

## 1. Company details

|                   |                                 |
|-------------------|---------------------------------|
| Name of entity:   | <b>DXN Limited</b>              |
| ABN:              | 46 620 888 548                  |
| Reporting period: | For the year ended 30 June 2026 |
| Previous period:  | For the year ended 30 June 2025 |

## 2. Results for announcement to the market

\$

|                                                                                   |      |            |             |
|-----------------------------------------------------------------------------------|------|------------|-------------|
| Revenues from ordinary activities (continuing operations)                         | down | (33.1%) to | 10,123,387  |
| Loss from ordinary activities after tax attributable to the owners of DXN Limited | up   | 153.0% to  | (6,065,197) |
| Loss for the year attributable to the owners of DXN Limited                       | up   | 185.8% to  | (6,615,277) |

### Dividends

There were no dividends paid, recommended or declared during the current financial period.

### Comments

The loss for the Group after providing for income tax amounted to \$6,615,277 (30 June 2025: \$2,314,248).

Group revenues fell by 33.1%, driving a gross profit of \$1,758,157. However, gross profit declined by 63.9%. As a result, the Group recorded a loss after income tax of \$6,615,277 (FY25: loss of \$2,314,248).

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') and Underlying EBITDA are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represents the profit or loss under AAS adjusted for non-cash and non-operating items. The directors consider EBITDA and Underlying EBITDA to reflect the core earnings of the Group.

The following table summarises key reconciling items between the statutory loss after tax from continuing operations and Underlying EBITDA. Consistent with the presentation of the statement of profit or loss and other comprehensive income, EBITDA and Underlying EBITDA are presented on a continuing operations basis and the FY25 comparative has been re-presented on the same basis.

|                                             | <b>Consolidated</b> |                  |
|---------------------------------------------|---------------------|------------------|
|                                             | <b>2026</b>         | <b>2025</b>      |
|                                             | <b>\$</b>           | <b>\$</b>        |
| Loss after tax                              | (6,065,197)         | (2,397,140)      |
| Add: finance costs                          | 810,992             | 1,065,509        |
| Add: depreciation and amortisation          | 853,188             | 765,844          |
| Add: income tax expense                     | -                   | 204,441          |
| <b>EBITDA</b>                               | <b>(4,401,017)</b>  | <b>(361,346)</b> |
| <i>Less: non-operating / non-cash items</i> |                     |                  |
| Corporate restructuring costs               | 128,632             | 239,013          |
| Gain on lease surrender / adjustment        | 4,123               | (174,347)        |
| Equity-settled employee costs               | 195,900             | 346,489          |
| Net foreign exchange loss                   | 309,977             | 42,397           |
| Change in fair value of warrants            | 44,527              | 218,333          |
| Debt restructuring costs                    | -                   | 55,000           |
| Redundancy costs                            | -                   | 81,872           |
| Loss on disposal of assets                  | 4,351               | -                |
|                                             | <b>687,510</b>      | <b>808,757</b>   |
| <b>Underlying EBITDA</b>                    | <b>(3,713,507)</b>  | <b>447,411</b>   |

### Reconciliation to statutory result for the year

The loss after income tax from continuing operations of \$6,065,197 (FY25: \$2,397,140) and the net loss after income tax from discontinued operations of \$550,080 (FY25: profit of \$82,892), resulted in a total loss after income tax attributable to the owners of DXN Limited of \$6,615,277 (FY25: \$2,314,248).

EBITDA and Underlying EBITDA are unaudited measures that are not prescribed by Australian Accounting Standards and should be read alongside, and not in substitution for, the statutory results.

### 3. Dividends

#### Current period

There were no dividends paid, recommended or declared during the current financial period.

#### Previous period

There were no dividends paid, recommended or declared during the previous financial period.

### 4. Net tangible assets

|                                                                                             | Reporting<br>period<br>Cents | Previous<br>period<br>Cents |
|---------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| Net tangible assets per ordinary security                                                   | 0.68                         | 0.67                        |
| Net tangible assets calculation above includes the right-of-use assets and lease liability. |                              |                             |
|                                                                                             | Consolidated<br>2026<br>\$   | 2025<br>\$                  |
| Net assets                                                                                  | 5,398,257                    | 4,920,340                   |
| Less: Intangibles                                                                           | (2,895,244)                  | (2,915,799)                 |
| Net tangible assets                                                                         | 2,503,013                    | 2,004,541                   |
|                                                                                             | Number                       | Number                      |
| Total shares issued                                                                         | 368,750,868                  | 298,703,639                 |

### 5. Control gained over entities

Not applicable.

### 6. Loss of control over entities

Sale of TAS01 Pty Ltd on 30 June 2026.

## 7. Details of associates and joint venture entities

DXN is expanding its international operations, including through the establishment of manufacturing capability in Malaysia and its joint venture with Super Sistem Indonesia (SSI) in Indonesia. Establishing and scaling operations in new jurisdictions exposes the Group to additional risks, including regulatory and licensing requirements, recruitment and retention of appropriately skilled personnel, taxation, foreign exchange movements, local supply-chain development and differing commercial and operating environments.

The Indonesian joint venture also exposes DXN to risks associated with joint venture governance, alignment of commercial objectives and partner and counterparty performance. Delays in establishing these operations, securing customer orders or achieving anticipated utilisation could affect the timing and financial contribution expected from the Group's international expansion strategy.

DXN also established DXN Solutions Pte. Ltd. in Singapore on 28 August 2025, complementing the Group's regional corporate structure and supporting its ability to contract and operate across South-East Asian markets.

## 8. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

## 9. Attachments

*Details of attachments (if any):*

The Annual Report of DXN Limited for the year ended 30 June 2026 is attached.

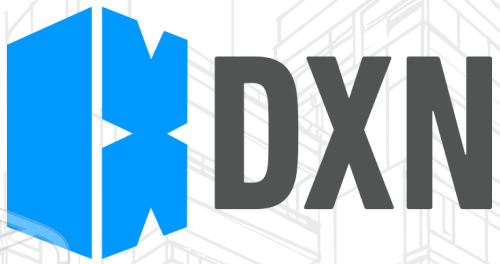
## 10. Signed



Signed \_\_\_\_\_

Date: 30 August 2026

Myo Myint Ohn  
Non-Independent, Non-Executive Chair



FY26

# ANNUAL REPORT

**DXN Limited**  
(ACN 620 888 548)

🌐 [www.dxn.solutions](http://www.dxn.solutions)

A vertical server rack filled with various electronic components, including circuit boards and modules, some of which have small displays showing 'ON' and bar charts.

2026

## A leading provider of prefabricated modular data centre solutions

DXN is a vertically integrated manufacturer and operator of modular data centres. The Company designs, engineers, manufactures, deploys, operates and maintains high-quality modular data centres across three core divisions, giving customers a faster, lower-risk alternative to traditional onsite construction.

|  DIVISION                              |  WHAT IT DOES                                                                                                                                  |  TYPICAL CUSTOMER | FY26 REVENUE                                                                                |
|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <br>Modular Division                   | A projects-based business covering the design, engineering, manufacturing and deployment of prefabricated data centres globally. Offers customers a lower-investment, flexible and scalable alternative to conventional builds. | <b>Telcos, hyperscale operators, governments</b>                                                     | <br>~73% |
| <br>Data Centre Operations             | Owns, operates and maintains critical data centre infrastructure in Darwin, comprising 75 racks of colocation and managed hosting capacity.                                                                                     | <b>Enterprises, telcos, cloud providers</b>                                                          | <br>23%* |
| <br>Data Centre as a Service (DCaaS) | A capital-light, facility-as-a-service model spanning the design, engineering and deployment of bespoke data centers and satellite ground stations.                                                                             | <b>Satellite operators, remote networks</b>                                                          | <br>4% |

\* Pro-forma FY26 revenue, reflecting the divestment of the Hobart data centre.

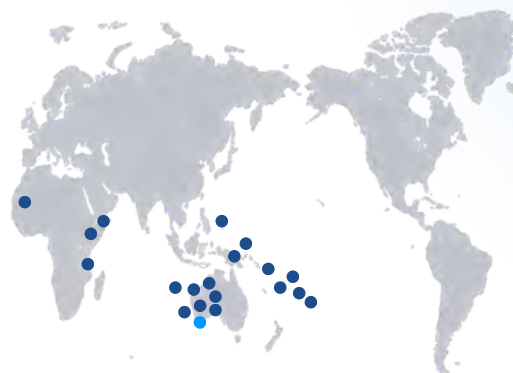
## Regional leader in prefabricated & critical infrastructure builds

Established in 2010 and focused on prefabrication projects since 2020, DXN has built a reputation as a trusted technical advisor, offering end-to-end capability from initial design through to delivery. The Company has a demonstrated track record of supporting mission-critical environments, consistently delivering bespoke digital infrastructure that meets customers' changing and growing demands — manufactured faster than traditional brick-and-mortar data centers, and at lower cost and time to build for the end customer.

# LEVERAGED TO GROWING CRITICAL INFRASTRUCTURE MARKET SEGMENTS



DXN's modular platform is deployed across two broad market groups EDGE and Hyperscale spanning capacities from 30kW cable-landing installations through to gigawatt-scale hyperscale data centre infrastructure. This breadth positions DXN across the full spectrum of demand for factory-built, mission-critical digital infrastructure.



● DXN deployments

● DXN manufacturing facility

| SEGMENT                                                                                                                                                                                                                                                                                                                                                                                                                                          | TYPICAL CAPACITY                             | MARKET GROUP |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|--------------|
|  <b>Cable and satellite landing stations</b>                                                                                                                                                                                                                                                                                                                    | 30kW – 2MW                                   | EDGE         |
|  <b>Mining modules</b>                                                                                                                                                                                                                                                                                                                                          | 100 – 500kW                                  | EDGE         |
|  <b>Edge data centers (incl. AI HPC modules, edge colocation)</b>                                                                                                                                                                                                                                                                                              | 50kW – 10MW, multi-module sites              | EDGE         |
|  <b>Defense &amp; government — portable data centers</b>                                                                                                                                                                                                                                                                                                      | Varies by deployment                         | EDGE         |
|  <b>Hyperscale data hall super-structures (DXN StructCoreHAC™)</b><br><br>DXN StructCoreHAC™ is the Company's proprietary approach to delivering a complete Data Hall Super-Structure that supports HPC AI racks within hyper scale data centers, extending DXN's addressable market from single EDGE modules into gigawatt-scale hyper scale infrastructure. | 100MW – 1GW data centres                     | Hyperscale   |
|  <b>Inference AI sites — HPC modules for AI inference</b>                                                                                                                                                                                                                                                                                                     | Varies by deployment                         | Hyperscale   |
|  <b>Critical support infrastructure for hyperscalers</b>                                                                                                                                                                                                                                                                                                      | Power train units, chiller rooms, pump rooms | Hyperscale   |



# EDGE Market Segments<sup>1</sup>

## 1 Cable and Satellite Landing Stations



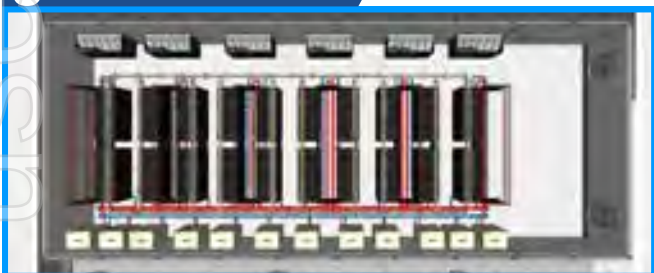
30kW to 2MW

## 2 Mining Modules



100 to 500kW Modules

## 3 Edge Data Centres



50kW to 10MW multi module edge sites (AI HPC Modules, Edge Colo DC's)

## 4 Defence & Government



Portable Data Centres

# Hyperscalers Market Segments

## 5 Hyperscalers Data Hall Super-Structures



(DXN Struct CoreHAC™) 100 MW to 1GW Data Centres

## 6 Inference AI Sites



HPC modules for AI inference

## 7 Critical Support Infrastructure Rooms for Hyperscalers



Power Train Units (PTU's), Chiller rooms, Pump Rooms



# POSITIONING DXN FOR FUTURE GROWTH



## The industry is facing critical problems that DXN's solution addresses

Prefabrication of data centres is not a new phenomenon; however, the supply challenges now facing the industry are driving a dramatic and accelerating shift toward prefabricated solutions in order to meet demand. DXN's model is built to directly address the constraints reshaping the industry:



### AI Industry Challenges



#### LONG LEAD TIMES

Customers facing delays in site readiness, driven by skilled labour shortages, equipment shortages and permitting delays.



#### COMPLEXITY OF HARDWARE

Product-driven innovation continues to accelerate. Chip hardware, cooling technology and power density all continue to advance.



#### BESPOKE REQUIREMENTS

Hyperscalers and neocloud providers are increasingly requiring bespoke solutions.



#### LACK OF EXPERTISE IN PRE-FABRICATION

Prefabrication is not a new phenomenon; however, few have the expertise and track record to give customers confidence in execution.



### DXN's Solution



#### SPEED TO MARKET

DXN can deliver their modular solution to customers in a matter of months, not years.



#### PRODUCT AGNOSTIC

DXN has relationships and experience handling components from the major suppliers in industry. DXN keeps updating its module designs and innovating as new products come to market, i.e. the AI HPC modules to address changing market requirements.



#### CUSTOM BUILD

Ability to work with the customer during the initial scoping and guide the customer to their desired solution.



#### TRACK RECORD

A strong reputation built over years: a new AI-native modular DC startup doesn't have that reputation. DXN's competitive edge is a combination of hardware and technical scoping expertise.

## What this means for DXN

The shift in both industry demand and the supply response has driven a step change in DXN's business model reflected in increased collaboration with customers, rising contract values, and the benefits of scale.



### Increased collaboration with customers

- ✓ DXN is increasingly being engaged in early scoping works with customers.
- ✓ DXN is co-designing alongside customers, increasing the likelihood of ultimate contract win and reducing the execution risk.
- ✓ DXN is increasingly working with senior C-suite executives of customers, as securing AI compute becomes the number one strategic imperative for customers.



### Increased contract value

- ✓ Bespoke, increasingly complex and larger compute requirements is driving a step change in the size of works that DXN is scoping for potential customers.
- ✓ Scoping of bespoke works also increases strength of partnership alongside key customers – which could unlock future repeat work.



### Benefits of scale

- ✓ Customer-led demand has given business confidence to execute on expansion plans into Malaysia.
- ✓ Technical expertise gained through delivery of bespoke solutions drives scale benefits through the organisation.
- ✓ Higher volume and value contracts enabled operational efficiencies in production.

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# VISION AND MISSION



## OUR VISION :

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



## OUR MISSION :

We will be Global' s leading edge infrastructure company for colocation and turnkey solutions, building the best modular solutions safely, creating value for our customers, staff and shareholders.



## OUR KEY VALUE PROPOSITIONS:



### DESIGN

Deep domain knowledge in house skills including mechanical electrical and structural engineering.



### BUILD

Australian owned Prefabricated Modular manufacturer with the highest quality standards that the data centre industry expects.



### OPERATE

Secures, Maintains and Operates critical infrastructure.

## CERTIFICATIONS AND GLOBAL STANDARDS



|                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                     |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Directors                                         | <p>Myo Myint Ohn (Non-Executive Director and Chairman)<br/> Brendan Power (Non-Executive Director)<br/> Shalini Lagrutta (CEO and Managing Director)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                     |
| Company secretaries                               | <p>Lucy Rowe<br/> Maria Clemente</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                     |
| Registered office and principal place of business | <p>Level 2<br/> 66 King Street<br/> Sydney NSW 2000</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                     |
| Share register                                    | <p>Automic Pty Ltd<br/> Level 5<br/> 191 St Georges Terrace<br/> Perth WA 6000</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                     |
| Auditor                                           | <p>Moore Australia Audit (WA)<br/> Level 15, Exchange Tower<br/> 2 The Esplanade<br/> Perth WA 6000</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                     |
| Solicitors                                        | <p>Arnotts Technology Lawyers<br/> 6/16 O'Connell Street<br/> Sydney NSW 2000</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Hamilton Locke Pty Ltd<br/> Level 37, 180 George Street<br/> Sydney NSW 2000</p> |
| Bankers                                           | <p>DBS Bank Ltd<br/> DBS Asia Centre @ MBFC Tower 3<br/> 12 Marina Blvd., #43-00<br/> Singapore 018982</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Westpac<br/> 341 George Street<br/> Sydney NSW 2000</p>                          |
| Stock exchange listing                            | <p>DXN Limited shares are listed on the Australian Securities Exchange (ASX code: DXN (DXN))</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                     |
| Website                                           | <p><a href="https://dxn.solutions/">https://dxn.solutions/</a></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                     |
| Corporate Governance Statement                    | <p>The Directors and management are committed to conducting the business of DXN Limited in an ethical manner and in accordance with the highest standards of corporate governance. DXN Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate for the size and nature of its operations. The Group's Corporate Governance Statement, sets out the corporate governance practices that were in operation during the financial year and identifies and explains any recommendations that have not been followed. The Appendix 4G is released to the ASX as part of the Annual Report. The Corporate Governance Statement can be found on the Company's website at <a href="https://dxn.solutions/corporate-governance/">https://dxn.solutions/corporate-governance/</a>.</p> |                                                                                     |

## DXN Limited

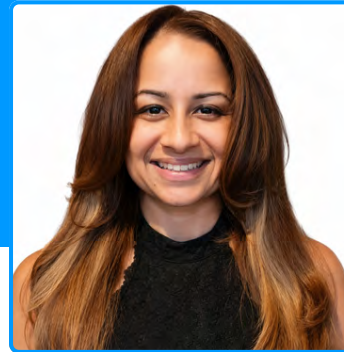
Joint letter from Chair and CEO

30 June 2026



● **Dr Myo Ohn**

Non-Independent, Non-Executive  
Chair



● **Shalini Lagrutta**

CEO and Managing Director

**Dear Fellow Shareholders,**

**We are pleased to present DXN Limited's FY26 Annual Report, for the financial year ended 30 June 2026.**

FY26 will be remembered as the year DXN's long-term investment thesis came into focus. While FY26 revenues decreased to \$10.1 million, we, as Chair and CEO, remain proud of the platform DXN has built and energised by the opportunity now in front of us as we entered FY27 with our strongest-ever backlog of \$23.5 million and a strengthened pipeline.

