28th September 2021

ASX Announcement

DXN Limited signs new Cable Landing Station (CLS) contract with Belau Submarine Cable Company (BSCC) for ~AU$1.1 million

Highlights:

- DXN has signed a contract with BSCC for the design, prefabrication, build and deployment of a modular Cable landing station (CLS) for deployment in Ngardmau, Palau.
- The contract marks DXN's eleventh prefabricated modular CLS build contract. The contract also includes first year annual maintenance contract and is designed and built for a 20 year deployment.

Pre-fabricated modular data centre specialist, DXN Limited (ASX: DXN) (DXN or the Company), is pleased to announce it has entered into a contract to supply a prefabricated CLS for US$779,000 or ~AU$1.1 million with BSCC.

DXN was selected as the successful tender after a competitive bid process that involved participation from both Asia Pacific and United States suppliers. DXN was selected because of its referenceable experience and quality delivery of CLS in the Pacific Region.

In December 2017, Palau connected its first submarine cable, Palau Cable 1. Bandwidth usage has increased by around seven times in just three years and today, nearly every household in the nation has access to fixed line and mobile telephony. Palau however does not have any redundancy for its first cable.

BSCC is building Palau's second submarine connection, a spur onto the Echo Cable System. The Echo cable system will have a new branch to Palau, aptly named Palau Cable 2 (PC2). The Echo consortium comprises a number of members with the primary owners Google and Facebook. Echo will be the first-ever cable to directly connect the U.S. to Singapore with direct fibre pairs over an express route. The new system marks the first project to be delivered under the Trilateral Partnership for Infrastructure Investment in the Indo-Pacific between the United States, Australia and Japan.

Matthew Madden, CEO, DXN Limited said "DXN is delighted to be selected by BSCC for the deployment of their Cable Landing station. As this will be our 11th CLS build in the region, DXN has a growing reputation as the go-to trusted partner to build high quality critical infrastructure for the subsea industry".

Robin Russell, CEO of Belau Submarine Cable Company (BSCC) said "BSCC went through a rigorous procurement process finally selecting DXN for this critical national infrastructure project for the Republic of Palau. The DXN team offered a high quality, cost effective CLS. We look forward to partnering with the DXN team to deliver an integrated solution on time and on budget".

For material terms of the agreement please refer to Appendix A.

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DXN Limited
ABN: 46 620 888 548
5 Parkview Drive, Sydney Olympic Park, Sydney, NSW 2127
W: dxn.solutions | **T:** 1300 328 239 | **E:** info@dxn.solutions

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About Belau Submarine Cable Company (BSCC)

Belau Submarine Cable Corporation (BSCC) was established as a state-owned enterprise (SOE) by RPPL 9-47 (BSCC Act) on 21st September 2015, to procure, operate, and manage a submarine fibre optic cable on behalf of the Government of Palau. The sole shareholder of BSCC is the Government of Palau. BSCC delivered its first submarine cable ahead of schedule and under budget in December 2017 and has been operating at 99.99% availability life-to-date.

About DXN Limited

DXN Limited designs, builds, owns and operates data centres. Offering integrated, customised and tailored solutions to clients, DXN provides businesses with the option of delivering solutions to site through containerised modules, or space in DXN's modular colocation facilities to suit technical specifications and operational requirements. From a single rack in the colocation facilities through to fully customised Edge Infrastructure, DXN can deliver a range of solutions to meet modern data centre requirements. DXN has achieved an industry first and become the first modular data centre developer in the world to receive both Uptime Institute Tier-Ready III and Tier-Ready IV design review awards. For more https://dxn.solutions

For more information please contact:

Matthew Madden, CEO

T +61 1300 328 239

E: investorrelations@dxn.solutions

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APPENDIX A

Material Conditions with BSCC

Term of Agreement	The agreement remains ongoing until terminated in accordance with the Termination clause below.
Commercial Terms	Contract ~US$779,000 or ~AU$1.1 million to design, prefabricate, and deliver the modular Cable Landing Station to Palau Invoicing at completion of key milestones (Down-payment, Factory Acceptance, Delivery); and Expected delivery of solution by March 2022
Termination	If DXN fails to perform its obligations in accordance with the terms of this Agreement or breaches this Agreement, BSCC will have the right to terminate this Agreement if DXN does not remedy the default within 10 days of DXN receiving written notice from BSCC for such default. BSCC reserves the right to terminate this Agreement for any reason whatsoever with 30-days' notice in writing to DXN after ensuring that any due payment shall be settled.