

# AGM PRESENTATION

---

November 2021



# Disclaimer

This presentation has been prepared by DXN Limited (ACN 620 888 548) (**DXN** or **Company**).

## **NOT AN OFFER**

This presentation is for information purposes only. This presentation does not comprise a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission) or any other law.

This presentation also does not constitute or form part of any invitation, offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall they or any part of them form the basis of or be relied upon in connection therewith or act as any inducement to enter into any contract or commitment with respect to securities. In particular, this presentation does not constitute an offer to sell or a solicitation to buy, securities in the United States of America.

## **NOT INVESTMENT ADVICE**

This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and are not intended to be used for the basis of making an investment decision. Recipients should obtain their own advice before making any investment decision.

## **SUMMARY INFORMATION**

This presentation does not purport to be all inclusive or to contain all information about the Company or any of the assets, current or future, of the Company.

This presentation contains summary information about the Company and its activities which is current as at the date of the presentation. The information in this presentation is of a general nature and does not purport to contain all the information which a prospective investor may require in evaluating a possible investment in the Company or that would be required in a prospectus or product disclosure statement or other offering document prepared in accordance with the requirements of Australian law or the laws of any other jurisdiction, including the United States of America.

The Company does not undertake to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

## FORWARD LOOKING STATEMENTS

Certain statements contained in this presentation, including information as to the future financial or operating performance of the Company and its assets, are forward looking statements. Such forward looking statements:

- (a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
- (b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
- (c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions.

The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise.

The words “believe”, “expect”, “anticipate”, “indicate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward looking statements.

All forward looking statements contained in this presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.

## NO LIABILITY

The Company has prepared this presentation based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, the Company, its related bodies corporate (as that term is defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

# Contents

1. Company Vision
2. Revenue Models
3. Executive Summary
4. Business Update
5. Modular Manufacturing
6. Data Centre Operations
7. Appendix
  - *Data Centre Portfolio*





# Our Vision and Mission Statements:



## Vision Statement

To define the EDGE by bringing critical communication infrastructure closer to our customers by ***making global local***



## Mission Statement

To be Australia's leading edge infrastructure company for colocation and turnkey solutions.  
Safely building the highest quality modular solutions and creating value for our customers, staff and shareholders.

## At DXN Limited we value

- ✓ Safety and health above all else
- ✓ Customer Centricity as the core of our business
- ✓ Ownership and Accountability to deliver results
- ✓ Teamwork because it binds us together

# Executive summary

## Two years of strong progress

### Financial

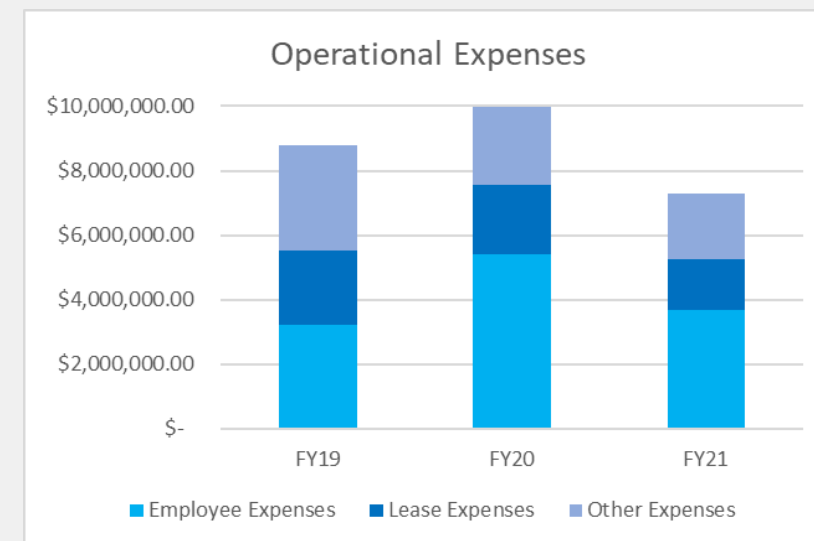
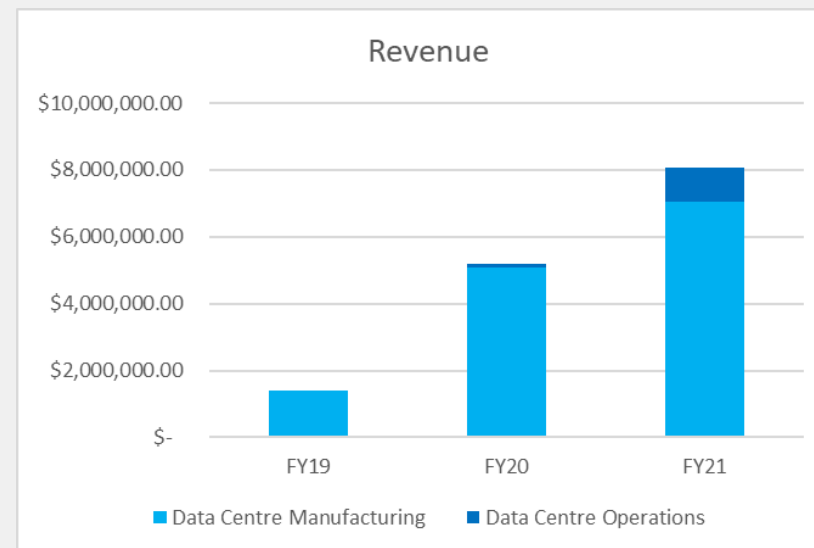
- Revenue growth from \$1.4m to \$8m
  - Underpinned by strong Modular Manufacturing sales
  - Increased Data Centre Operations revenue
- Operational expenses reduced across key areas
  - Employee Expenses \$3.6m reduced from peak of \$5.4m
  - Property lease costs reduced to \$1.6m from a peak of \$2.3m
  - Other overhead expenses reduced to \$2m from a peak of \$3.2m

