



## Significant uplift in first half revenue

DXN Limited (“DXN” or “the Company”), a prefabricated modular data centre specialist, is pleased to announce its half year results for the period ending 31 December 2024 (‘1HFY25’).

### Key Highlights

- **Strong Revenue growth of \$7.8 million, an increase of approximately 70.8% compared to the prior corresponding period (pcp).**
- **Modular division delivered \$6.6 million of revenue, underpinned by new and existing customers.**
- **Consistent with continued focus on driving top-line growth, DXN are finalising hires of two new senior sales personnel to commence in March 2025.**
- **Positive early feedback received on launch of new High-Performance-Compute (HPC) AI Module which meets customers growing demand for AI infrastructure.**
- **Improved balance sheet driven close management of cash for strategic initiatives as well as the 25% reduction in the PURE Asset Management (“PURE”) loan balance with a further 25% due to be finalised in Q3 FY25.**
- **Reaffirm FY25 Revenue guidance of \$16.0 million.**

### 1HFY25 Update

DXN demonstrated strong revenue growth in first half of the financial year, with a remarkable 70.8% increase to \$7.8 million compared to pcp. The substantial growth was due to increased number of projects being executed including Stanmore Coal, Pilbara Minerals, Pilbara Ports, Timor Leste Government, delivery to a global internet company and East Micronesia Cable System (EMCS) projects, which has significantly boosted the Modular segment of the business.

The Modular division delivered \$6.6 million in revenue for the period, highlighting the strength of DXN’s key customer value proposition namely inhouse design and engineering capability as well as manufacturing, and underlying potential of the Company’s strategic focus on this segment.

The Company’s Data Centre Operations division delivered \$1.3 million in revenue from SDC in Darwin as well as TAS01 in Hobart. The SDC Darwin revenue grew 6% on pcp with additional revenues from new customers and contract renewals. TAS01 in Hobart customer revenue was maintained over the period. The reduction in revenue in DXN's data centre operations was due to a decrease in rental income on a property due to tenant turnover. Importantly, the departing tenant, while renting space from the Company, was not classified as a Data Centre customer.

Despite the Company’s surge in revenue, gross profit for the half decreased to \$2.3 million. The 23.5% decrease compared to pcp, was primarily due to the expiration of the Flow agreements previously announced. The Flow agreement in 1HFY24 contributed \$625k in revenue with no associated costs of goods (COGS) enabling the extraordinary higher margins in FY24. In 1H FY25 DXN continued to maintain the expected margins of the company for both the Modular data centre

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and in the Data Centre Operations segments in addition to being able to expand and market directly into the APAC region without the restrictions of the Flow exclusivity.

DXN launched the new HPC AI Module solution in the period, which received positive early feedback from existing and prospective customers. The product combines cutting-edge technology with scalable design, a complete cooling solution that can be prefabricated and tested prior to shipping and a module with built in power backup and distribution. These features highlight DXN's ability to adapt to the rapidly growing demand for AI infrastructure. The launch of a new product highlights DXN's growing capabilities and investment into R&D and innovation with a focus on product market fit for real world customer requirements.

During the half, the Company deployed funds from the Company's October 2024 capital raise to the allocated debt repayment. The \$1.0 million repayment reduced the PURE loan down by 25%. A further 25%, will convert an additional \$1 million of the loan to equity. The equity conversion to be finalised in Q3 FY25. This activity was part of DXN's broader strategy to strengthen its balance sheet.

Commenting on the half, **Shalini Lagrutta, Managing Director of DXN, said:** "We remain committed to achieving our full-year revenue targets. Importantly, we are confident that the strategic actions we've undertaken, coupled with the continued execution of our growth plans, will support the continued momentum of the company. In line with the use of funds raised in the October capital raise, DXN are finalising two new senior sales staff, who will join the company in March 2025. These new hires will play a key role in driving our expansion within the prefabricated modular data centre market, a sector we believe holds significant opportunities for further growth and latent demand we have the ability to capture."

Subsequent to this half, the owner of one of our primary customers in our Data Centre Operations business TasmaNet, entered voluntary administration. DXN have commenced discussions with the administrators and receivers of TasmaNet, McGraw-Nicol, to discuss options on continuation of critical data centre infrastructure services to government clients. DXN are also in close contact with end customer the Tasmanian Government to ensure continuous support of services and implementation of contingency plans. The short-term financial impact of this event (if any) is currently being assessed. We will continue to provide disclosures to investors as necessary. At this stage, we believe that this will not impact our ability to achieve our FY25 revenue guidance of \$16.0 million.

Further, DXN announced a reshuffle to our board, with Dr. Myo Ohn stepping into the Chair role, with a key focus on taking the company into the next phase of its' growth with his industry background in subsea, technology and start-ups. Dr Ohn is director of The One Matrix Ventures, a significant shareholder in DXN. Dr. Ohn has been the founder of several start-ups in established and emerging markets that involve, Space Age Advanced Materials, Hypersonic Ballistics, Photonic Components, Fiber Optic Communications, Financial Technologies and Internet Web 3.0. Dr. Ohn has worked for large cap NASDAQ listed companies in various roles from Business Unit General Management, Corporate Strategy Head to Corporate M&A. At present, he is CEO of Campana Group, an operator of data centre, wireline telecommunication services in South-East Asia.

**Ends-**

This announcement was authorised for release by the Board of Directors.

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### About DXN Limited

DXN is a vertically integrated manufacturer and operator of modular data centres in Asia Pacific. DXN's core business is designing, engineering, manufacturing, maintaining and operating data centres.

The Company works with major government and blue-chip enterprise customers.

It has two core divisions:

1. Modular Division – designs, engineers, manufactures, and deploys EDGE facilities and critical DC infrastructure; and
2. Data Centre Operations - operates, maintains and markets data centres and critical infrastructure for our own DXN data centres as well as our modular customers. For more <https://dxn.solutions>.

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