That opportunity did not arrive by chance. It is the product of a decade spent delivering mission-critical prefabricated infrastructure across telecommunications, defence, subsea cable and enterprise markets, that led to our Modular Division securing a maiden AI High-Performance Compute (HPC) contract, which reshaped DXN's growth trajectory. The win drove a five-fold increase in DXN's market capitalisation, validating years of investment behind our AI-ready modular offering and unlocking a substantial new market opportunity. It also established a pathway to a campus-scale follow-on opportunity indicatively valued at approximately US\$200 million, contingent on the successful delivery of the Proof of Concept (POC) module, delivering clear evidence that our strategic initiatives are translating into commercial outcomes.

Getting here required us to work through real headwinds, and those experiences have made the business stronger. We experienced a slower start to the financial year, as project deferrals, largely customer-driven, weighed on first half activity. Rather than a setback, this period sharpened our execution discipline. Substantial manufacturing progress continued on orders for Global star, Speed cast and a global internet company customer in South America. As previously deferred projects moved through manufacturing and execution in the second half, momentum and revenue recognition both accelerated. The experience reinforced a lesson central to our business model, that a diversified, blue-chip customer base and manufacturing discipline can absorb short-term timing volatility without derailing full-year delivery.

We observed a noticeable acceleration in tender activity in the second half of FY26 and this was met by a \$7.0 million capital raise to fund additional factory capacity, allowing us to scale ahead of demand rather than in response to it. This activity reflects where the industry is heading. Modular construction has become the default choice for hyperscalers, neoclouds and colocation providers, as speed to deployment overtakes almost every other consideration. Prefabrication of data centres is not a new phenomenon however the supply challenges facing the industry are driving a dramatic shift towards prefabrication in order to meet demand. Customers are turning to modularisation to compress delivery timelines that traditional onsite construction cannot achieve. DXN's AI HPC module is built precisely for this shift. A fully integrated, factory-built, AI-ready facility that replaces bespoke construction with a productised offering, letting customers scale as demand grows, unencumbered by the extended build cycles of conventional development.

In addition to the prefabricated data centres, we are gaining traction in the hyperscale space for our StructCore solution for indoor and brownfield site deployments. It allows bricks and mortar data centres to deploy or convert existing data halls into optimised, high-density data centres optimised for the AI HPC market.

Our platform engineering underpins our future growth. It is built for scalability, from 1MW up to 100MW clusters, supporting the high-density power and liquid cooling demanded by modern AI workloads. Each module ships pre-built and fully tested, ready to install on arrival, and features a vendor-agnostic design that works with any customer's existing hardware. The commercial advantages are tangible, delivery in as little as 6–8 months instead of years, with lower cost, less on-site risk, and greater predictability than traditional construction.

To capture a greater share of the pipeline now in front of us, we are significantly expanding our manufacturing network in FY27. Production today is concentrated at our Perth facility, at the close of FY26, we identified a site in Johor, Malaysia, with production at a scale several times of the Perth facility targeted to begin in Q2 FY27.

We applied that same discipline to expansion. During the year, we established a Joint Venture (JV) with Super Sistem Indonesia (SSI), an existing customer and Indonesian critical digital infrastructure operator. The equally owned, Singapore domiciled JV will operate and manage manufacturing facilities, to capture modular demand across South-East Asia, localise manufacturing, cut shipping and improve speed of delivery for regional purchase orders. The JV combines our modular engineering expertise with SSI's subsea fibre-optic network knowledge to target regional digital growth. The establishment of the JV's first facility in Johor, Malaysia, represents our first manufacturing footprint outside Australia, and our entry point into a region now attracting significant investment in digital infrastructure.

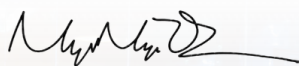
In parallel, we are progressing a second domestic production facility on the east coast, ideally located in New South Wales. We are also targeting Q2 FY27 for the commencement of operations, with strong capacity expectations. This expansion will be led by our newly appointed Chief Operating Officer, whose extensive data centre industry experience will guide the scaleup of production. Once the Malaysian and NSW facilities are operational, we will pursue further sites across Southeast Asia as part of our broader Asia-Pacific growth strategy. Together, this program is expected to lift DXN's monthly production capacity by the second half of FY27, turning our growth ambitions into operational reality.

The opportunity ahead is considerable. At the end of FY26 we had identified a pipeline of 99 projects, approximately 21% of which are AI infrastructure related. A figure that speaks to both the scale of demand before us and the improving quality of DXN's customer contracts. Importantly, at the time of writing this letter, we have secured our second AI HPC contract to the value of \$12.2 million and an EDGE Infrastructure project for Melbourne airport for \$4.1 million.

Our immediate priority is unambiguous, the successful delivery and commissioning of the AI HPC POC, the catalyst that will convert the indicative US\$200 million-plus follow-on opportunity into contracted revenue. We will pursue this alongside our continued Asia-Pacific growth strategy, expanding manufacturing and servicing capability through our Malaysian expansion and the pursuit of an east coast Australian facility. Momentum across our core segments continues in step with the AI HPC opportunity, with early cable landing station and EDGE infrastructure wins already secured in the first quarter of FY27. With a reinforced capital position, our strongest-ever backlog of \$23.5 million, a maturing pipeline and a manufacturing network set to more than triple in capacity, the Board and management believe DXN is well positioned to deliver sustainable top-line growth over the medium term.

Finally, we extend our heartfelt thanks to our dedicated team for their unwavering commitment, our Board for their guidance, and our shareholders for their continued support. Together, we are building a resilient, innovative DXN for the future, and we look forward to updating you on our progress throughout FY27.

**Yours sincerely,**

**Dr Myo Ohn****Non-Independent, Non-Executive Chair****Shalini Lagrutta****CEO and Managing Director**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of DXN Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026 (FY26).

### **Directors**

The following persons were directors of DXN Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Myo Myint Ohn  
Brendan Power  
Shalini Lagrutta

### **Principal activities**

DXN is a vertically integrated manufacturer and operator of modular data centre infrastructure, with capabilities spanning design, engineering, manufacturing, deployment, operations and maintenance. The Group operates across three core business divisions: Prefabricated Modular Data Centres (PMDC), Data Centre Operations and Data Centre as a Service (DCaaS).

DXN's Modular division (referred to as PMDC (prefabricated modular data centres)) designs, engineers, manufactures, deploys and commissions prefabricated modular data centre solutions for customers globally. The Group's solutions support a broad range of applications, including edge computing, telecommunications infrastructure, satellite ground stations and cable landing stations (CLS).

DXN's prefabricated modular approach enables a significant proportion of construction and integration to be completed in a controlled manufacturing environment, reducing on-site labour requirements and deployment time while supporting consistent quality and compliance with global data centre standards. This approach is particularly suited to projects requiring rapid deployment, scalability and flexibility across both urban and remote locations.

DXN's PMDC solutions provide the critical infrastructure required to house and operate customer computing environments, including space, power, cooling and physical security for servers, storage and networking equipment. Compared with traditional bricks-and-mortar data centre construction, modular solutions can provide customers with a more capital-efficient and agile deployment model, with capacity able to be delivered progressively in line with demand.

DXN's Data Centre Operations division owns and operates data centre infrastructure, giving customers a secure, continuously available environment for critical IT and communications equipment. The division earns recurring revenue from colocation, infrastructure monitoring and managed hosting services.

Following the divestment of TAS01 Pty Ltd on 30 June 2026, the division comprises SDC Darwin, a freehold facility owned by the Group with capacity for 75 racks. The Group's 35-rack Hobart facility, TAS01, formed part of the division until its sale.

Data Centre as a Service (DCaaS) was established at the end of FY25 as a capital-light, facility-as-a-service model that leverages DXN's vertically integrated design, engineering and manufacturing capabilities. Under the DCaaS model, DXN designs, engineers and deploys purpose-built data centres and satellite ground stations and provides ongoing management and maintenance services over the term of long-term customer contracts.

The model provides customers with access to purpose-built critical infrastructure while reducing the requirement for significant upfront capital investment. For DXN, DCaaS extends the Group's capabilities beyond project-based delivery into longer-term service arrangements, supporting the development of a contracted, recurring revenue base alongside the project-based earnings generated by the Modular division.

### **Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

### **Review of operations**

#### **Presentation of results – divestment of TAS01 Pty Ltd**

On 30 June 2026, the Group completed the sale of 100% of the issued share capital of TAS01 Pty Ltd (TAS01), the entity that owned and operated the Group's Hobart data centre, to DADT Pty Ltd. As TAS01 represented a separate geographical area of the Group's operations, its results have been classified as a discontinued operation in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

As a result of this classification, TAS01's revenue and expenses are excluded from the individual line items of the consolidated statement of profit or loss and other comprehensive income and are instead presented on a net basis as loss after income tax from discontinued operations, separately from the results of the Group's continuing operations. The FY25 comparative information has been re-presented on the same basis to provide a consistent basis of comparison between reporting periods.

The classification is a presentation requirement and does not change the Group's total reported loss after income tax, net assets or cash position. It provides investors with greater visibility of the financial performance of the Group's continuing operations following the divestment of TAS01.

The impact on the Group's reported results is summarised below:

- Revenue: Revenue from continuing operations was \$10.123 million in FY26, excluding \$0.733 million of revenue generated by TAS01. Including TAS01, total Group revenue for FY26 was \$10.856 million. For FY25, re-presented revenue from continuing operations was \$15.125 million, excluding \$0.903 million of revenue generated by TAS01, compared with total Group revenue of \$16.028 million before re-presentation.
- Continuing operations: The Group reported a loss after income tax from continuing operations of \$6.065 million in FY26 (FY25: \$2.397 million).
- Discontinued operation: TAS01 contributed a net loss after income tax of \$0.550 million in FY26, comprising a trading profit of \$0.042 million and a loss on disposal of \$0.592 million. This result is presented separately as a discontinued operation.
- Total Group result: The total loss after income tax attributable to the owners of DXN Limited was \$6.615 million in FY26 (FY25: \$2.314 million). The classification of TAS01 as a discontinued operation does not alter the Group's total reported loss, net asset position or cash position.

The separate presentation of TAS01 provides investors with a clearer view of the financial performance of the businesses retained by the Group following the divestment and a more relevant basis for assessing the Group's continuing operations.

### **Financial performance**

FY26 revenue from continuing operations was \$10.1 million, compared with the re-presented FY25 comparative of \$15.1 million, representing a decrease of 33.1%. The year-on-year reduction was primarily attributable to customer-driven project delays, which affected the timing and progression of Modular projects during the period. Approximately 70% of total revenue was recognised based on the stage of completion of projects within the Modular division, with a substantial contribution from manufacturing progress on orders for Globalstar, Speedcast, US AI Customer, the global internet company customer in South America and AP Telecom. Modular project activity increased during the second half of FY26 as previously deferred Modular projects progressed through manufacturing and execution, supporting increased revenue recognition toward the end of the financial year.

Gross profit from continuing operations was \$1,758,157 (FY25: \$4,873,591). The reduction primarily reflected under-utilised manufacturing capacity and the associated absorption of fixed manufacturing costs during the first half of the year, resulting from customer-driven project deferrals, together with higher-than-anticipated costs associated with the Globalstar project. These factors adversely impacted margins during the period, notwithstanding the increase in project activity during the second half of FY26.

Data Centre Operations generated revenue from continuing operations of \$1,762,604 (FY25: \$1,672,616), reflecting a full year of colocation and managed services at SDC Darwin. The DCaaS division generated \$361,479 (FY25: \$388,588) in its first full year of operation, following the establishment of DXN's first DCaaS site in Darwin under a five-year agreement with a US-based global provider of satellite earth stations.

FY25 segment comparatives above are re-presented after excluding TAS01 revenue of \$903,473 from Data Centre Operations and are to be re-presented on that basis in note 4.

The Group ended FY26 with a strengthened balance sheet and liquidity position. Cash and cash equivalents increased to \$11.0 million (FY25: \$3.1 million), total assets increased to \$22.2 million (FY25: \$16.2 million), and net assets increased to \$5.4 million (FY25: \$4.9 million). Net tangible assets increased by 19.9% to \$2.5 million (FY25: \$2.0 million).

At 30 June 2026, contract liabilities increased to \$3.8 million (FY25: \$1.0 million) and work in progress increased to \$1.8 million (FY25: \$0.4 million), reflecting increased levels of customer-funded contracted activity and projects in execution at year end. These balances provide visibility over project activity expected to progress through execution and revenue recognition in FY27, subject to the achievement of contractual performance obligations and applicable revenue recognition requirements.

The allowance for expected credit losses was nil at 30 June 2026, compared with \$0.1 million at 30 June 2025, with the prior-year allowance of \$128,888 relating to TAS01, which was divested on 30 June 2026.

### **Contract wins and operational highlights**

FY26 marked a significant expansion in the markets addressed by DXN. During the June 2026 quarter, the Company secured an \$8.8 million (US\$6.3 million) contract with a US-listed neo-cloud operator, marking DXN's entry into the global artificial intelligence high-performance computing (AI HPC) segment. Following contract award, detailed design and procurement activities commenced prior to year end, with manufacturing to be undertaken at the Company's Welshpool, Western Australia facility.

Delivery progressed across the Group's project portfolio during FY26, including projects for Globalstar, Speedcast and AP Telecom, together with the US AI customer and global internet company customer in South America. During the year, DXN also completed delivery of the East Micronesia Cable System (EMCS), Stanmore Coal and Pilbara Ports projects, demonstrating the Group's capability to deliver modular infrastructure across a diverse range of applications and operating environments.

DXN also continued to expand its product offering in response to evolving customer requirements, including the development of high-performance computing AI Edge modules with flexible cooling and power configurations, as well as indoor prefabricated modular solutions for telecommunications exchange applications.

The Group closed the year with a record backlog of \$23.5 million at 30 June 2026, of which \$19.0 million relates to the Modular Division, and an identified project pipeline of 99 opportunities, of which 7% had reached verbal win or contracting stage. This is the strongest order book position in the Company's history and provides revenue visibility into FY27.

In June 2026 the Company completed a \$7.0 million institutional placement at \$0.13 per share, led by Jarden Australia Pty Ltd as sole lead manager and strongly supported by new institutional investors. The proceeds are being applied to the delivery of the AI HPC contract, the scale-up of the Company's manufacturing capability in South-East Asia, working capital associated with the growing project pipeline, and the costs of the raising.

The Group continues to recognise that South-East Asia represents a significant growth opportunity and invested time during the year structuring the Group to capitalise on that opportunity. DXN believes that the requirement in South-East Asia for prefabricated modular options is elevated, as the region is experiencing rapid digital growth and requires flexible, scalable and cost-effective infrastructure deployment. The directors believe that Indonesia and Malaysia will represent key hubs for growth and the Group is preparing to capitalise on future opportunities.

During FY26, DXN incorporated a wholly owned Malaysian subsidiary and identified a suitable manufacturing facility in Johor, Malaysia, as part of the Group's strategy to establish its first overseas manufacturing operation. The facility was subsequently leased in the first quarter of FY27, with recruitment and operational readiness activities progressing to support the commencement of manufacturing operations.

DXN also progressed the establishment of its Indonesian joint venture with Super Sistem Indonesia (SSI) during FY26, including entity establishment, leadership appointments and initial customer order designs, with commercial operations targeted to commence in FY27.

These initiatives represent an important step in DXN's international expansion strategy, supporting a transition from a predominantly export-led model, with approximately 80% of FY25 Modular revenue generated from exports towards in-market manufacturing and sales capability in South-East Asia. This approach is intended to enhance DXN's proximity to customers, strengthen its regional delivery capability and position the Group to participate in growing demand for digital infrastructure across the region.

Following the divestment of TAS01, the Group's data centre operation is focused on SDC Darwin, which the Group holds freehold and which was independently valued at \$10.0 million at the time of its acquisition in FY25 for a purchase price of \$2.1 million.

Earnings before interest, taxation, depreciation and amortisation ('EBITDA') and Underlying EBITDA are financial measures which are not prescribed by Australian Accounting Standards ('AAS') and represents the profit or loss under AAS adjusted for non-cash and non-operating items. The directors consider EBITDA and Underlying EBITDA to reflect the core earnings of the Group.

