million payment expected in the same quarter. Approximately $8.6 million has been removed from backlog, of which approximately $4.2 million is expected to be recognised as revenue. The customer's change in strategy also means it is unlikely to pursue the larger follow-on campus opportunity. DXN will keep investors informed as the outcome is finalised.'

   Yes.

2. **If the answer to question 1 is "no", please advise the basis for that view.**

   Not applicable.

3. **When did DXN first become aware of the information referred to in question 1 above?**

   The position evolved in the period leading up to 29 October 2026, with the information becoming sufficiently certain to warrant disclosure late on 29 October 2026.

4. **If DXN was made aware of the cancellation of the AI HPC contract in writing by any means, please provide all written communications (marked '*Not for release to the market*') between it and the 'US-listed neo cloud operator' regarding the cancellation from when DXN was first made aware of the information to date.**

   Information provided separately not for release to the market.

5. **What did DXN mean when it said that:**

   'The cancellation has not yet been finalised'.

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In other words, what further steps/ events are required before the cancellation of the contract can be said to be finalised?

DXN and the customer are in the course of negotiating a termination agreement relating to the AI HPC project. Once that agreement is in agreed terms and signed, the cancellation of the contract can be said to be finalised.

6. **If DXN first became aware of the information referred to in question 1 before the date of the Announcement, did DXN make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe DXN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DXN took to ensure that the information was released promptly and without delay.**

   The 30 October 2026 announcement and the presentation lodged the same day are the only announcements DXN has made about that information.

   DXN notes that the global data centres market is currently uncertain and difficult to predict, with major industry participants continually refining and re-evaluating their strategies as conditions change. DXN relied on Listing Rule 3.1A while engaging with the customer to seek clarity on the AI HPC project, the customer's alternatives for that project and an alternative project in which the customer was considering involving DXN instead, and the customer's future plans and strategy more generally.

   DXN is conscious that, particularly in the current volatile market for AI related companies, premature disclosure of uncertain, developing information can itself cause harm. DXN engaged actively with the customer to work through those matters and determine any impacts on DXN, to obtain the required certainty to meaningfully update the market promptly and without delay.

7. **Please provide details of any other explanation DXN may have for the trading in its securities following the release of the Announcement.**

   DXN considers it likely that the extent of the share price response to DXN's 30 October 2026 announcement was exacerbated by the negative market sentiment following Alphabet's results announcement in the United States on 29 October 2026.

   Market sentiment and conditions with respect to companies with exposure to AI are currently uncertain and change on a daily basis in Australia and globally.

   As a small cap company with relatively limited liquidity, DXN is particularly susceptible to price volatility in response to changes in market sentiment with respect to AI related stocks. For example, on 9 October 2026 when media reported that the Firmus IPO was being called off, DXN's share price fell around 17%.[1] After CoreWeave received media attention regarding the high yields on its corporate bonds,[2] DXN's share price fell by more than 16% on 15 October 2026.[3] When trading of AI stocks in the US markets is negative overnight (Australia time), DXN's share price the following day tends to fall.

[1] DXN's share price closed at $0.4800 on 8 October 2026 and closed at $0.4000 on 9 October 2026. See https://au.finance.yahoo.com/quote/DXN.AX/history/.
[2] Coreweave's share price fell around 15.5% on 14 October 2026 (US time). See https://www.forbes.com/sites/greatspeculations/2026/10/15/why-is-coreweave-stock-falling/.
[3] DXN's share price closed at $0.3400 on 14 October 2026 and closed at $0.2850 on 15 October 2026. See https://au.finance.yahoo.com/quote/DXN.AX/history/.

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The trading of US AI stocks in the US overnight (Australia time) before DXN's announcement was negative, with US-listed Alphabet's share price falling almost 13% on 29 October 2026 following the release of Alphabet's Q3 2026 financial results,[4] triggering a broader sell-off of AI related stocks.

8. **Please confirm that DXN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

   Confirmed.

9. **Please confirm that DXN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DXN with delegated authority from the board to respond to ASX on disclosure matters.**

   Confirmed. This response has been reviewed, authorised and approved by the Board of DXN.