### Data Centre Operations

- Acquired Tasmanian DC (TAS01) May 2020
- Acquired Darwin DC (SDC) October 2021
- Working towards a strategic alliance Perth (DCA) September 2021

### Capital Restructure

- New equity raised
- Debt consolidation with PURE asset management
  - Payout of ANZ
  - Payout of Export Finance



# Revenue Models

Modular Manufacturing	Cross Over Services	Data Centre Operations
Engineering Design	Maintenance	Rack and Power Charges
Modular Construction	Operations support	Cross Connect Charges
Site Commissioning	Hands and Feet	Network Services <ul style="list-style-type: none"><li>• Internet</li><li>• Connectivity Services</li></ul>
Project Revenue	Contracted Annuity Revenues	

# Business Update

## Combined operational revenues for FY21 \$8m

### Modular Manufacturing



- FY21 revenues of ~\$7m
- New contract wins from July to October 2021 ~\$8.5m expected to be delivered in FY22
- Growing reputation as a subsea cable landing station (CLS) provider in region - 10 CLS' Delivered
- Manufacturing projects delivered to 13 Countries
- Well positioned in Perth to support SE ASIA and Africa high growth export markets

### Data Centre Operations



- FY21 Revenues of ~\$1m
- Purchase of SDC (Darwin) adds additional annualised revenue of ~\$1.7m
- National DC footprint– Sydney, Hobart and Darwin
- Sovereign Data Centre clients - Darwin and Tasmania
- Working towards a strategic alliance with DCA to market and promote all data centres including Perth DC