The following table summarises key reconciling items between the statutory loss after tax from continuing operations and Underlying EBITDA. Consistent with the presentation of the statement of profit or loss and other comprehensive income, EBITDA and Underlying EBITDA are presented on a continuing operations basis and the FY25 comparative has been re-presented on the same basis.

|                                             | 2026<br>\$         | 2025<br>\$       | Change<br>\$       | Change<br>%     |
|---------------------------------------------|--------------------|------------------|--------------------|-----------------|
| Loss after tax                              | (6,065,197)        | (2,397,140)      | (3,668,057)        | 153.0%          |
| Add: finance costs                          | 810,992            | 1,065,509        | (254,517)          | (23.9%)         |
| Add: depreciation and amortisation          | 853,188            | 765,844          | 87,344             | 11.4%           |
| Add: income tax expense                     | -                  | 204,441          | (204,441)          | (100.0%)        |
| <b>EBITDA</b>                               | <b>(4,401,017)</b> | <b>(361,346)</b> | <b>(4,039,671)</b> | <b>1118.0%</b>  |
| <i>Less: non-operating / non-cash items</i> |                    |                  |                    |                 |
| Corporate restructuring costs               | 128,632            | 239,013          | (110,381)          | (46.2%)         |
| Gain on lease surrender / adjustment        | 4,123              | (174,347)        | 178,470            | (102.4%)        |
| Equity-settled employee costs               | 195,900            | 346,489          | (150,589)          | (43.5%)         |
| Net foreign exchange loss                   | 309,977            | 42,397           | 267,580            | 631.1%          |
| Change in fair value of warrants            | 44,527             | 218,333          | (173,806)          | (79.6%)         |
| Debt restructuring costs                    | -                  | 55,000           | (55,000)           | (100.0%)        |
| Redundancy costs                            | -                  | 81,872           | (81,872)           | (100.0%)        |
| Loss on disposal of assets                  | 4,351              | -                | 4,351              | -               |
|                                             | <b>687,510</b>     | <b>808,757</b>   | <b>(121,247)</b>   | <b>(15.0%)</b>  |
| <b>Underlying EBITDA</b>                    | <b>(3,713,507)</b> | <b>447,411</b>   | <b>(4,160,918)</b> | <b>(930.0%)</b> |

#### Reconciliation to statutory result for the year

The loss after income tax from continuing operations of \$6,065,197 (FY25: \$2,397,140) and the net loss after income tax from discontinued operations of \$550,080 (FY25: profit of \$82,892), resulted in a total loss after income tax attributable to the owners of DXN Limited of \$6,615,277 (FY25: \$2,314,248).

EBITDA and Underlying EBITDA are unaudited measures that are not prescribed by Australian Accounting Standards and should be read alongside, and not in substitution for, the statutory results.

#### Material business risks

DXN operates in a dynamic and competitive sector and is exposed to a range of business, operational and financial risks that could affect the Group's financial performance, position and ability to execute its growth strategy. The Group seeks to manage these risks through its governance, commercial, operational and financial management processes; however, some risks may be outside the Group's control and cannot be fully mitigated.

#### Project Concentration, Timing and Delivery Risk

A significant proportion of DXN's Modular revenue is generated from a relatively small number of larger, engineered-to-order projects. Accordingly, customer-driven project deferrals, changes to design or scope, approval timing, procurement lead times and manufacturing schedules can materially affect the timing of project execution and revenue recognition between reporting periods.

Project deferrals can also result in under-utilisation of manufacturing capacity and reduced recovery of fixed manufacturing costs, adversely affecting margins and profitability. In addition, unexpected increases in material, labour, freight or subcontractor costs, design changes, project delays or difficulties in recovering contract variations may adversely affect project margins. These risks were evident during FY26, when customer-driven project deferrals affected manufacturing utilisation and the timing of revenue recognition, while higher-than-anticipated costs associated with the Globalstar project impacted gross margin.

DXN seeks to manage these risks through project governance, detailed design and planning, procurement management, customer engagement and ongoing monitoring of project costs and schedules.

### **Customer, Market and Competition Risk**

DXN has exposure to a relatively concentrated customer base, with individual contracts capable of representing a material proportion of annual revenue. The delay, cancellation, reduction or non-renewal of a significant project, or the financial failure of a material customer, could adversely affect the Group's revenue, cash flow and profitability.

The markets in which DXN operates are also competitive and include established data centre operators, engineering and construction companies and modular infrastructure providers. Increased competition, pricing pressure, changes in customer procurement strategies or lower levels of investment in digital infrastructure could affect DXN's ability to secure new projects and maintain anticipated margins.

The Group seeks to reduce these exposures by diversifying its customer base, geographic reach and end markets, including telecommunications, cable landing stations, resources, satellite infrastructure and AI and high-performance computing applications.

### **Technology and AI/HPC Execution Risk**

Data centre infrastructure is subject to rapidly evolving technology, particularly in areas such as high-density computing, power distribution and cooling. Changes in technology, customer requirements or industry standards may require DXN to continue investing in engineering capability and product development to ensure its solutions remain competitive and fit for purpose.

DXN's entry into the AI and high-performance computing (AI/HPC) segment introduces additional technical and execution risks associated with the integration of high-density power, direct-to-chip liquid cooling and other critical infrastructure. These risks may be greater when delivering new or first-of-type solutions and could affect project cost, delivery schedules, commissioning or performance if not effectively managed.

Potential follow-on opportunities associated with existing AI/HPC projects, including any larger campus-scale opportunities referred to elsewhere in this Annual Report, remain subject to customer requirements, commercial negotiations and the execution of definitive contracts. There is no certainty that these opportunities will proceed or, if they do, as to their timing, scope or value.

### **International Expansion Risk**

DXN is expanding its international operations, including through the establishment of manufacturing capability in Malaysia and its joint venture with Super Sistem Indonesia (SSI) in Indonesia. Establishing and scaling operations in new jurisdictions exposes the Group to additional risks, including regulatory and licensing requirements, recruitment and retention of appropriately skilled personnel, taxation, foreign exchange movements, local supply-chain development and differing commercial and operating environments.

The Indonesian joint venture also exposes DXN to risks associated with joint venture governance, alignment of commercial objectives and partner and counterparty performance. Delays in establishing these operations, securing customer orders or achieving anticipated utilisation could affect the timing and financial contribution expected from the Group's international expansion strategy.

The Group seeks to manage these risks through local partnerships, staged investment, appropriate governance arrangements and the progressive development of in-market operating capability.

### **Supply Chain and Operational Risk**

DXN relies on the timely availability of specialised equipment, components and materials to manufacture and deliver its modular data centre solutions. Supply constraints, extended lead times, supplier performance issues, logistics disruptions, geopolitical events and increases in input or freight costs could affect project delivery schedules, working capital requirements and margins.

The Group is also exposed to operational risks associated with its manufacturing facilities and data centre operations, including equipment or infrastructure failure, power interruption, workplace health and safety incidents, cyber security events and other disruptions that could affect manufacturing activities or customer services.

DXN seeks to mitigate these risks through procurement planning, engagement with key suppliers, supplier diversification where practicable, operational controls, preventative maintenance and business continuity processes. However, material disruptions may not be capable of being fully mitigated.

### **Funding and Financial Risk**

DXN's growth strategy and increasing project scale require sufficient working capital and continued access to appropriate funding. Larger projects may require the Group to commit resources to engineering, procurement and manufacturing ahead of the receipt of customer payments, potentially increasing working capital requirements as the business grows.

The Group's secured facility with iPartners Pty Ltd matures in November 2027 and management intends to refinance or extend the facility. There is no assurance that an extension, refinancing or alternative funding will be available when required or on terms acceptable to the Group. An inability to secure appropriate funding could constrain working capital availability and the timing or scale of the Group's growth initiatives.

DXN's increasing international activities also expose the Group to foreign exchange risk where customer contracts, equipment purchases or operating costs are denominated in currencies other than Australian dollars. Adverse movements in exchange rates could affect project margins, cash flows and reported financial performance. The Group monitors its liquidity, working capital and foreign currency exposures as part of its financial risk management processes.

### **Significant changes in the state of affairs**

During FY26, the Group undertook a number of initiatives that changed the composition, capital structure and geographic footprint of the business.

#### **Divestment of TAS01**

On 30 June 2026, the Group completed the sale of 100% of the issued share capital of TAS01 Pty Ltd (TAS01) to DADT Pty Ltd for upfront consideration of \$400,000, together with contingent consideration of up to \$120,000, subject to TAS01 achieving specified sales revenue during the six months following completion. The disposal resulted in a loss on sale of \$550,080 and TAS01 has been classified as a discontinued operation in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations (refer Note 9 to the financial statements).

The divestment resulted in the Group exiting its Hobart data centre operation and, following completion, the Group's owned Data Centre Operations portfolio comprises its freehold SDC Darwin facility.

#### **Capital raising**

In June 2026, the Company completed a \$7.0 million institutional placement of fully paid ordinary shares at an issue price of \$0.13 per share, led by Jarden Australia Pty Ltd as sole lead manager. The placement strengthened the Group's capital and liquidity position, with cash and cash equivalents of \$11.0 million at 30 June 2026 (FY25: \$3.1 million).

The proceeds are being applied to working capital requirements associated with the Group's growing project portfolio, including delivery of its first AI HPC contract, and the expansion of manufacturing capability in South-East Asia.

#### **South-East Asian expansion**

During FY26, the Group progressed its strategy to establish an in-market manufacturing and commercial presence in South-East Asia. In January 2026, DXN established a wholly owned subsidiary in Malaysia and subsequently identified a suitable manufacturing facility in Johor. The facility was not leased until the first quarter of FY27 and therefore the lease itself should not be described as a change in the state of affairs during FY26.

The Group also progressed its strategic partnership with Super Sistem Indonesia (SSI) and established an equally owned joint venture to support the development of local manufacturing and sales capability in Indonesia. During FY26, activities included establishment of the joint venture structure, leadership appointments and progression of initial customer order designs.

DXN also established DXN Solutions Pte. Ltd. in Singapore on 28 August 2025, complementing the Group's regional corporate structure and supporting its ability to contract and operate across South-East Asian markets.

There were no other significant changes in the state of affairs of the Group during the financial year.

### **Matters subsequent to the end of the financial year**

Subsequent to 30 June 2026, the Group secured a number of material contracts and contract variations which further strengthened its contracted order book.

The Group was awarded a \$1.2 million contract by Solomon Islands Submarine Cable Company Limited (SISCC) for the design, manufacture, delivery and installation of a cable landing station. The project forms part of the ACS-1 submarine cable program, an Australian Government-financed initiative designed to strengthen the security and resilience of telecommunications infrastructure across the Pacific. The ACS-1 cable will provide additional routing resilience for the Solomon Islands and integrate with the broader Pacific Connect network. Project activity is expected to commence following contract execution, with delivery scheduled by April 2027.

The Group was also awarded a contract of approximately \$4.1 million by Australia Pacific Airports (Melbourne) Pty Ltd, the operator of Melbourne Airport, for the design, engineering, manufacture, factory acceptance testing, delivery, installation and commissioning of a prefabricated Edge data centre facility. The facility will incorporate critical power, cooling, fire detection and suppression systems and associated infrastructure and forms part of Melbourne Airport's Airport Development Plan Information and Communication Technology enabling works program. Delivery to site, installation, site acceptance testing and commissioning are expected towards the end of the first half of calendar year 2027.

The Group entered into a \$12.2 million contract with an AI compute operator for the design, engineering, manufacture, delivery, installation and commissioning of a turnkey 2MW AI High-Performance Computing (HPC) modular data centre. The solution will combine purpose-built DXN AI modules with upgrades to existing infrastructure at the customer's site, including integrated power, cooling, fire detection and suppression, security and building management systems. Detailed design and long-lead procurement commenced following contract execution, with the customer's site targeted to be operational in early calendar year 2027. The contract represents DXN's second AI HPC award and increased the Group's AI HPC order book to approximately \$21 million.

The Group also received a variation order of approximately \$1.6 million under its existing contract with Globalstar Inc., reflecting additional project fees and logistics costs.

Collectively, these contracts and variations represent approximately \$19.1 million of additional contracted work subsequent to 30 June 2026 and were not included in the Group's contracted backlog at year end.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### **Likely developments and expected results of operations**

The Group enters FY27 focused on the execution of its contracted project backlog, expansion of its manufacturing capacity and continued development of its Modular, Data Centre Operations and Data Centre as a Service business.

The Modular division is expected to remain the principal driver of the Group's near-term activity, supported by the progression of projects within the Group's contracted backlog at 30 June 2026. Key priorities include the manufacture and delivery of existing customer projects, including the Group's first AI high-performance computing (AI/HPC) solution, together with the continued development of opportunities across data centres, telecommunications, satellite infrastructure, cable landing stations and high-performance computing applications. The Group closed FY26 with a record backlog of \$23.5 million, including \$19.0 million attributable to the Modular division, providing increased visibility over project activity entering FY27.

The Group also expects to continue the development of its South-East Asian manufacturing and commercial capability during FY27. This includes progressing the establishment of manufacturing operations in Johor, Malaysia and the commercialisation of the Group's Indonesian joint venture with Super Sistem Indonesia. These initiatives are intended to increase manufacturing capacity, improve proximity to regional customers and provide DXN with greater access to opportunities across South-East Asia.

Within Data Centre Operations and DCaaS, the Group will continue to focus on generating recurring revenue from its SDC Darwin facility and existing DCaaS arrangements, while pursuing opportunities to deploy its Data Centre-as-a-service model with customers requiring data centre and satellite ground station infrastructure. Following the divestment of TAS01, the Group's owned Data Centre Operations portfolio is centred on its freehold SDC Darwin facility.

The Group's operating performance in FY27 will depend on the timing and execution of contracted projects, customer requirements and the conversion of its project pipeline. The increased backlog and capital raised during FY26 provide a stronger platform from which to execute the Group's growth strategy; however, the timing of revenue recognition and profitability may vary between reporting periods due to the project-based nature of the Modular business. The principal risks that may affect the Group's future performance are set out in the Material Business Risks section of this Directors' Report.

## Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on directors

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                | <b>Myo Myint Ohn</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Title:</b>                               | Non-Executive Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Qualifications:</b>                      | Dr Ohn has an EMBA from Queensland University in Canada, a PhD in Aerospace Engineering and a MASc in Photonics all from University of Toronto.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Experience and expertise:</b>            | Dr Ohn has been the Founder of several start-ups that have made advancements in engineering leading to new products 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 several start-up companies that includes Campana Group, an operator of wireline telecommunication services in South-East Asia. |
| <b>Other current directorships:</b>         | The One Matrix Ventures and Campana Group Pte Ltd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Former directorships (last 3 years):</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Special responsibilities:</b>            | Chair                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Interests in shares:</b>                 | 29,947,619 fully paid ordinary shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Interests in options:</b>                | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Interests in rights:</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                | <b>Brendan Power</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Title:</b>                               | Non-Executive Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Qualifications:</b>                      | Brendan is GAICD and holds an MBA plus various diplomas in various disciplines.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Experience and expertise:</b>            | Brendan is the Managing Director of Clear to Work, a large successful private company in the education, hospitality, and software industries. With over 30 years business management experience he is a commercially astute project manager, public speaker and published author with exceptional communication and negotiation skills, an in-depth knowledge of purchasing, wholesaling, retail (including online) and employee engagement. Brendan has a strong, proven history of successful business improvement in a variety of challenging environments and is known for building high-performance teams and cultures, and successfully coaching and mentoring individuals and groups to achieve exceptional results. |
| <b>Other current directorships:</b>         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Former directorships (last 3 years):</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Special responsibilities:</b>            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Interests in shares:</b>                 | 6,044,444 fully paid ordinary shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Interests in options:</b>                | 1,333,333 Unlisted Options, exercisable at \$0.03 expiring 22 January 2028                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Interests in rights:</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>                                | <b>Shalini Lagrutta</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Title:</b>                               | Chief Executive Officer and Managing Director                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Qualifications:</b>                      | Bachelor of Engineering BEng (Malaya), MAICD (Australian Company Directors)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Experience and expertise:</b>            | Shalini brings over two decades of expertise in the telecoms and data centre industry, with notable roles in companies like Fujitsu Telecommunications, Huawei, LGC Wireless and Flexenclosure. From 2019 to 2022 Shalini brought in major customers and boosted revenue at DXN. Since becoming CEO in 2022, she's focused on restructuring the company, exiting unprofitable ventures, and steering it towards growth. She's been recognised for her contributions, including accolades like Capacity Media's 20 Women to watch in 2020 and Top 30 Edge Computing Leaders by Data Economy. Recently, Shalini was honoured as an infrastructure Masons (iM100) award recipient in December 2021, reaffirming her impactful leadership in the digital realm. |
| <b>Other current directorships:</b>         | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Former directorships (last 3 years):</b> | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Special responsibilities:</b>            | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Interests in shares:</b>                 | 2,058,499 fully paid ordinary shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Interests in options:</b>                | 5,201,613 Zero exercise price share options                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Interests in rights:</b>                 | None                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretaries

Lucy Rowe was appointed as a Joint Company Secretary on 23 December 2024. Lucy is an experienced compliance and corporate governance professional with over 20 years' experience in the financial services, resources, oil and gas and IT industries. Lucy has held the position of Company Secretary of several listed companies in Australia and overseas. Lucy is the Managing Principal of Automic's East Coast Governance and Compliance team.