Yours faithfully

Shalini Lagrutta
Managing Director

[4] See https://finance.yahoo.com/markets/article/alphabet-heads-for-a-500-billion-drop-in-market-value-the-biggest-in-its-history-134824763.html.

30 October 2026

Ms Maria Clemente & Ms Lucy Rowe
Joint Company Secretaries
DXN Limited
Level 8, 341 George Street
Sydney NSW 2000

By email

Dear Ms Clemente

DXN Limited ('DXN'): ASX Aware Letter

ASX refers to the following:

A. DXN's announcement titled "Quarterly Activities/ Appendix 4C Cash Flow Report" (the **Announcement**) released on the ASX Market Announcements Platform before market open on 30 October 2026 disclosing the following on page 4 (fourth paragraph) under the heading "Operating highlights":

> *'After quarter end, DXN was notified by its maiden US-listed neo-cloud operator that, following a strategic shift in its business, it intends to cancel the A$8.8 million AI HPC contract announced on 3 June 2026. The cancellation has not yet been finalised. The contract is paid on progress, so DXN has recognised revenue as the project advanced and long-lead parts were ordered. The customer has not disputed its obligation to pay for work completed and costs committed to date, which DXN expects to total approximately $4.2 million (48% of the original contract value). Of this, $0.1 million was recognised in Q1 FY27, with most of the balance expected to be recognised in Q2 FY27 and a final $1.1 million payment expected in the same quarter. Approximately $8.6 million has been removed from backlog, of which approximately $4.2 million is expected to be recognised as revenue. The customer's change in strategy also means it is unlikely to pursue the larger follow-on campus opportunity. DXN will keep investors informed as the outcome is finalised.'*

B. The change in the price of DXN's securities from $$0.255 as at the close of trading on 29 October 2026, prior to the release of the Announcement, to a low of $$0.115 following the release of the Announcement, as at the time of writing today.

C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

> *"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."*

E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"

F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.

> *"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

3.1A.1 One or more of the following 5 situations applies:

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and

3.1A.3 A reasonable person would not expect the information to be disclosed."

G. The concept of "confidentiality" detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

> *"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule."*

Request for information

Having regard to the above, ASX asks DXN to respond separately to each of the following questions:

1. Does DXN consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

   > *'After quarter end, DXN was notified by its maiden US-listed neo-cloud operator that, following a strategic shift in its business, it intends to cancel the A$8.8 million AI HPC contract announced on 3 June 2026. The cancellation has not yet been finalised. The contract is paid on progress, so DXN has recognised revenue as the project advanced and long-lead parts were ordered. The customer has not disputed its obligation to pay for work completed and costs committed to date, which DXN expects to total approximately $4.2 million (48% of the original contract value). Of this, $0.1 million was recognised in Q1 FY27, with most of the balance expected to be recognised in Q2 FY27 and a final $1.1 million payment expected in the same quarter. Approximately $8.6 million has been removed from backlog, of which approximately $4.2 million is expected to be recognised as revenue. The customer's change in strategy also means it is unlikely to pursue the larger follow-on campus opportunity. DXN will keep investors informed as the outcome is finalised.'*

2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did DXN first become aware of the information referred to in question 1 above?
4. If DXN was made aware of the cancellation of the AI HPC contract in writing by any means, please provide all written communications (marked *'Not for release to the market'*) between it and the 'US-listed neo cloud operator' regarding the cancellation from when DXN was first made aware of the information to date.
5. What did DXN mean when it said that:

   > *'The cancellation has not yet been finalised'.*

In other words, what further steps/ events are required before the cancellation of the contract can be said to be finalised?

6. If DXN first became aware of the information referred to in question 1 before the date of the Announcement, did DXN make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe DXN was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps DXN took to ensure that the information was released promptly and without delay.
7. Please provide details of any other explanation DXN may have for the trading in its securities following the release of the Announcement.
8. Please confirm that DXN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
9. Please confirm that DXN's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of DXN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT Thursday, 5 November 2026**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DXN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require DXN to request a trading halt immediately if trading in DXN's securities is not already halted or suspended.

Your response should be sent by e-mail to **listingssupervisionmelbourne@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DXN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to DXN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that DXN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Supervision