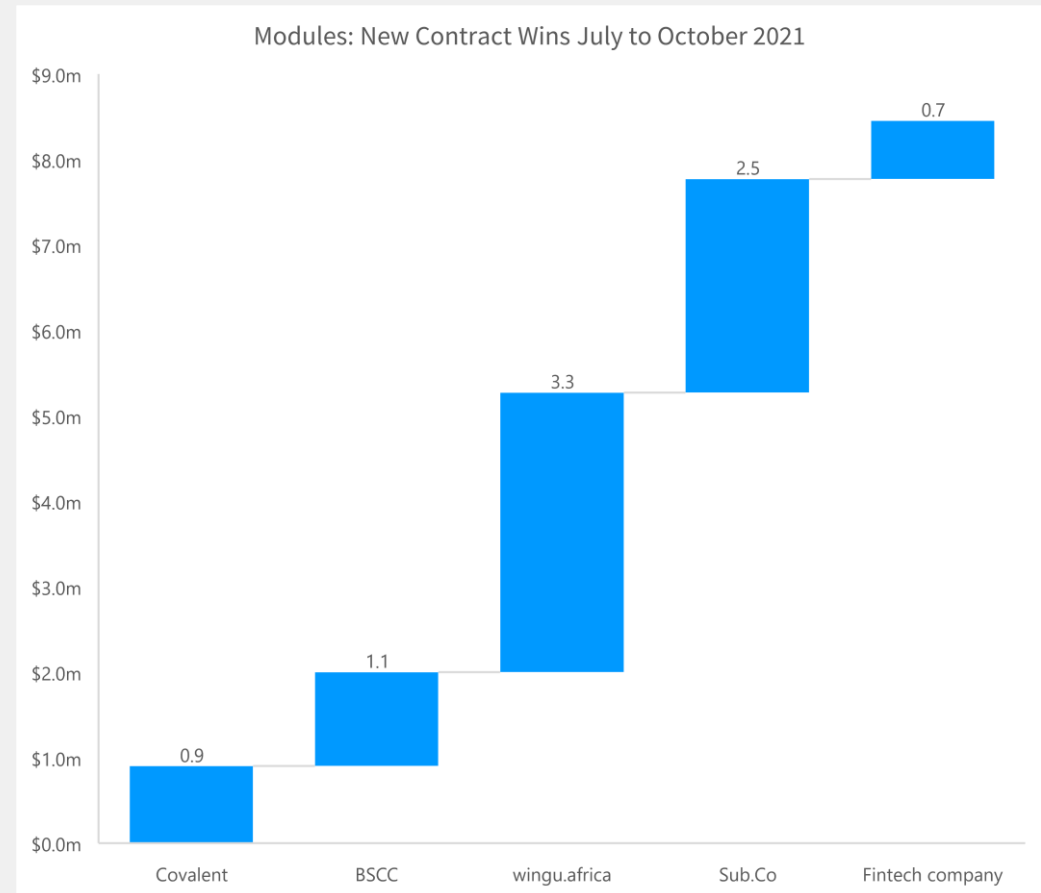
# Modular Manufacturing



# Modules Capacity & Pipeline

## Strong pipeline and capacity to grow

- Focus on key markets of Subsea cables, Mining and EDGE Data Centres delivering results
  - Strong start to FY22 with announcement of ~\$8.55m in sales (*up 470% on \$1.5m sales for same period last year*)
  - Pipeline in these markets continues to be strong
- Current capacity of 100 modules a year with an extra shift and have further capacity growth beyond that
- Maintenance presents a large opportunity to bring in crossover annuity revenues



# Current Deployment Locations

## DXN Modules

1	AGIG	15	Streamline Connect
2	Teletok	16	Newcrest Mining
3	Telcom Niue	17	SISCC
4	Avaroa Cable Limited	18	Wingu Africa Edge DC and CLS
5	Southern Cross Cable Network	19	BSCC Palau
6	SES   Networks		
7	Synergy		
8	Resolute		
9	SES   Networks Project 2		
10	Venues West		
11	AHG		
12	SubCo		
13	Boeing		
14	Covalent Lithium		



# Targeted Market Segments



**Cable Landing Stations**

- Pre-fab specifically for submarine cable industry
- Rapid deployment 90 days
- Highest quality factory-built surface Protection C4
- Seismic rating
- Cyclone rating



**Mining**

- Purpose built
- High quality Australian design and build
- Dark site management
- Rugged and resilient
- Custom designed



**Micro DC**

- Plug and play, fully integrated solution
- Combining UPS, cooling, security, monitoring and HMI
- Ideal for enterprise
- 5G telco sites where there is a need for solutions closer to the end user

**Current Opportunity**



**EDGE DC**

- 1-3 MW deployment
- 100-400 racks
- Modular solution that allows scale
- 6 month build to any tier rating
- Own and operate options



**Telco and Government**

- Edge deployment
- 20kW to 1MW
- 5-200 rack
- 16-week build
- Satellite earth stations

**Emerging Opportunity**

# Data Centre Operations



# Darwin the gateway to Asia and the USA

- Darwin is the closest point from Australia to Asia
- DXN's Secure Data Centre is the only incumbent with long standing government and corporate customer relationships. Plans to achieve Tier 3 accreditation
- SDC is the highest connectivity point for all Telco's in the NT and terminates many of the domestic cable routes that exist today in the northern territory
- Vocus Australia Singapore cable interconnection into Darwin planned completion 2023
- Hawaiki Cable announced November 3 connecting Darwin to Singapore and the USA
- Darwin is the fastest low-latency connection between Australia and Singapore and provides the fastest route from Singapore to Sydney and Melbourne where most of the cloud's live in Australia
- The Subsea Cable from Vocus that extends from Port Headland to Darwin will now be linked to the ASC cable that extends Australia to Singapore



Source: [Vocus to link up subsea cables to create Darwin-Jakarta-Singapore Cable | ZDNet](#)



Source: [Hawaiki announces new trans-Pacific cable system, Moratelindo as Indonesian partner - Hawaiki Cable](#)



# DXN Data Centre Map

DXN owns and operates three carrier neutral data centres nationally

## SYD01 (Sydney)

- Located at Sydney Olympic Park
- Tier III Data Centre
- Centrally located to all DC's
- Fully interconnected with dark fibre to major DC's in Sydney

## SDC Northern Territory

- Located in Darwin
- Sovereign DC and provides services to Government
- Strong Network coverage with over 15 carriers
- Meet me point for Inter state capital long haul networks and subsea networks

## TAS01 Tasmania

- Located in Hobart,
- Sovereign DC and provides services to Government
- 100% Renewable Power