Maria Clemente was appointed as a Joint Company Secretary on 16 June 2025. Maria is a compliance and corporate governance professional with over 17 years of experience in corporate advisory. Maria was previously a senior listings adviser at the ASX, where she had extensive involvement in the oversight of entities in the IT, telecommunications, consumer services and agriculture sectors. Maria currently advises several ASX-listed entities and private companies and manages all levels of company secretarial compliance.

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

|                  | Full Board<br>Attended | Held |
|------------------|------------------------|------|
| Myo Myint Ohn    | 15                     | 15   |
| Brendan Power    | 15                     | 15   |
| Shalini Lagrutta | 15                     | 15   |

Held: represents the number of meetings held during the time the director held office. The Board resolved to suspend the Committees on 26 Aug 2025 so no Committee meetings were held for the period.

### **Remuneration report (audited)**

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The KMP of the Group consisted of the following directors of DXN Limited:

- Myo Myint Ohn - Non-Executive Chair (appointed as Chair on 13 February 2025)
- Brendan Power - Non-Executive Director (appointed on 27 March 2023)
- Shalini Lagrutta - Chief Executive Officer and Managing Director (appointed as Managing Director on 1 May 2024)
- Laila Green – Chief Financial Officer and Chief Operating Officer (appointed on 1 November 2024)

Changes since the end of the reporting period:

None

### **Principles used to determine the nature and amount of remuneration**

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants as required (refer to the section 'Use of remuneration consultants' below), the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having earnings as a core component of the plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on capital as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### *Non-executive directors' remuneration*

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 4 August 2017, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

#### *Executive remuneration*

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives (STI) program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators (KPIs) being achieved. KPIs include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives (LTI) include share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increases in shareholders' value relative to the entire market and the increase compared to the Group's direct competitors. The Board reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2026.

#### *Consolidated entity performance and link to remuneration*

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders' return for the last five years.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance-based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

#### *Use of remuneration consultants*

During the year ended 30 June 2026, the Group did not engage the services of any external consultants.

#### *Voting and comments made at the Company's 2025 Annual General Meeting ('AGM')*

At the 2025 AGM, 98.5% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2025. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

**Amounts of remuneration**

Details of the remuneration of KMP of the Group are set out in the following tables.

|                                 |                      | Short term benefits |              |             | Post-employment benefits |                      | Share-based payments |           |
|---------------------------------|----------------------|---------------------|--------------|-------------|--------------------------|----------------------|----------------------|-----------|
|                                 | Cash salary and fees | Cash bonus          | Non-monetary | Commissions | Superannuation           | Termination payments | Equity-settled       | Total     |
|                                 | \$                   | \$                  | \$           | \$          | \$                       | \$                   | \$                   | \$        |
| <b>2026</b>                     |                      |                     |              |             |                          |                      |                      |           |
| <i>Non-Executive Directors:</i> |                      |                     |              |             |                          |                      |                      |           |
| Myo Myint Ohn                   | 67,200               | -                   | -            | -           | -                        | -                    | 50,942               | 118,142   |
| Brendan Power                   | 60,000               | -                   | -            | -           | 7,200                    | -                    | 69,275               | 136,475   |
| <i>Executive Director</i>       |                      |                     |              |             |                          |                      |                      |           |
| Shalini Lagrutta                | 395,200              | 287,010             | -            | -           | 30,000                   | -                    | 162,286              | 874,496   |
| <i>Other KMP:</i>               |                      |                     |              |             |                          |                      |                      |           |
| Laila Green                     | 312,000              | 71,820              | -            | -           | 30,000                   | -                    | -                    | 413,820   |
|                                 | 834,400              | 358,830             | -            | -           | 67,200                   | -                    | 282,503              | 1,542,933 |

|                                 |                      | Short term benefits |              |             | Post-employment benefits |                      | Share-based payments |           |
|---------------------------------|----------------------|---------------------|--------------|-------------|--------------------------|----------------------|----------------------|-----------|
|                                 | Cash salary and fees | Cash bonus          | Non-monetary | Commissions | Superannuation           | Termination payments | Equity-settled       | Total     |
|                                 | \$                   | \$                  | \$           | \$          | \$                       | \$                   | \$                   | \$        |
| <b>2025</b>                     |                      |                     |              |             |                          |                      |                      |           |
| <i>Non-Executive Directors:</i> |                      |                     |              |             |                          |                      |                      |           |
| Myo Myint Ohn                   | 60,000               | -                   | -            | -           | -                        | -                    | -                    | 60,000    |
| Brendan Power                   | 60,000               | -                   | -            | -           | 6,900                    | -                    | 7,333                | 74,233    |
| Abigail Cheadle <sup>1</sup>    | 58,639               | -                   | -            | -           | 8,309                    | -                    | -                    | 66,948    |
| <i>Executive Director</i>       |                      |                     |              |             |                          |                      |                      |           |
| Shalini Lagrutta                | 401,802              | 233,321             | -            | -           | 30,000                   | -                    | 252,553              | 917,676   |
| <i>Other KMP:</i>               |                      |                     |              |             |                          |                      |                      |           |
| Laila Green                     | 277,440              | 190,515             | -            | -           | 38,806                   | -                    | 11,000               | 517,761   |
|                                 | 857,881              | 423,836             | -            | -           | 84,015                   | -                    | 270,886              | 1,636,618 |

<sup>1</sup> Represents remuneration until 24 February 2025

The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name                            | Fixed remuneration |        | At risk - STI |       | At risk - LTI |       |
|---------------------------------|--------------------|--------|---------------|-------|---------------|-------|
|                                 | 2026               | 2025   | 2026          | 2025  | 2026          | 2025  |
| <i>Non-Executive Directors:</i> |                    |        |               |       |               |       |
| Brendan Power                   | 100.0%             | 90.1%  | -             | -     | -             | 9.9%  |
| Myo Myint Ohn                   | 100.0%             | 100.0% | -             | -     | -             | -     |
| Abigail Cheadle                 | -                  | 100.0% | -             | -     | -             | -     |
| <i>Executive Director</i>       |                    |        |               |       |               |       |
| Shalini Lagrutta                | 48.2%              | 47.1%  | 32.5%         | 25.4% | 19.3%         | 27.5% |
| <i>Other KMP:</i>               |                    |        |               |       |               |       |
| Laila Green                     | 82.6%              | 61.1%  | 17.4%         | 36.8% | -             | 2.1%  |

The proportion of the cash bonus paid/payable or forfeited is as follows:

| Name                       | Cash bonus paid/payable |      | Cash bonus forfeited |      |
|----------------------------|-------------------------|------|----------------------|------|
|                            | 2026                    | 2025 | 2026                 | 2025 |
| <i>Executive Director:</i> |                         |      |                      |      |
| Shalini Lagrutta           | 100%                    | 100% | -                    | -    |
| <i>Other KMP:</i>          |                         |      |                      |      |
| Laila Green                | 100%                    | 100% | -                    | -    |

### Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

|                      |                                                                                                                    |
|----------------------|--------------------------------------------------------------------------------------------------------------------|
| Name:                | <b>Myo Myint Ohn</b>                                                                                               |
| Title:               | Non-Executive Director                                                                                             |
| Agreement commenced: | 1 March 2024                                                                                                       |
| Term of agreement:   | Subject to re-election every 3 years                                                                               |
| Details:             | From 1 July 2024, the Director receives a fixed director's fee of \$67,200 per annum.                              |
| Name:                | <b>Brendan Power</b>                                                                                               |
| Title:               | Non-Executive Director                                                                                             |
| Agreement commenced: | 27 March 2023                                                                                                      |
| Term of agreement:   | Subject to re-election every 3 years                                                                               |
| Details:             | From 1 July 2024, the Director receives a fixed director's fee of \$60,000 per annum, plus superannuation payments |

Name:  
Title:  
Agreement commenced:  
Term of agreement:

**Laila Green**

Chief Financial Officer / Chief Operating Officer

1 November 2024

The employment is continuous until terminated in accordance with the provisions for termination, being by either party with 6 months' notice.

Details:

There are three components to Laila's remuneration:

*(i) Gross annual remuneration package*

Laila will be paid a base annual remuneration of \$312,000 plus statutory superannuation contributions. The employer may review the employee's performance, remuneration and benefits in accordance with the employer policy from time to time.

*(ii) Short term incentive benefits*

Laila will be entitled to receive an STI component of 35% of FAR based on achieving agreed KPI's.

*(iii) Long term incentive benefits*

The LTI component has an annual grant value of up to 10% of FAR. The number of performance rights and/or options will depend on the share price at the allocation or grant date.

Name:  
Title:  
Agreement commenced:  
Term of agreement:

**Shalini Lagrutta**

Chief Executive Officer and Managing Director

19 January 2022

The employment is continuous until terminated in accordance with the provisions for termination, being by either party with 6 months' notice.

Details:

There are three components to Shalini's remuneration:

*(i) Gross annual remuneration package*

Shalini will be paid a base annual remuneration of \$395,000 plus statutory superannuation contributions. The employer may review the employee's performance, remuneration and benefits in accordance with the employer policy from time to time.

*(ii) Short term incentive benefits*

Shalini will be entitled to receive an STI component of 67% of FAR based on achieving agreed KPI's.

*(iii) Long term incentive benefits*

The LTI component has an annual grant value of up to 40% of FAR. The number of performance rights and/or options will depend on the share price at the allocation or grant date.

On 20 June 2025, Shalini was issued with 5,000,000 performance rights. At the November 2025 AGM these were cancelled and replaced with zero exercise price share options (ZEPOs):

1,701,613 – remain employed as Managing Director/CEO as of 1 July 2027

3,500,000 - remain employed as Managing Director/CEO as of 1 July 2026

In the event of cessation of employment during the period, without cause, retirement or resignation, the options rights will lapse.

In the event of cessation of employment during the period due to retrenchment, death or disability, the options will be pro-rated with Board discretion based on the circumstances.

Any options that do not vest and become exercisable in accordance with the vesting conditions will automatically lapse.

KMP have no entitlement to termination payments in the event of removal for misconduct.

### **Share-based compensation**

#### **Issue of shares**

There were no other shares issued to directors and other KMP as part of compensation during the year ended 30 June 2026.

#### **Options**

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

| Name             | Number of options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|------------------|---------------------------|------------|-----------------------------------|-------------|----------------|-------------------------------------|
| Brendan Power    | 1,083,871                 | 21/11/2025 | 21/11/2025                        | 06/01/2031  | \$0.0000       | \$0.047                             |
| Myo Ohn          | 1,083,871                 | 21/11/2025 | 21/11/2025                        | 17/12/2030  | \$0.0000       | \$0.047                             |
| Shalini Lagrutta | 3,500,000                 | 21/11/2025 | 01/07/2026                        | 14/05/2031  | \$0.0000       | \$0.047                             |
| Shalini Lagrutta | 1,701,613                 | 21/11/2025 | 01/07/2027                        | 14/05/2031  | \$0.0000       | \$0.047                             |

| Name             | Number of options granted during the year 2026 | Number of options granted during the year 2025 | Number of options vested during the year 2026 | Number of options vested during the year 2025 |
|------------------|------------------------------------------------|------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Brendan Power    | 1,083,871                                      | -                                              | 1,083,871                                     | -                                             |
| Myo Ohn          | 1,083,871                                      | -                                              | 1,083,871                                     | -                                             |
| Shalini Lagrutta | 5,201,613                                      | -                                              | -                                             | -                                             |

Values of options over ordinary shares granted, exercised and lapsed for directors and other KMP as part of compensation during the year ended 30 June 2026 are set out below:

| Name             | Value of options granted during the year \$ | Value of options exercised during the year \$ | Value of options lapsed/vested during the year \$ | Remuneration consisting of options for the year % |
|------------------|---------------------------------------------|-----------------------------------------------|---------------------------------------------------|---------------------------------------------------|
| Brendan Power    | 50,942                                      | 50,942                                        | -                                                 | 43.1%                                             |
| Myo Ohn          | 50,942                                      | 50,942                                        | -                                                 | 43.1%                                             |
| Shalini Lagrutta | 286,475                                     | -                                             | -                                                 | 67.4%                                             |

Options granted carry no dividend or voting rights.

#### **Performance rights**

There were no performance rights over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2026.

### Additional information

The earnings of the Group for the five years to 30 June 2026 are summarised below:

|                       | 2026<br>\$  | 2025<br>\$  | 2024<br>\$  | 2023<br>\$  | 2022<br>\$  |
|-----------------------|-------------|-------------|-------------|-------------|-------------|
| Sales revenue         | 10,123,387  | 15,124,985  | 10,755,354  | 6,576,190   | 15,386,453  |
| EBITDA                | (4,401,017) | (361,346)   | 643,944     | (4,963,265) | (1,814,952) |
| Loss after income tax | (6,615,277) | (2,314,248) | (2,303,165) | (9,612,620) | (6,902,449) |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

|                                              | 2026   | 2025   | 2024   | 2023*  | 2022   |
|----------------------------------------------|--------|--------|--------|--------|--------|
| Share price at financial year end (\$)       | -      | -      | -      | -      | -      |
| Basic earnings per share (cents per share)   | (2.12) | (0.92) | (1.55) | (8.52) | (0.50) |
| Diluted earnings per share (cents per share) | (2.12) | (0.92) | (1.55) | (8.52) | (0.50) |

\* EPS is calculated based on the number of ordinary shares that would have been in existence had the share consolidation occurred on 1 July 2022.

Sales revenue and EBITDA for FY26 and FY25 are presented on a continuing operations basis, following the classification of TAS01 Pty Ltd as a discontinued operation under AASB 5. Comparatives for FY24 and earlier have not been re-presented. Loss after income tax is the total loss attributable to the owners of DXN Limited for each year, including discontinued operations.

### Additional disclosures relating to KMP

The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

|                        | Balance at<br>the start of<br>the year | Received<br>as part of<br>remuneration | Additions      | Disposals/<br>other | Balance at<br>the end of<br>the year |
|------------------------|----------------------------------------|----------------------------------------|----------------|---------------------|--------------------------------------|
| <i>Ordinary shares</i> |                                        |                                        |                |                     |                                      |
| Myo Myint Ohn          | 29,947,619                             | -                                      | -              | -                   | 29,947,619                           |
| Brendan Power          | 6,587,301                              | -                                      | -              | (542,857)           | 6,044,444                            |
| Shalini Lagrutta       | 1,845,646                              | -                                      | 212,853        | -                   | 2,058,499                            |
| Laila Green            | 114,288                                | -                                      | -              | -                   | 114,288                              |
|                        | <u>38,494,854</u>                      | <u>-</u>                               | <u>212,853</u> | <u>(542,857)</u>    | <u>38,164,850</u>                    |

### Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

|                                     | Balance at<br>the start of<br>the year | Granted          | Expired/<br>exercised/<br>forfeited | Balance at<br>the end of<br>the year |
|-------------------------------------|----------------------------------------|------------------|-------------------------------------|--------------------------------------|
| <i>Options over ordinary shares</i> |                                        |                  |                                     |                                      |
| Brendan Power                       | 1,333,333                              | 1,083,871        | (1,083,871)                         | 1,333,333                            |
| Myo Ohn                             | -                                      | 1,083,871        | (1,083,871)                         | -                                    |
| Shalini Lagrutta                    | -                                      | 5,201,613        | -                                   | 5,201,613                            |
|                                     | <u>1,333,333</u>                       | <u>7,369,355</u> | <u>(2,167,742)</u>                  | <u>6,534,946</u>                     |

|                                     | Vested and exercisable | Vested and unexercisable | Balance at the end of the year |
|-------------------------------------|------------------------|--------------------------|--------------------------------|
| <i>Options over ordinary shares</i> |                        |                          |                                |
| Brendan Power                       | 1,333,333              | -                        | 1,333,333                      |
| Shalini Lagrutta                    | -                      | 5,201,613                | 5,201,613                      |
|                                     | <u>1,333,333</u>       | <u>5,201,613</u>         | <u>6,534,946</u>               |

#### *Performance rights holding*

The number of performance rights in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

|                                                | Balance at the start of the year | Granted  | Expired/ exercised/ forfeited | Balance at the end of the year |
|------------------------------------------------|----------------------------------|----------|-------------------------------|--------------------------------|
| <i>Performance rights over ordinary shares</i> |                                  |          |                               |                                |
| Shalini Lagrutta                               | <u>5,000,000</u>                 | <u>-</u> | <u>(5,000,000)</u>            | <u>-</u>                       |

***This concludes the remuneration report, which has been audited.***

#### **Shares under option**

Unissued ordinary shares of DXN Limited under option at the date of this report are as follows:

| Grant date | Expiry date | Exercise price* | Number under option |
|------------|-------------|-----------------|---------------------|
| 23/01/2024 | 22/01/2028  | \$0.0300        | 2,666,666           |
| 06/12/2024 | 06/12/2026  | \$0.1400        | 9,300,000           |
| 21/11/2025 | 14/05/2031  | \$0.0000        | 5,201,613           |
|            |             |                 | <u>17,168,279</u>   |

\* Adjusted on share consolidation

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

#### **Shares issued on the exercise of options**

The following ordinary shares of DXN Limited were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options granted:

| Date options granted | Exercise price | Number of shares issued |
|----------------------|----------------|-------------------------|
| 06/12/2024           | \$0.1400       | 700,000                 |

#### **Shares under performance rights**

There were no unissued ordinary shares of DXN Limited under performance rights outstanding at the date of this report.

#### **Shares issued on the exercise of performance rights**

There were no ordinary shares of DXN Limited issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report.

#### **Shares under warrants**

There were no unissued ordinary shares of DXN Limited under warrants outstanding at the date of this report.

### Shares issued on the exercise of warrants

The following ordinary shares of DXN Limited were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of warrants granted:

| Date warrants granted | Exercise price | Number of shares issued |
|-----------------------|----------------|-------------------------|
| 22/10/2021            | \$0.0253       | 13,333,333              |

### Indemnity and insurance of officers and auditor

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

### Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 31 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 31 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing and auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

### Officers of the Company who are former partners of Moore Australia Audit (WA)

There are no officers of the Company who are former partners of Moore Australia Audit (WA).

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors.



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Shalini Lagrutta  
Managing Director

30 August 2026



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Myo Myint Ohn  
Non-Executive Chair



**Moore Australia Audit (WA)**

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**Auditor's Independence Declaration  
Under Section 307c of the Corporations Act 2001**

**To the directors of DXN Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2026, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



Shaun Williams  
Partner – Audit and Assurance  
[Moore Australia Audit \(WA\)](#)  
Perth  
30<sup>th</sup> day of August 2026



Moore Australia Audit (WA)  
Chartered Accountants

Moore Australia Audit (WA) – ABN 16 874 357 907.

An independent member of Moore Global Network Limited - members in principal cities throughout the world.  
Liability limited by a scheme approved under Professional Standards Legislation.

|                                                                                             | Note | Consolidated<br>2026<br>\$ | 2025<br>\$         |
|---------------------------------------------------------------------------------------------|------|----------------------------|--------------------|
| <b>Revenue from continuing operations</b>                                                   |      |                            |                    |
| Sales to customers                                                                          | 5    | 10,123,387                 | 15,124,985         |
| Cost of goods sold                                                                          |      | (8,365,230)                | (10,251,394)       |
| Gross profit                                                                                |      | 1,758,157                  | 4,873,591          |
| Other income                                                                                | 6    | 524,889                    | 445,762            |
| <b>Expenses</b>                                                                             |      |                            |                    |
| Administration expenses                                                                     |      | (498,026)                  | (502,718)          |
| Compliance and legal expenses                                                               |      | (413,915)                  | (408,781)          |
| Consultants and contractors                                                                 |      | (173,118)                  | (322,973)          |
| Depreciation and amortisation expenses                                                      | 7    | (853,188)                  | (765,844)          |
| Employee benefits expenses                                                                  |      | (4,643,163)                | (3,832,910)        |
| (Impairment) / reversal of inventories                                                      |      | (26,350)                   | 2,387              |
| Loss on disposal of assets                                                                  |      | (4,351)                    | (4,301)            |
| Marketing expenses                                                                          |      | (77,866)                   | (53,274)           |
| Occupancy expenses                                                                          |      | (382,217)                  | (159,679)          |
| Telecommunication and technology expenses                                                   |      | (261,302)                  | (183,024)          |
| Travel expenses                                                                             |      | (203,755)                  | (215,426)          |
| Finance costs                                                                               | 7    | (810,992)                  | (1,065,509)        |
| <b>Loss before income tax expense from continuing operations</b>                            |      | (6,065,197)                | (2,192,699)        |
| Income tax expense                                                                          | 8    | -                          | (204,441)          |
| Loss after income tax expense from continuing operations                                    |      | (6,065,197)                | (2,397,140)        |
| (Loss)/profit after income tax expense from discontinued operations                         | 9    | (550,080)                  | 82,892             |
| <b>Loss after income tax expense for the year attributable to the owners of DXN Limited</b> |      | (6,615,277)                | (2,314,248)        |
| <b>Other comprehensive income</b>                                                           |      |                            |                    |
| <i>Items that may be reclassified subsequently to profit or loss</i>                        |      |                            |                    |
| Foreign currency translation                                                                |      | 1,925                      | -                  |
| Other comprehensive income for the year, net of tax                                         |      | 1,925                      | -                  |
| <b>Total comprehensive loss for the year attributable to the owners of DXN Limited</b>      |      | <u>(6,613,352)</u>         | <u>(2,314,248)</u> |
| Total comprehensive loss for the year is attributable to:                                   |      |                            |                    |
| Continuing operations                                                                       |      | (6,063,272)                | (2,397,140)        |
| Discontinued operations                                                                     | 9    | (550,080)                  | 82,892             |
|                                                                                             |      | <u>(6,613,352)</u>         | <u>(2,314,248)</u> |

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

|                                                                                                                    | Note | 2026<br>Cents | 2025<br>Cents |
|--------------------------------------------------------------------------------------------------------------------|------|---------------|---------------|
| <b>Earnings per share for loss from continuing operations attributable to the owners of DXN Limited</b>            |      |               |               |
| Basic earnings per share                                                                                           | 10   | (1.95)        | (0.95)        |
| Diluted earnings per share                                                                                         | 10   | (1.95)        | (0.95)        |
| <b>Earnings per share for profit/(loss) from discontinued operations attributable to the owners of DXN Limited</b> |      |               |               |
| Basic earnings per share                                                                                           | 10   | (0.18)        | 0.03          |
| Diluted earnings per share                                                                                         | 10   | (0.18)        | 0.03          |
| <b>Earnings per share for loss attributable to the owners of DXN Limited</b>                                       |      |               |               |
| Basic earnings per share                                                                                           | 10   | (2.12)        | (0.92)        |
| Diluted earnings per share                                                                                         | 10   | (2.12)        | (0.92)        |

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



## Assets

### Current assets

|                              |    |                   |                  |
|------------------------------|----|-------------------|------------------|
| Cash and cash equivalents    | 11 | 10,988,107        | 3,119,895        |
| Trade and other receivables  | 12 | 1,266,192         | 3,434,592        |
| Inventories/work in progress | 13 | 1,990,217         | 558,999          |
| Bank guarantees and deposits | 14 | -                 | 797,639          |
| Other assets                 | 15 | 555,962           | 168,462          |
| <b>Total current assets</b>  |    | <b>14,800,478</b> | <b>8,079,587</b> |

### Non-current assets

|                                 |    |                  |                  |
|---------------------------------|----|------------------|------------------|
| Property, plant and equipment   | 16 | 3,452,246        | 3,761,548        |
| Right-of-use assets             | 17 | 863,087          | 1,155,236        |
| Intangibles                     | 18 | 2,895,244        | 2,915,799        |
| Bank guarantees and deposits    | 14 | 33,917           | 33,917           |
| Other assets                    | 15 | 138,623          | 205,849          |
| <b>Total non-current assets</b> |    | <b>7,383,117</b> | <b>8,072,349</b> |

### Total assets

**22,183,595      16,151,936**

## Liabilities

### Current liabilities

|                                  |    |                  |                  |
|----------------------------------|----|------------------|------------------|
| Trade and other payables         | 19 | 4,421,035        | 3,218,780        |
| Contract liabilities             | 20 | 3,833,344        | 969,457          |
| Borrowings                       | 21 | 83,291           | 90,839           |
| Lease liabilities                | 22 | 405,802          | 229,841          |
| Employee benefits                | 23 | 316,164          | 234,092          |
| Other financial liabilities      |    | -                | 293,333          |
| <b>Total current liabilities</b> |    | <b>9,059,636</b> | <b>5,036,342</b> |

### Non-current liabilities

|                                      |    |                  |                  |
|--------------------------------------|----|------------------|------------------|
| Borrowings                           | 21 | 7,003,544        | 5,043,869        |
| Lease liabilities                    | 22 | 423,933          | 986,197          |
| Employee benefits                    | 23 | 98,225           | 65,188           |
| Provision                            | 24 | 200,000          | 100,000          |
| <b>Total non-current liabilities</b> |    | <b>7,725,702</b> | <b>6,195,254</b> |

### Total liabilities

**16,785,338      11,231,596**

### Net assets

**5,398,257      4,920,340**

### Equity

|                    |    |              |              |
|--------------------|----|--------------|--------------|
| Issued capital     | 25 | 61,645,926   | 54,538,374   |
| Reserves           | 26 | 566,631      | 580,989      |
| Accumulated losses |    | (56,814,300) | (50,199,023) |

### Total equity

**5,398,257      4,920,340**

**Consolidated**

|                                                              | Issued<br>capital<br>\$ | Reserves<br>\$ | Accumulated<br>losses<br>\$ | Total<br>(deficiency in<br>equity) /<br>equity<br>\$ |
|--------------------------------------------------------------|-------------------------|----------------|-----------------------------|------------------------------------------------------|
| Balance at 1 July 2024                                       | 47,395,502              | 405,789        | (48,213,564)                | (412,273)                                            |
| Loss after income tax expense for the year                   | -                       | -              | (2,314,248)                 | (2,314,248)                                          |
| Other comprehensive income for the year, net of tax          | -                       | -              | -                           | -                                                    |
| Total comprehensive loss for the year                        | -                       | -              | (2,314,248)                 | (2,314,248)                                          |
| <i>Transactions with owners in their capacity as owners:</i> |                         |                |                             |                                                      |
| Issue of shares (note 25)                                    | 7,826,000               | -              | -                           | 7,826,000                                            |
| Capital raising costs (note 25)                              | (771,628)               | -              | -                           | (771,628)                                            |
| Issue of shares - share-based payments (note 25)             | 88,500                  | -              | -                           | 88,500                                               |
| Transfer from accumulated losses                             | -                       | (328,789)      | 328,789                     | -                                                    |
| Options issued (note 26)                                     | -                       | 297,333        | -                           | 297,333                                              |
| Options exercised (note 26)                                  | -                       | (44,000)       | -                           | (44,000)                                             |
| Share-based payments (note 26)                               | -                       | 250,656        | -                           | 250,656                                              |
| Balance at 30 June 2025                                      | <u>54,538,374</u>       | <u>580,989</u> | <u>(50,199,023)</u>         | <u>4,920,340</u>                                     |

**Consolidated**

|                                                              | Issued<br>capital<br>\$ | Reserves<br>\$ | Accumulated<br>losses<br>\$ | Total equity<br>\$ |
|--------------------------------------------------------------|-------------------------|----------------|-----------------------------|--------------------|
| Balance at 1 July 2025                                       | 54,538,374              | 580,989        | (50,199,023)                | 4,920,340          |
| Loss after income tax expense for the year                   | -                       | -              | (6,615,277)                 | (6,615,277)        |
| Other comprehensive income for the year, net of tax          | -                       | 1,925          | -                           | 1,925              |
| Total comprehensive income/(loss) for the year               | -                       | 1,925          | (6,615,277)                 | (6,613,352)        |
| <i>Transactions with owners in their capacity as owners:</i> |                         |                |                             |                    |
| Issue of shares (note 25)                                    | 7,337,860               | -              | -                           | 7,337,860          |
| Capital raising costs (note 25)                              | (450,492)               | -              | -                           | (450,492)          |
| Issue of shares - share-based payments (note 25)             | 101,884                 | -              | -                           | 101,884            |
| Options issued (note 26)                                     | -                       | 120,218        | -                           | 120,218            |
| Options exercised (note 25, 26)                              | 118,300                 | (122,184)      | -                           | (3,884)            |
| Share-based payments (note 26)                               | -                       | (14,317)       | -                           | (14,317)           |
| Balance at 30 June 2026                                      | <u>61,645,926</u>       | <u>566,631</u> | <u>(56,814,300)</u>         | <u>5,398,257</u>   |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

|                                                                  | Note  | Consolidated<br>2026<br>\$ | 2025<br>\$   |
|------------------------------------------------------------------|-------|----------------------------|--------------|
| <b>Cash flows from operating activities</b>                      |       |                            |              |
| Receipts from customers                                          |       | 15,115,053                 | 11,344,927   |
| Payments to suppliers and employees                              |       | (14,375,180)               | (14,828,007) |
| R&D cost paid to supplier                                        |       | (39,109)                   | (105,483)    |
| Government grants                                                |       | 2,081                      | 120,963      |
| Interest received                                                |       | 41,994                     | 37,075       |
| Interest paid                                                    |       | (566,446)                  | (463,098)    |
| Bank guarantee for projects                                      |       | 800,021                    | -            |
| Net cash from/(used in) operating activities                     | 37    | 978,414                    | (3,893,623)  |
| <b>Cash flows from investing activities</b>                      |       |                            |              |
| Payments for plant and equipment                                 |       | (1,212,111)                | (2,373,875)  |
| Payments for intangible assets                                   |       | (173,505)                  | -            |
| Repayment of Darwin Warrant                                      |       | -                          | (873,831)    |
| Net cash used in investing activities                            |       | (1,385,616)                | (3,247,706)  |
| <b>Cash flows from financing activities</b>                      |       |                            |              |
| Proceeds from issue of shares and options                        | 25,37 | 7,435,860                  | 6,127,771    |
| Payment of capital raising costs                                 |       | (462,000)                  | (42,362)     |
| Proceeds from borrowings                                         | 37    | 2,000,000                  | 5,000,000    |
| Repayment of lease liabilities                                   | 37    | (522,940)                  | (614,856)    |
| Repayment of finance facility                                    | 37    | -                          | (3,000,000)  |
| Transaction costs related to loans and borrowings                |       | (194,992)                  | (199,538)    |
| Net cash from financing activities                               |       | 8,255,928                  | 7,271,015    |
| Net increase in cash and cash equivalents                        |       | 7,848,726                  | 129,686      |
| Cash and cash equivalents at the beginning of the financial year |       | 3,119,895                  | 2,983,785    |
| Effects of exchange rate changes on cash and cash equivalents    |       | 19,486                     | 6,424        |
| Cash and cash equivalents at the end of the financial year       | 11    | 10,988,107                 | 3,119,895    |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## **Note 1. General information**

The financial statements cover DXN Limited and the entities it controlled (together referred to as the 'Group') at the end of, or during, the year. The financial statements are presented in Australian dollars, which is DXN Limited's functional and presentation currency.

DXN Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

*Since 1 May 2026*  
Level 2  
66 King Street  
Sydney NSW 2000

*Until 30 April 2026*  
Level 12  
50 Carrington Street  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2026. The directors have the power to amend and reissue the financial statements.

## **Note 2. Material accounting policy information**

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

### **New or amended Accounting Standards and Interpretations adopted**

The Group 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial year ended 30 June 2026.

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

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards ('IFRS') Accounting Standards as issued by the International Accounting Standards Board ('IASB').

### **Historical cost convention**

The financial statements have been prepared under the historical cost convention.

### **Critical accounting estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### **Going concern**

These financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

For the period ended 30 June 2026, the Group recorded a loss of \$6,615,277 (FY25: loss of \$ 2,314,248 ) and net cash inflows from operating of \$978,414 (FY25: net cash outflows of \$3,893,623 ). As of 30 June 2026, the Group had net current assets of \$5,740,842 (FY25: \$3,043,245).

## **Note 2. Material accounting policy information (continued)**

The directors have assessed the Group's ability to continue as a going concern and to meet its obligations as and when they fall due. This assessment is dependent on continued revenue generation from the Group's Data Centre and DCaaS operations, successful execution of contracted projects, achievement of contractual billing milestones, and timely conversion of work in progress and trade receivables into operating cash flows.

In reaching their conclusion, the Directors considered the following factors:

### **Contracted revenue and order backlog**

As at 30 June 2026, the Group had a contracted order backlog of \$23.5 million, providing revenue visibility into FY27:

- Data Centres – \$1.8 million
- Modules – \$19.0 million
- DCaaS – \$2.7 million

### **Contracts secured subsequent to year end**

Subsequent to 30 June 2026, the Group secured a further \$17.5 million of new contracted projects and \$1.6 million of contract variations. These awards sit outside the 30 June 2026 backlog, further strengthening FY27 revenue visibility and demonstrating continued conversion of the Group's growing pipeline into contracted work.

### **Project pipeline**

The Group continues to maintain a pipeline of Data Centre module, DCaaS and other opportunities that, subject to successful conversion and execution, have the potential to generate additional revenue over the next 12–24 months.

### **Liquidity and balance sheet position**

As at 30 June 2026, the Group held cash of \$10,988,107 (30 June 2025: \$3,119,895) and a current ratio of 1.63:1 (30 June 2025: 1.6:1). The improvement in liquidity during the year was primarily attributable to increased cash balances and work in progress associated with customer module projects.

### **Recurring revenue base**

The Group's established Data Centre and DCaaS operations continue to generate recurring revenue, providing an underlying revenue base that complements its project-based activities.

### **Asset realisation potential**

The Group's data centre assets provide an additional potential source of liquidity should this be required. The directors consider the realisable value of these assets to be in excess of their carrying value.

### **Funding flexibility**

The Group retains the ability to pursue additional funding initiatives, including capital raising, should this be required to support operations, growth initiatives and future funding obligations. Management also intends to refinance the existing iPartners loan facility to extend its maturity profile and optimise the Group's capital structure, which is expected to provide additional funding flexibility and support ongoing liquidity requirements.