## DCA Western Australia

- Located in Perth
- Working towards an alliance with DCA to promote and sell Perth and Sydney DC's
- Sovereign DC and provides services to Government
- Tier III data Centre



# Capital-lite Edge Data Centre Model

**DXN will look to offset the capital component of its growth into the Edge DC market**



- DXN will continue to look for brownfield and greenfield opportunities to expand its position in the Edge data centre market
- Large property development groups across Australasia have recently shown a strong appetite to enter the Edge data centre market, often representing major data providers wishing to be closer to their end customers
- DXN believes there is an opportunity to utilise third party capital to facilitate the purchase of brownfields assets and the development of greenfield assets whilst retaining management control



# THANK YOU





# Appendix



# DXN-SYD01

<b>Location</b>	Sydney Olympic Park
<b>Tier</b>	III (Design and Build) & IV (Design)
<b>Size of Facility</b>	4600 Sqm
<b>Technical Area</b>	3500 Sqm
<b>Capacity at completion</b>	6MW
<b>Initial Fit Out</b>	1MW
<b>Live</b>	19 Aug 2019



DC is live and ready for business



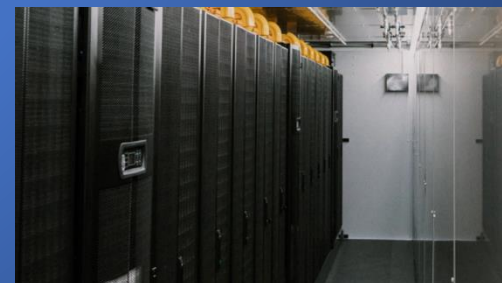
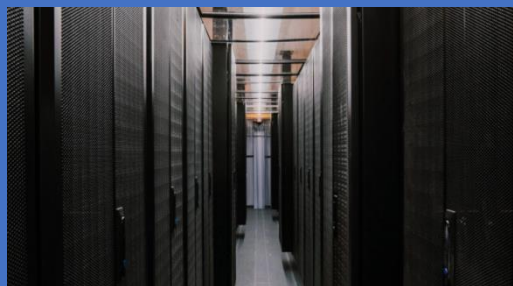
Carrier Neutral Edge DCs build by skilled in-house engineering and manufacturing teams



Two purpose built facilities using modular construction that have achieved Tier Ready III (design and TCCF) and Tier (design) Ready IV certification from the Uptime Institute



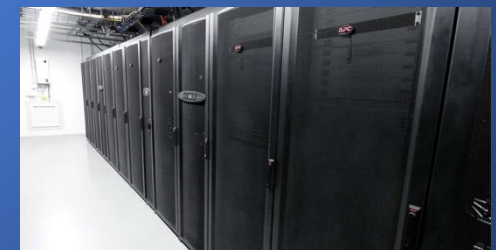
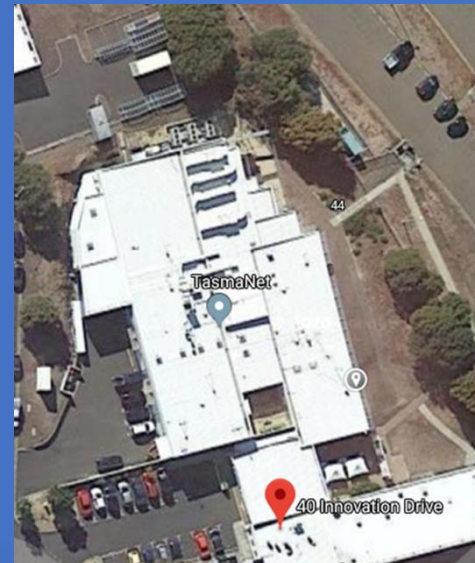
Capacity 725 racks





# DXN-TAS01

Location	Hobart Tasmania
Tier	Tier II equivalent
Size of Facility	1200 Sqm
Technical Area	900 Sqm
Capacity at completion	1.5MW
Initial Fit Out	500KW



✓ The Hobart DC is a modular designed DC currently at Tier II+

✓ Government accredited DC and currently provides services to Government

✓ Green Data Centre 100% Renewable energy supply

✓ Capacity 150 Racks





A DXN LIMITED  
DATA CENTRE

Location	Darwin
Tier	Tier III equivalent
Size of Facility	Sqm
Technical Area	Sqm
Capacity at completion	2 MW
Initial Fit Out	500KW



✓ Sovereign DC and provides services to Government

✓ Carrier Neutral with over 15 Telecommunications carriers. Meet me point for RBBP cable well positioned for future subsea cable operators

✓ Proven history of 100% availability over 10 years

✓ Capacity 300 Racks