Having considered the Group's cash and net current asset position at 30 June 2026, the contracted order backlog, contracts secured subsequent to year end, recurring revenue base, project pipeline, asset position and available funding strategies, the directors are satisfied that the Group has reasonable grounds to believe it will be able to meet its obligations as and when they fall due and continue its operations for at least 12 months from the date of authorisation of these financial statements.

Accordingly, the directors consider the going concern basis of preparation remains appropriate.

## **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 35.

## **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of DXN Limited ('Company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. DXN Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

## **Note 2. Material accounting policy information (continued)**

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### **Foreign currency translation**

#### *Foreign currency transactions*

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### **Revenue recognition**

The Group recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised based on the transfer of control of goods or services to the customer, reflecting the consideration to which the Group expects to be entitled. For each contract, the Group first identifies the contract and the performance obligations within it. The transaction price is then determined, taking into account estimates of variable consideration and the time value of money. This transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue is recognised when or as performance obligations are satisfied. For contracts where performance obligations are satisfied over time, the Group uses the percentage-of-completion method. This method recognises revenue based on the progress toward completing the performance obligations, measured using either input methods (such as costs incurred) or output methods (such as milestones achieved), whichever method more accurately reflects the transfer of control to the customer.

## **Note 2. Material accounting policy information (continued)**

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Customers are invoiced in accordance with agreed milestone payment schedules. Where the value of goods or services transferred exceeds amounts invoiced, the difference is recognised as a contract asset. Where amounts invoiced or received exceed the value of goods or services transferred, the difference is recognised as a contract liability.

### *Data centre services*

Revenue is recognised only when the service has been provided, the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the Group. Any upfront discounts provided to customers are amortised over the contract term. This approach aligns with AASB 15, as revenue is deferred and recognised over the duration of the contract with the customer. Since the performance obligation is fulfilled over time, the revenue is recognised progressively over the contract period.

### *DXN module sales*

The Group custom-builds turnkey data centre modules for customers. Revenue is recognised based on key milestones and in proportion to the stage of completion of the work performed as of the reporting date. Revenue from these sales is determined by the price stipulated in the contract, including any agreed-upon variations to the contract amount. Revenue is recognised only to the extent that there is a high probability that a significant reversal of revenue will not occur. Since the performance obligation is fulfilled over time, the revenue is recognised progressively over the duration of the project.

Incremental costs of obtaining a contract that are expected to be recovered are capitalised as a contract asset and amortised over the term of the contract with the customer.

### *Interest*

Interest income is recognised as it accrues using the effective interest method. This method calculates the amortised cost of a financial asset and allocates interest income over the relevant period using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset to the asset's net carrying amount.

### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

## **Research and development tax incentive claim**

The Group recognises refundable R&D tax offset as a government grant under AASB120 Government Grants. Such refunds are recognised on an accrual basis only when the amount can be measured reliably, and it is probable that the economic benefits associated with the offset will flow to the Group. Accordingly, revenues from the receipt of refundable R&D tax offset is recognised only at a point in time.

## **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

An income tax benefit will arise for the financial year where an income tax loss is incurred and, where permitted to do so, is carried-back against a qualifying prior period's tax payable to generate a refundable tax offset.

## **Note 2. Material accounting policy information (continued)**

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The company and its wholly-owned subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 5th March 2020.

### **Discontinued operations**

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

## **Note 2. Material accounting policy information (continued)**

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### **Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **Impairment of financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

### **Joint Venture**

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method.

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition.

### **Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

## **Note 2. Material accounting policy information (continued)**

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding Darwin property and construction WIP - at cost) over their expected useful lives at the following rates:

|                        |         |
|------------------------|---------|
| Leasehold improvements | 10%-67% |
| Plant and equipment    | 13%-73% |
| DC modules             | 10%-73% |
| ICT hardware           | 40%-67% |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

### **Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

### **Goodwill**

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

### **Research and development (Module development)**

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

## **Note 2. Material accounting policy information (continued)**

### *Other intangibles*

Other intangible assets comprise costs incurred in the development and preparation of the Group's DCaaS site for customer use. These costs are capitalised where the Group can demonstrate that the expenditure is directly attributable to preparing the asset for its intended use, that it is technically feasible to complete the development, that the Group intends and is able to complete and use the asset, and that future economic benefits are expected to arise from its use.

Following initial recognition, these intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation commences when the asset is available for its intended use and is recognised on a straight-line basis over the asset's estimated useful life of 4.6 years.

### *Software*

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

### *Customer contracts*

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being finite life of 3 years for Tasmania and 10 years for Secure Data Centre.

### **Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### **Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Contract liabilities**

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### **Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

### **Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

## **Note 2. Material accounting policy information (continued)**

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### **Provisions**

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

### **Employee benefits**

#### *Short term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### *Share-based payments*

Equity-settled compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date, except for ZEPOs which were valued at the share price on the grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

## **Note 2. Material accounting policy information (continued)**

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

### **Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Earnings per share**

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of DXN Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

### **Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

## **Note 2. Material accounting policy information (continued)**

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### **Comparatives**

Comparatives have been realigned where necessary to agree with current year presentation. This has not had any impact on the financial position of the Group at 30 June 2025 or the results for the year then ended.

### **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

#### ***AASB 18 Presentation and Disclosure in Financial Statements***

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 '*Presentation of Financial Statements*', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

#### ***AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments***

AASB 2024-2 is applicable for annual reporting periods beginning from 1 January 2026, with early adoption permitted. This standard makes amendments to AASB 9 '*Financial Instruments*' and AASB 7 '*Financial Instruments: Disclosures*' to clarify how the contractual cash flows from financial assets should be assessed in determining how they should be classified. The Group does not expect that this will have any significant impact.

## **Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### ***Share-based payment transactions***

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### ***Allowance for expected credit losses***

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

### **Note 3. Critical accounting judgements, estimates and assumptions (continued)**

#### *Estimation of useful lives of assets*

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Goodwill and other indefinite life intangible assets*

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

#### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

#### *Income tax*

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### *Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

#### *Lease make good provision*

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

#### *Revenue recognition*

### **Note 3. Critical accounting judgements, estimates and assumptions (continued)**

The Group exercises judgement and makes estimates when recognising revenue from contracts with customers, particularly in relation to long-term modular construction, data centre infrastructure and project-based contracts. Significant estimates may include determining the timing of transfer of control, assessing performance obligations, estimating total contract costs and expected project margins, and measuring progress towards completion where revenue is recognised over time. These estimates are reviewed regularly and are based on the best information available at the reporting date, including project forecasts, contractual terms and historical experience. Changes in assumptions regarding project costs, scope, timing, customer acceptance or other contract-specific factors may result in revisions to revenue, contract assets, contract liabilities and profit recognised in future reporting periods. Actual outcomes may differ from these estimates and any revisions are recognised prospectively in the period in which they become known.

### **Note 4. Operating segments**

#### *Identification of reportable operating segments*

The Group is organised into three operating segments: Data centre manufacturing, Data centre operations and Data Centre as a Service. These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer ('CEO') and the Group's Executive Leadership Team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM on a monthly basis is the segment profit that represents the profit earned by each segment without allocation of the share of central administration costs including directors' salaries, finance income, non-operating gains and losses in respect of financial instruments and finance costs, and income tax expense.

#### *Major customers*

The Group has a number of customers to which it provides services and products.

#### *Data centre manufacturing*

The Group supplied a number of customers, of which during the year ended 30 June 2026 one accounted for 36.5% of revenue (2025: main customer was 22.4%). The next most significant contributed 27.1% (2025: 16.8%).

#### *Data centre operations*

The Group supplies a number of customers, of which during the year ended 30 June 2026 one accounted for 29.5% of revenue (2025: main customer was 35%).

#### *Data Centre as a Service*

This offering has one customer accounting for 100% of the revenue.

There were no intersegment sales during the reporting periods.

**Note 4. Operating segments (continued)**

*Operating segment information*

|                                                                  | Data centre<br>manufacturing<br>\$ | Data centre<br>operations<br>\$ | DCaaS<br>\$    | Other<br>(Corporate)<br>\$ | Total<br>\$        |
|------------------------------------------------------------------|------------------------------------|---------------------------------|----------------|----------------------------|--------------------|
| <b>Consolidated - 2026</b>                                       |                                    |                                 |                |                            |                    |
| <b>Revenue</b>                                                   |                                    |                                 |                |                            |                    |
| Revenue from external customers                                  | 7,999,304                          | 1,762,604                       | 361,479        | -                          | 10,123,387         |
| Other income                                                     | 11,841                             | 143,246                         | -              | 369,802                    | 524,889            |
| <b>Total revenue from continuing operations</b>                  | <b>8,011,145</b>                   | <b>1,905,850</b>                | <b>361,479</b> | <b>369,802</b>             | <b>10,648,276</b>  |
| <b>Results</b>                                                   |                                    |                                 |                |                            |                    |
| Profit/(loss) before income tax                                  | (2,264,101)                        | (154,832)                       | 80,614         | (3,726,878)                | (6,065,197)        |
| Income tax                                                       | -                                  | -                               | -              | -                          | -                  |
| <b>Profit/(loss) after income tax from continuing operations</b> | <b>(2,264,101)</b>                 | <b>(154,832)</b>                | <b>80,614</b>  | <b>(3,726,878)</b>         | <b>(6,065,197)</b> |
| <b>Assets</b>                                                    |                                    |                                 |                |                            |                    |
| Segment assets                                                   | 3,710,401                          | 6,563,533                       | 1,077,652      | 10,832,009                 | 22,183,595         |
| <b>Total assets</b>                                              |                                    |                                 |                |                            | <b>22,183,595</b>  |
| <b>Liabilities</b>                                               |                                    |                                 |                |                            |                    |
| Segment liabilities                                              | 8,159,613                          | 7,178,866                       | 483,477        | 963,382                    | 16,785,338         |
| <b>Total liabilities</b>                                         |                                    |                                 |                |                            | <b>16,785,338</b>  |
| <b>Consolidated - 2025</b>                                       |                                    |                                 |                |                            |                    |
| <b>Revenue</b>                                                   |                                    |                                 |                |                            |                    |
| Revenue from external customers                                  | 13,063,780                         | 1,672,616                       | 388,588        | -                          | 15,124,985         |
| Other income                                                     | 135,461                            | 222,380                         | -              | 87,921                     | 445,762            |
| <b>Total revenue from continuing operations</b>                  | <b>13,199,241</b>                  | <b>1,894,996</b>                | <b>388,588</b> | <b>87,921</b>              | <b>15,570,746</b>  |
| <b>Results</b>                                                   |                                    |                                 |                |                            |                    |
| Profit/(loss) before income tax                                  | 1,021,273                          | 436,221                         | 388,576        | (4,243,210)                | (2,397,140)        |
| Income tax                                                       | -                                  | -                               | -              | -                          | -                  |
| <b>Profit/(loss) after income tax from continuing operations</b> | <b>1,021,273</b>                   | <b>436,221</b>                  | <b>388,576</b> | <b>(4,243,210)</b>         | <b>(2,397,140)</b> |
| <b>Assets</b>                                                    |                                    |                                 |                |                            |                    |
| Segment assets                                                   | 5,298,914                          | 7,526,833                       | 280,594        | 3,045,595                  | 16,151,936         |
| <b>Total assets</b>                                              |                                    |                                 |                |                            | <b>16,151,936</b>  |
| <b>Liabilities</b>                                               |                                    |                                 |                |                            |                    |
| Segment liabilities                                              | 4,336,488                          | 5,719,759                       | 6,702          | 1,168,647                  | 11,231,596         |
| <b>Total liabilities</b>                                         |                                    |                                 |                |                            | <b>11,231,596</b>  |

Assets used jointly by reportable segments are allocated on the basis of the revenues earned by the individual reportable segments.

All revenue is derived in Australia.

**Note 5. Revenue**

**From continuing operations**

*Revenue from contracts with customers*  
Sales to customers

| <b>Consolidated</b> |             |
|---------------------|-------------|
| <b>2026</b>         | <b>2025</b> |
| \$                  | \$          |
| 10,123,387          | 15,124,985  |

100% of the Group's revenue from external customers is recognised over time.

All revenue is derived in Australia.

**Note 6. Other income**

**From continuing operations**

Research and development tax incentive claim  
Warrant amortisation  
Sublease income  
Government wage subsidies  
Interest income  
Lease liability reversed<sup>1</sup>

| <b>Consolidated</b> |             |
|---------------------|-------------|
| <b>2026</b>         | <b>2025</b> |
| \$                  | \$          |
| -                   | 131,094     |
| 337,860             | 50,000      |
| 138,073             | 48,033      |
| 4,581               | 4,367       |
| 44,375              | 37,921      |
| -                   | 174,347     |
| 524,889             | 445,762     |

Other income

<sup>1</sup> *Liability adjustment for the Secure Data Centre in Darwin.*

**Note 7. Expenses**

|                                                                                             | <b>Consolidated</b> |             |
|---------------------------------------------------------------------------------------------|---------------------|-------------|
|                                                                                             | <b>2026</b>         | <b>2025</b> |
|                                                                                             | <b>\$</b>           | <b>\$</b>   |
| Loss before income tax from continuing operations includes the following specific expenses: |                     |             |
| <i>Depreciation</i>                                                                         |                     |             |
| Depreciation - property, plant and equipment                                                | 346,934             | 354,816     |
| Depreciation - right-of-use assets                                                          | 345,334             | 274,897     |
| Total depreciation                                                                          | 692,268             | 629,713     |
| <i>Amortisation</i>                                                                         |                     |             |
| Amortisation - intangibles                                                                  | 160,920             | 136,131     |
| Total depreciation and amortisation                                                         | 853,188             | 765,844     |
| <i>Finance costs</i>                                                                        |                     |             |
| Interest and finance charges paid/payable on borrowings                                     | 759,491             | 889,848     |
| Interest and finance charges paid/payable on lease liabilities                              | 51,501              | 175,661     |
|                                                                                             | 810,992             | 1,065,509   |
| <i>Net foreign exchange loss (included in administration expenses)</i>                      |                     |             |
| Net foreign exchange loss                                                                   | 309,977             | 42,637      |
| <i>Superannuation expense</i>                                                               |                     |             |
| Defined contribution superannuation expense                                                 | 267,755             | 214,249     |
| <i>Employee benefits expense excluding superannuation</i>                                   |                     |             |
| Employee benefits expense excluding superannuation                                          | 4,375,408           | 3,618,661   |

**Note 8. Income tax**

|                                                                                      | Consolidated<br>2026<br>\$ | 2025<br>\$         |
|--------------------------------------------------------------------------------------|----------------------------|--------------------|
| <i>Income tax expense</i>                                                            |                            |                    |
| Current tax                                                                          | -                          | 204,441            |
| Deferred tax - origination and reversal of temporary differences                     | -                          | -                  |
| Aggregate income tax expense                                                         | <u>-</u>                   | <u>204,441</u>     |
| <i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>  |                            |                    |
| Loss before income tax expense from continuing operations                            | (6,065,197)                | (2,192,699)        |
| (Loss)/profit before income tax expense from discontinued operations                 | (550,080)                  | 82,892             |
|                                                                                      | <u>(6,615,277)</u>         | <u>(2,109,807)</u> |
| Tax at the statutory tax rate of 25%                                                 | (1,653,819)                | (527,452)          |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: |                            |                    |
| Non-deductible expenditure                                                           | 239,180                    | 87,867             |
| Foreign tax withheld                                                                 | -                          | 204,441            |
|                                                                                      | <u>(1,414,639)</u>         | <u>(235,144)</u>   |
| Current year tax losses not recognised                                               | 1,447,091                  | 490,854            |
| Other deferred tax balances not recognised                                           | (33,041)                   | (51,269)           |
| Deferred tax expense relating to under provision in prior year                       | 589                        | -                  |
| Income tax expense                                                                   | <u>-</u>                   | <u>204,441</u>     |
|                                                                                      | Consolidated<br>2026<br>\$ | 2025<br>\$         |
| <i>Deferred tax assets not recognised</i>                                            |                            |                    |
| Deferred tax assets not recognised comprises temporary differences attributable to:  |                            |                    |
| Carried forward revenue losses                                                       | 10,801,720                 | 9,324,477          |
| Leases                                                                               | 354,353                    | 329,009            |
| Plant and equipment                                                                  | 1,014,012                  | 1,014,012          |
| Capital raising costs                                                                | 3,000                      | 25,111             |
| Provisions and accruals                                                              | 117,598                    | 99,083             |
| Customer contracts                                                                   | 512,891                    | 478,858            |
| Total deferred tax assets not recognised                                             | <u>12,803,574</u>          | <u>11,270,550</u>  |

The above potential tax benefit for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

**Note 8. Income tax (continued)**

|                                                                     | Consolidated<br>2026<br>\$ | 2025<br>\$ |
|---------------------------------------------------------------------|----------------------------|------------|
| <i>Deferred tax asset</i>                                           |                            |            |
| Deferred tax asset comprises temporary differences attributable to: |                            |            |
| Amounts recognised in profit or loss:                               |                            |            |
| Carried forward revenue losses                                      | 404,296                    | 315,476    |
| Set-off of deferred tax liability                                   | (404,296)                  | (315,476)  |
| Deferred tax asset                                                  | -                          | -          |

|                                                                         | Consolidated<br>2026<br>\$ | 2025<br>\$ |
|-------------------------------------------------------------------------|----------------------------|------------|
| <i>Deferred tax liability</i>                                           |                            |            |
| Deferred tax liability comprises temporary differences attributable to: |                            |            |
| Amounts recognised in profit or loss:                                   |                            |            |
| Warranty liability                                                      | 100,000                    | 26,667     |
| Right-of-use assets                                                     | 304,296                    | 288,809    |
| Set-off against deferred tax asset                                      | (404,296)                  | (315,476)  |
| Deferred tax liability                                                  | -                          | -          |

*The tax benefits of the above deferred tax assets will only be obtained if:*

- (i) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- (ii) the Group continues to comply with the conditions for deductibility imposed by law; and
- (iii) no changes in income tax legislation adversely affect the Group in utilising the benefits.

**Note 9. Discontinued operations**

*Description*

On 30 June 2026, the Group sold 100% of the issued share capital of TAS01 Pty Ltd ("TAS01") to DADT Pty Ltd pursuant to a Share Sale and Transfer Agreement, with control passing on that date.

TAS01 operated the Group's only data centre in Tasmania, providing colocation and related services, and represented a separate geographical area of the Group's operations.

Accordingly, TAS01 has been classified as a discontinued operation in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'.

The results of TAS01 are presented as a discontinued operation in the consolidated statement of profit or loss and other comprehensive income for the current and comparative periods.

As control passed on the reporting date, TAS01's assets and liabilities have been derecognised from the consolidated statement of financial position as at 30 June 2026. Consistent with AASB 5.40, the comparative statement of financial position has not been restated.

**Note 9. Discontinued operations (continued)**

*Financial performance information*

|                                                                     | <b>Consolidated</b>     |                      |
|---------------------------------------------------------------------|-------------------------|----------------------|
|                                                                     | <b>2026</b>             | <b>2025</b>          |
|                                                                     | <b>\$</b>               | <b>\$</b>            |
| Sales to customers                                                  | 733,108                 | 903,473              |
| Cost of goods sold                                                  | (347,762)               | (384,899)            |
| Gross margin                                                        | <u>385,346</u>          | <u>518,574</u>       |
| Depreciation and amortisation expenses                              | (227,965)               | (236,037)            |
| Loss on disposal of assets                                          | (42,588)                | -                    |
| Operating expenses                                                  | (52,190)                | (151,459)            |
| Finance costs                                                       | (20,209)                | (48,186)             |
| Total expenses                                                      | <u>(342,952)</u>        | <u>(435,682)</u>     |
| Profit before income tax expense                                    | 42,394                  | 82,892               |
| Income tax expense                                                  | -                       | -                    |
| Profit after income tax expense                                     | <u>42,394</u>           | <u>82,892</u>        |
| Loss on asset disposal of TAS01 before tax (see below)              | (592,474)               | -                    |
| Loss on disposal after income tax expense                           | <u>(592,474)</u>        | <u>-</u>             |
| (Loss)/profit after income tax expense from discontinued operations | <u><u>(550,080)</u></u> | <u><u>82,892</u></u> |

*Cash flow information*

|                                                                        | <b>Consolidated</b>    |                        |
|------------------------------------------------------------------------|------------------------|------------------------|
|                                                                        | <b>2026</b>            | <b>2025</b>            |
|                                                                        | <b>\$</b>              | <b>\$</b>              |
| Net cash from operating activities                                     | 237,154                | 384,838                |
| Net cash used in investing activities                                  | (351,579)              | -                      |
| Net cash from/(used in) financing activities                           | 67,630                 | (445,235)              |
| Net decrease in cash and cash equivalents from discontinued operations | <u><u>(46,795)</u></u> | <u><u>(60,397)</u></u> |

*Carrying amounts of assets and liabilities disposed*

|                               | <b>Consolidated</b>   |
|-------------------------------|-----------------------|
|                               | <b>2026</b>           |
|                               | <b>\$</b>             |
| Cash and cash equivalents*    | 19,246                |
| Trade and other receivables   | 42,596                |
| Property, plant and equipment | 965,146               |
| Goodwill                      | 25,541                |
| Right-of-use assets           | 354,095               |
| Total assets                  | <u>1,406,624</u>      |
| Trade and other payables*     | 23,877                |
| Accruals                      | 7,227                 |
| Lease liabilities             | 387,677               |
| Total liabilities             | <u>418,781</u>        |
| Net assets                    | <u><u>987,843</u></u> |

**Note 9. Discontinued operations (continued)**

\* Cash in hand was utilised to pay the trade payables which resulted in a shortfall of \$4,631.

*Details of the disposal*

|                                              | <b>Consolidated<br/>2026<br/>\$</b> |
|----------------------------------------------|-------------------------------------|
| Sale consideration (upfront)*                | 400,000                             |
| Carrying amount of net assets disposed       | (987,843)                           |
| Disposal costs (AP shortfall funded by DXN)* | <u>(4,631)</u>                      |
| Loss on disposal before income tax           | (592,474)                           |
| Income tax expense                           | <u>-</u>                            |
| Loss on disposal after income tax            | <u><u>(592,474)</u></u>             |

*Contingent consideration*

Under the sale agreement, the Group is entitled to a further Earn Out Payment of up to \$120,000, contingent on TAS01 achieving specified sales revenue in the six months following completion.

\* At 30 June 2026 the upfront consideration remained outstanding and has been recognised as a receivable within other current assets.

Based on the information available at 30 June 2026, including TAS01's recent trading performance relative to the earn-out target, management has determined that the fair value of the contingent consideration is nil at reporting date. Accordingly, no asset has been recognised in respect of the potential earn-out.

Any amount subsequently received will be recognised in profit or loss when it becomes receivable.

**Note 10. Earnings per share**

|                                                                 | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|-----------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <i>Earnings per share for loss from continuing operations</i>   |                                     |                                     |
| Loss after income tax attributable to the owners of DXN Limited | <u>(6,065,197)</u>                  | <u>(2,397,140)</u>                  |

|                            | <b>Cents</b> | <b>Cents</b> |
|----------------------------|--------------|--------------|
| Basic earnings per share   | (1.95)       | (0.95)       |
| Diluted earnings per share | (1.95)       | (0.95)       |

|                                                                          | <b>Consolidated<br/>2026<br/>\$</b> | <b>Consolidated<br/>2025<br/>\$</b> |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <i>Earnings per share for profit/(loss) from discontinued operations</i> |                                     |                                     |
| (Loss)/profit after income tax attributable to the owners of DXN Limited | <u>(550,080)</u>                    | <u>82,892</u>                       |

|                            | <b>Cents</b> | <b>Cents</b> |
|----------------------------|--------------|--------------|
| Basic earnings per share   | (0.18)       | 0.03         |
| Diluted earnings per share | (0.18)       | 0.03         |

**Note 10. Earnings per share (continued)**

|                                                                                           | Consolidated<br>2026<br>\$ | 2025<br>\$  |
|-------------------------------------------------------------------------------------------|----------------------------|-------------|
| <i>Earnings per share for loss</i>                                                        |                            |             |
| Loss after income tax attributable to the owners of DXN Limited                           | (6,615,277)                | (2,314,248) |
|                                                                                           | Cents                      | Cents       |
| Basic earnings per share                                                                  | (2.12)                     | (0.92)      |
| Diluted earnings per share                                                                | (2.12)                     | (0.92)      |
|                                                                                           | Number                     | Number      |
| <i>Weighted average number of ordinary shares</i>                                         |                            |             |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | 311,672,855                | 252,136,289 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 311,672,855                | 252,136,289 |

At 30 June 2026 and 30 June 2025, options, warrants and performance rights over ordinary shares were excluded from the calculation of the weighted average number of ordinary shares used in calculating diluted earnings per share due to being anti-dilutive, as the Group reported a loss for the period.

**Note 11. Cash and cash equivalents**

|                          | Consolidated<br>2026<br>\$ | 2025<br>\$ |
|--------------------------|----------------------------|------------|
| <i>Current assets</i>    |                            |            |
| Cash at bank and on hand | 10,988,107                 | 3,119,895  |

**Note 12. Trade and other receivables**

|                                            | Consolidated<br>2026<br>\$ | 2025<br>\$ |
|--------------------------------------------|----------------------------|------------|
| <i>Current assets</i>                      |                            |            |
| Trade receivables                          | 1,182,724                  | 3,563,480  |
| Less: Allowance for expected credit losses | -                          | (128,888)  |
|                                            | 1,182,724                  | 3,434,592  |
| GST receivable                             | 83,468                     | -          |
|                                            | 1,266,192                  | 3,434,592  |

*Allowance for expected credit losses*

The Group has recognised a loss of \$nil in the profit or loss in respect of the expected credit losses for the year ended 30 June 2026 (2025: \$88,403).

**Note 12. Trade and other receivables (continued)**

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

|                     | Expected credit loss rate |           | Carrying amount  |                  | Allowance for expected credit losses |                |
|---------------------|---------------------------|-----------|------------------|------------------|--------------------------------------|----------------|
|                     | 2026<br>%                 | 2025<br>% | 2026<br>\$       | 2025<br>\$       | 2026<br>\$                           | 2025<br>\$     |
| <b>Consolidated</b> |                           |           |                  |                  |                                      |                |
| 0 to 30 days        | -                         | -         | 1,100,933        | 3,307,551        | -                                    | -              |
| 30 to 60 days       | -                         | -         | 688              | 126,500          | -                                    | -              |
| 60 to 90 days       | -                         | -         | 18,361           | 541              | -                                    | -              |
| over 90 days        | -                         | 100.000%  | 62,742           | 128,888          | -                                    | 128,888        |
|                     |                           |           | <u>1,182,724</u> | <u>3,563,480</u> | <u>-</u>                             | <u>128,888</u> |

Movements in the allowance for expected credit losses are as follows:

|                                                           | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|-----------------------------------------------------------|----------------------------|----------------------------|
| Opening balance                                           | 128,888                    | 40,485                     |
| Additional provisions recognised                          | -                          | 88,403                     |
| Loss in relation to discontinued operation, TAS01 Pty Ltd | (128,888)                  | -                          |
| Closing balance                                           | <u>-</u>                   | <u>128,888</u>             |

**Note 13. Inventories/work in progress**

|                                                             | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|-------------------------------------------------------------|----------------------------|----------------------------|
| <b>Current assets</b>                                       |                            |                            |
| Materials and consumables                                   | 170,013                    | 109,073                    |
| Contract assets - work in progress - customers <sup>1</sup> | <u>1,820,204</u>           | <u>449,926</u>             |
|                                                             | <u>1,990,217</u>           | <u>558,999</u>             |

<sup>1</sup> Contract assets represent amounts recognised as revenue in excess of amounts invoiced to customers under contracts for the design and manufacture of modular data centres and cable landing stations. The increase in contract assets during the year primarily reflects revenue recognised in excess of amounts invoiced to customers on contracts in progress at 30 June 2026.

**Note 14. Bank guarantees and deposits**

|                                            | Consolidated<br>2026<br>\$ | 2025<br>\$     |
|--------------------------------------------|----------------------------|----------------|
| <i>Current assets</i>                      |                            |                |
| Module Guarantees <sup>1</sup>             | -                          | 797,639        |
| <i>Non-current assets</i>                  |                            |                |
| 3 Dampier Road, Welshpool, WA <sup>2</sup> | 33,917                     | 33,917         |
|                                            | <u>33,917</u>              | <u>831,556</u> |

<sup>1</sup> Relates to deposits for various project guarantees held with Westpac and in solicitors trust account at 30 June 2025 and are classified as restricted cash. The projects were completed during FY2026 and the guarantees released.

<sup>2</sup> Relates to deposits given to landlords' legal representatives at 30 June 2026 over leased premises. These deposits are held in solicitor trust accounts and are classified as restricted cash.

**Note 15. Other assets**

|                                                                            | Consolidated<br>2026<br>\$ | 2025<br>\$     |
|----------------------------------------------------------------------------|----------------------------|----------------|
| <i>Current assets</i>                                                      |                            |                |
| Prepayments                                                                | 116,893                    | 147,732        |
| Other deposits                                                             | 39,069                     | 13,556         |
| Other current assets*                                                      | 400,000                    | 7,174          |
|                                                                            | <u>555,962</u>             | <u>168,462</u> |
| <i>Non-current assets</i>                                                  |                            |                |
| Other non-current assets (Borrowing costs capitalised net of amortisation) | 138,623                    | 205,849        |
|                                                                            | <u>694,585</u>             | <u>374,311</u> |

\* Included in other current assets is \$400,000 receivable relating to the disposal of TAS01 Pty Ltd.

**Note 16. Property, plant and equipment**

|                                  | Consolidated<br>2026<br>\$ | 2025<br>\$       |
|----------------------------------|----------------------------|------------------|
| <i>Non-current assets</i>        |                            |                  |
| Darwin property - at cost        | 2,241,761                  | 2,239,967        |
| Leasehold improvements - at cost | 780,984                    | 765,434          |
| Less: Accumulated depreciation   | (364,218)                  | (284,389)        |
|                                  | 416,766                    | 481,045          |
| Plant and equipment - at cost    | 899,734                    | 458,417          |
| Less: Accumulated depreciation   | (498,418)                  | (449,619)        |
|                                  | 401,316                    | 8,798            |
| DC modules - at cost             | 1,028,151                  | 2,091,571        |
| Less: Accumulated depreciation   | (713,352)                  | (1,236,399)      |
|                                  | 314,799                    | 855,172          |
| ICT hardware - at cost           | 149,745                    | 131,349          |
| Less: Accumulated depreciation   | (72,141)                   | (54,845)         |
|                                  | 77,604                     | 76,504           |
| Construction WIP                 | -                          | 100,062          |
|                                  | <u>3,452,246</u>           | <u>3,761,548</u> |

|                                                     | Darwin<br>property<br>\$ | Leasehold<br>improve-<br>ments<br>\$ | Plant and<br>equipment<br>\$ | DC<br>modules<br>\$ | ICT<br>hardware<br>\$ | Construc-<br>tion<br>WIP<br>\$ | Total<br>\$      |
|-----------------------------------------------------|--------------------------|--------------------------------------|------------------------------|---------------------|-----------------------|--------------------------------|------------------|
| Balance at<br>1 July 2024                           | -                        | 549,928                              | 118,843                      | 1,122,786           | 15,315                | -                              | 1,806,872        |
| Additions                                           | 2,239,967                | 8,450                                | 536                          | 32,026              | 71,266                | 100,062                        | 2,452,307        |
| Disposals                                           | -                        | -                                    | -                            | (4,300)             | -                     | -                              | (4,300)          |
| Depreciation expense                                | -                        | (77,333)                             | (110,581)                    | (295,340)           | (10,077)              | -                              | (493,331)        |
| Balance at<br>30 June 2025                          | 2,239,967                | 481,045                              | 8,798                        | 855,172             | 76,504                | 100,062                        | 3,761,548        |
| Additions                                           | 1,794                    | 15,551                               | 345,279                      | 285,485             | 40,335                | -                              | 688,444          |
| Discontinued operations (note 9)                    | -                        | -                                    | 5,761                        | 315,910             | (2,985)               | -                              | 318,686          |
| Discontinued operations -<br>derecognition (note 9) | -                        | -                                    | (5,761)                      | (957,643)           | (1,742)               | -                              | (965,146)        |
| Disposals                                           | -                        | -                                    | -                            | (4,351)             | -                     | -                              | (4,351)          |
| Transfers in/(out)                                  | -                        | -                                    | 100,062                      | -                   | -                     | (100,062)                      | -                |
| Depreciation expense                                | -                        | (79,830)                             | (52,823)                     | (179,774)           | (34,508)              | -                              | (346,935)        |
| Balance at<br>30 June 2026                          | <u>2,241,761</u>         | <u>416,766</u>                       | <u>401,316</u>               | <u>314,799</u>      | <u>77,604</u>         | <u>-</u>                       | <u>3,452,246</u> |

**Note 17. Right-of-use assets**

|                                   | Consolidated<br>2026<br>\$ | 2025<br>\$       |
|-----------------------------------|----------------------------|------------------|
| <i>Non-current assets</i>         |                            |                  |
| Land and buildings - right-of-use | 1,446,930                  | 1,839,999        |
| Less: Accumulated depreciation    | (583,843)                  | (684,763)        |
|                                   | <u>863,087</u>             | <u>1,155,236</u> |

Additions to the right-of-use assets during the ended 30 June 2025 were for the lease in Berrimah for DCaaS of \$522,285 (2026: \$nil).

Right-of-use assets related to leased property in Perth and Darwin. In FY2025, these assets also included a property in Hobart; however, this lease has been derecognised and no longer forms part of the balance sheet carrying amount following the disposal of TAS01 Pty Ltd on 30 June 2026.

The Group leases land and buildings under agreements up to five years, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

For AASB 16 Lease disclosures refer to:

- note 7 for depreciation on right-of-use assets and interest on lease liabilities;
- note 22 for lease liabilities;
- note 28 for undiscounted future lease commitments; and
- consolidated statement of cash flows for repayment of lease liabilities.

**Note 18. Intangibles**

|                                  | Consolidated<br>2026<br>\$ | 2025<br>\$       |
|----------------------------------|----------------------------|------------------|
| <i>Non-current assets</i>        |                            |                  |
| Goodwill - at cost               | 1,960,880                  | 1,986,421        |
| Research & development - at cost | 28,705                     | 78,556           |
| Other intangibles - at cost      | 204,057                    | -                |
| Less: Accumulated amortisation   | (21,863)                   | -                |
|                                  | <u>182,194</u>             | <u>-</u>         |
| Software - at cost               | 56,287                     | 44,587           |
| Less: Accumulated amortisation   | (47,512)                   | (44,587)         |
|                                  | <u>8,775</u>               | <u>-</u>         |
| Customer contracts - at cost     | 1,361,314                  | 2,703,418        |
| Less: Accumulated amortisation   | (646,624)                  | (1,852,596)      |
|                                  | <u>714,690</u>             | <u>850,822</u>   |
|                                  | <u>2,895,244</u>           | <u>2,915,799</u> |

**Note 18. Intangibles (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| <b>Consolidated</b>              | <b>Goodwill<br/>\$</b> | <b>Research &amp;<br/>development<br/>\$</b> | <b>Other<br/>intangibles<br/>\$</b> | <b>Software<br/>\$</b> | <b>Customer<br/>contracts<br/>\$</b> | <b>Total<br/>\$</b> |
|----------------------------------|------------------------|----------------------------------------------|-------------------------------------|------------------------|--------------------------------------|---------------------|
| Balance at 1 July 2024           | 1,986,421              | 24,528                                       | -                                   | -                      | 986,953                              | 2,997,902           |
| Additions                        | -                      | 171,373                                      | -                                   | -                      | -                                    | 171,373             |
| R&D cash received                | -                      | (117,345)                                    | -                                   | -                      | -                                    | (117,345)           |
| Amortisation expense             | -                      | -                                            | -                                   | -                      | (136,131)                            | (136,131)           |
| Balance at 30 June 2025          | 1,986,421              | 78,556                                       | -                                   | -                      | 850,822                              | 2,915,799           |
| Additions                        | -                      | -                                            | 204,057                             | 11,700                 | -                                    | 215,757             |
| Discontinued operations (note 9) | (25,541)               | -                                            | -                                   | -                      | -                                    | (25,541)            |
| R&D cash received                | -                      | (49,851)                                     | -                                   | -                      | -                                    | (49,851)            |
| Amortisation expense             | -                      | -                                            | (21,863)                            | (2,925)                | (136,132)                            | (160,920)           |
| Balance at 30 June 2026          | <u>1,960,880</u>       | <u>28,705</u>                                | <u>182,194</u>                      | <u>8,775</u>           | <u>714,690</u>                       | <u>2,895,244</u>    |

**Goodwill**

Goodwill on the acquisition of assets and revenue of Secure Data Centre – Darwin. In FY2025, this also included Goodwill from TAS01 Pty Ltd; however, this has been derecognised and no longer forms part of the balance sheet carrying amount following the disposal of TAS01 Pty Ltd on 30 June 2026.

**Research & development**

Relates to the development costs spent to date on module research/design.

**Other intangibles**

Intangibles relates to the intangible assets used in the DCaaS build.

**Software**

Related to acquired software.

**Customer contracts**

Relates to the minimum contracted revenues/EBITDA in relation to the acquisition of customer contracts acquired from the purchase of Secure Data Centre – Darwin.

*Impairment testing*

The Group's total goodwill balance relates to the Data Centre segment operations of Secure Data Centre, Darwin (SDC).

|            | <b>Consolidated<br/>2026<br/>\$</b> | <b>2025<br/>\$</b> |
|------------|-------------------------------------|--------------------|
| <b>SDC</b> | <u>1,960,880</u>                    | <u>1,960,880</u>   |

The carrying amount of the SDC goodwill has been tested for impairment as at 30 June 2026. The recoverable amount of the above goodwill is based on a value-in-use calculation using the present value of cash flow projections over a 4-year period. The following assumptions were used in the value-in-use calculations:

| <b>Assumption</b>           | <b>How determined</b>                       |
|-----------------------------|---------------------------------------------|
| Forecast revenue & expenses | Annual growth rate of 4% (2025: 2.33%)      |
| Discount rate               | Pre-tax discount rate of 15% (2025: 11.69%) |

*Sensitivity to changes in assumptions*

The directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the SDC CGU to exceed its recoverable amount.

**Note 19. Trade and other payables**

|                                          | Consolidated<br>2026<br>\$ | 2025<br>\$       |
|------------------------------------------|----------------------------|------------------|
| <i>Current liabilities</i>               |                            |                  |
| Trade payables <sup>1</sup>              | 1,692,416                  | 1,506,634        |
| GST payable                              | -                          | 7,394            |
| Payroll liabilities                      | 105,039                    | 79,164           |
| Other payables and accruals <sup>2</sup> | 2,623,580                  | 1,625,588        |
|                                          | <u>4,421,035</u>           | <u>3,218,780</u> |

*Terms and conditions relating to the above financial instruments.*

<sup>1</sup> Trade payables are non-interest bearing and generally on 30 day terms.

<sup>2</sup> Other payables are non-interest bearing have no fixed repayment terms.

Refer to note 28 for further information on financial instruments.

**Note 20. Contract liabilities**

|                                   | Consolidated<br>2026<br>\$ | 2025<br>\$     |
|-----------------------------------|----------------------------|----------------|
| <i>Current liabilities</i>        |                            |                |
| Contract liabilities <sup>1</sup> | <u>3,833,344</u>           | <u>969,457</u> |

<sup>1</sup> Relates to amounts received in advance from external customers for the custom-built DXN data centre and cable landing station modules.

**Performance obligations**

The Group's performance obligations primarily relate to the design, manufacture and delivery of modular data centres and cable landing stations. Performance obligations are generally satisfied over time as the Group's performance creates or enhances an asset controlled by the customer, with revenue recognised based on the Group's measure of progress towards completion.

Payment terms vary by contract and generally include milestone payments throughout the construction period.

The Group applies the practical expedient in paragraph 121 of AASB 15 and does not disclose information about remaining performance obligations for contracts with an original expected duration of one year or less.

**Note 21. Borrowings**

|                                      | Consolidated<br>2026<br>\$ | 2025<br>\$              |
|--------------------------------------|----------------------------|-------------------------|
| <i>Current liabilities</i>           |                            |                         |
| Insurance premium funding            | 44,561                     | 56,350                  |
| FlexiCommercial Pty Ltd <sup>1</sup> | 42,888                     | 42,888                  |
| Less: Unexpired charges              | (4,158)                    | (8,399)                 |
|                                      | <u>83,291</u>              | <u>90,839</u>           |
| <i>Non-current liabilities</i>       |                            |                         |
| FlexiCommercial Pty Ltd <sup>1</sup> | 3,574                      | 46,462                  |
| Less: Unexpired charges              | (30)                       | (2,593)                 |
| iPartners Pty Ltd <sup>2</sup>       | 7,000,000                  | 5,000,000               |
|                                      | <u>7,003,544</u>           | <u>5,043,869</u>        |
|                                      | <u><u>7,086,835</u></u>    | <u><u>5,134,708</u></u> |

Refer to note 28 for further information on financial instruments.

<sup>1</sup> This is a Chattel Mortgage Facility with FlexiCommercial Pty Ltd for a Pressbrake Machine in use in the Perth factory. The interest rate on this facility is 9.996% and is repayable over 5 years (until July 2027) with no balloon payment.

<sup>2</sup> A secured facility with iPartners, comprising an original \$5,000,000 facility (used to acquire the property at 27 Harvey Street, Darwin, NT and repay Pure Loan and Darwin Warranty) plus an additional \$2,000,000 refinanced amount, totalling \$7,000,000. The facility carries an interest rate of 9.7% per annum and matures in November 2027. It is secured by a General Security Agreement (GSA) over the Darwin Property and the Darwin DC (SDC).

*Loan covenants*

The borrowings are subject to certain financial covenants and these are assessed at the end of each quarter. The loans will be repayable immediately if the covenants are breached. The Group is not aware of any facts or circumstances that indicate that it may have difficulty complying with the covenants within 12 months after the reporting period.

**Note 21. Borrowings (continued)**

*Financing arrangements*

Unrestricted access was available at the reporting date to the following lines of credit:

|                              | <b>Consolidated</b> |                  |
|------------------------------|---------------------|------------------|
|                              | <b>2026</b>         | <b>2025</b>      |
|                              | <b>\$</b>           | <b>\$</b>        |
| Total facilities             |                     |                  |
| Insurance premium funding    | 44,561              | 56,350           |
| FlexiCommercial Pty Ltd      | 46,462              | 89,350           |
| iPartners Pty Ltd            | 7,000,000           | 5,000,000        |
|                              | <u>7,091,023</u>    | <u>5,145,700</u> |
| Used at the reporting date   |                     |                  |
| Insurance premium funding    | 44,561              | 56,350           |
| FlexiCommercial Pty Ltd      | 46,462              | 89,350           |
| iPartners Pty Ltd            | 7,000,000           | 5,000,000        |
|                              | <u>7,091,023</u>    | <u>5,145,700</u> |
| Unused at the reporting date |                     |                  |
| Insurance premium funding    | -                   | -                |
| FlexiCommercial Pty Ltd      | -                   | -                |
| iPartners Pty Ltd            | -                   | -                |
|                              | <u>-</u>            | <u>-</u>         |

**Note 22. Lease liabilities**

|                                | <b>Consolidated</b>   |                         |
|--------------------------------|-----------------------|-------------------------|
|                                | <b>2026</b>           | <b>2025</b>             |
|                                | <b>\$</b>             | <b>\$</b>               |
| <i>Current liabilities</i>     |                       |                         |
| Lease liability                | <u>405,802</u>        | <u>229,841</u>          |
| <i>Non-current liabilities</i> |                       |                         |
| Lease liability                | <u>423,933</u>        | <u>986,197</u>          |
|                                | <u><u>829,735</u></u> | <u><u>1,216,038</u></u> |

Refer to note 28 for further information on financial instruments.

**Note 23. Employee benefits**

|                                | Consolidated<br>2026<br>\$ | 2025<br>\$     |
|--------------------------------|----------------------------|----------------|
| <i>Current liabilities</i>     |                            |                |
| Annual leave                   | 290,458                    | 209,231        |
| Long service leave             | 25,706                     | 24,861         |
|                                | <u>316,164</u>             | <u>234,092</u> |
| <i>Non-current liabilities</i> |                            |                |
| Long service leave             | 98,225                     | 65,188         |
|                                | <u>414,389</u>             | <u>299,280</u> |

*Amounts not expected to be settled within the next 12 months*

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

|                                                                     | Consolidated<br>2026<br>\$ | 2025<br>\$    |
|---------------------------------------------------------------------|----------------------------|---------------|
| Employee benefits obligation expected to be settled after 12 months | <u>25,706</u>              | <u>24,861</u> |

**Note 24. Provision**

|                                | Consolidated<br>2026<br>\$ | 2025<br>\$     |
|--------------------------------|----------------------------|----------------|
| <i>Non-current liabilities</i> |                            |                |
| Lease make good                | <u>200,000</u>             | <u>100,000</u> |

*Lease make good*

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

*Movements in provision*

Movements in provision during the current financial year is set out below:

|                                          | Lease make<br>good<br>\$ |
|------------------------------------------|--------------------------|
| <b>Consolidated - 2026</b>               |                          |
| Carrying amount at the start of the year | 100,000                  |
| Additional provisions recognised         | <u>100,000</u>           |
| Carrying amount at the end of the year   | <u>200,000</u>           |

**Note 25. Issued capital**

|                                             |                  | <b>2026<br/>Shares</b> | <b>Consolidated<br/>2025<br/>Shares</b> | <b>2026<br/>\$</b> | <b>2025<br/>\$</b> |
|---------------------------------------------|------------------|------------------------|-----------------------------------------|--------------------|--------------------|
| Ordinary shares - fully paid                |                  | <u>368,750,868</u>     | <u>298,703,639</u>                      | <u>61,645,926</u>  | <u>54,538,374</u>  |
| <i>Movements in ordinary share capital</i>  |                  |                        |                                         |                    |                    |
| <b>Details</b>                              | <b>Date</b>      | <b>Shares</b>          | <b>Issue price</b>                      | <b>\$</b>          |                    |
| Balance                                     | 1 July 2024      | 184,889,354            |                                         | 47,395,502         |                    |
| Issue of shares - share-based payments (i)  | 3 July 2024      | 2,000,000              | \$0.0520                                | 104,000            |                    |
| Issue of shares                             | 18 October 2024  | 46,700,000             | \$0.0700                                | 3,269,000          |                    |
| Issue of shares                             | 6 December 2024  | 46,157,143             | \$0.0700                                | 3,231,000          |                    |
| Issue of shares - share-based payments      | 29 December 2024 | 1,500,000              | \$0.0700                                | 88,500             |                    |
| Issue of shares - conversion of debt (ii)   | 28 February 2025 | 17,457,142             | \$0.0700                                | 1,222,000          |                    |
| Capital raising costs                       |                  |                        |                                         | (771,628)          |                    |
| Balance                                     | 30 June 2025     | 298,703,639            |                                         | 54,538,374         |                    |
| Issue of shares (iii)                       | 13 October 2025  | 13,333,333             | \$0.0253                                | 337,860            |                    |
| Issue of shares - share-based payments (iv) | 31 December 2025 | 1,083,871              | \$0.0470                                | 50,942             |                    |
| Issue of shares - share-based payments (iv) | 6 January 2026   | 1,083,871              | \$0.0470                                | 50,942             |                    |
| Issue of shares                             | 15 June 2026     | 53,846,154             | \$0.1300                                | 7,000,000          |                    |
| Issue of share - exercise of options        | 25 June 2026     | 700,000                | \$0.1400                                | 118,300            |                    |
| Capital raising costs                       |                  |                        |                                         | (450,492)          |                    |
| Balance                                     | 30 June 2026     | <u>368,750,868</u>     |                                         | <u>61,645,926</u>  |                    |

(i) *Shares issued in lieu of payment to corporate advisor.*

(ii) *Fully paid ordinary shares to Pure in conjunction with the reduction and restructure of the Company's existing debt and financing arrangements with Pure (Pure Shares).*

(iii) *Exercise of warrants.*

(iv) *Conversion of directors options issued as part of REM package.*

**Ordinary shares**

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Share buy-back**

There is no current on-market share buy-back.

**Capital risk management**

Management controls the capital of the Group to maintain a prudent debt to equity ratio, provide the shareholders with adequate returns and ensure the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

Management effectively manages the Group's capital by assessing the Groups financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There are no externally imposed capital requirements other than as disclosed in note 21.

## Note 25. Issued capital (continued)

The capital risk management policy remains unchanged from the 2025 Annual Report.

## Note 26. Reserves

|                              | Consolidated<br>2026<br>\$ | Consolidated<br>2025<br>\$ |
|------------------------------|----------------------------|----------------------------|
| Foreign currency reserve     | 1,925                      | -                          |
| Share-based payments reserve | 236,339                    | 250,656                    |
| Options reserve              | 328,367                    | 330,333                    |
|                              | <u>566,631</u>             | <u>580,989</u>             |

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

### Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

| Consolidated                   | Foreign<br>currency<br>reserve<br>\$ | Share-based<br>payments<br>\$ | Options<br>\$  | Total<br>\$    |
|--------------------------------|--------------------------------------|-------------------------------|----------------|----------------|
| Balance at 1 July 2024         | -                                    | 18,486                        | 387,303        | 405,789        |
| Share-based payments           | -                                    | 250,656                       | -              | 250,656        |
| Transfer to accumulated losses | -                                    | (18,486)                      | (310,303)      | (328,789)      |
| Options issued                 | -                                    | -                             | 297,333        | 297,333        |
| Options exercised              | -                                    | -                             | (44,000)       | (44,000)       |
| Balance at 30 June 2025        | -                                    | 250,656                       | 330,333        | 580,989        |
| Foreign currency translation   | 1,925                                | -                             | -              | 1,925          |
| Share-based payments           | -                                    | (14,317)                      | -              | (14,317)       |
| Options issued                 | -                                    | -                             | 120,218        | 120,218        |
| Options exercised              | -                                    | -                             | (122,184)      | (122,184)      |
| Balance at 30 June 2026        | <u>1,925</u>                         | <u>236,339</u>                | <u>328,367</u> | <u>566,631</u> |

Refer to note 38 for the details of share options and performance rights issued.

## Note 27. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## **Note 28. Financial instruments**

### **Financial risk management objectives**

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. The Board identifies, evaluates financial risks within the Group's operating units regularly.

The Group's principal financial instruments comprise cash and cash equivalents and borrowings. The Group also has other financial instruments such as receivables and payables which arise directly from its operations. For the period under review, it has been the Group's policy not to trade in financial instruments.

|                              | <b>Consolidated</b> |                  |
|------------------------------|---------------------|------------------|
|                              | <b>2026</b>         | <b>2025</b>      |
|                              | <b>\$</b>           | <b>\$</b>        |
| <b>Financial assets</b>      |                     |                  |
| Cash and cash equivalents    | 10,988,107          | 3,119,895        |
| Trade and other receivables  | 1,182,724           | 3,434,592        |
| Bank guarantees              | 33,917              | 831,556          |
|                              | <u>12,204,748</u>   | <u>7,386,043</u> |
| <b>Financial liabilities</b> |                     |                  |
| At amortised cost:           |                     |                  |
| Trade and other payables     | 4,315,996           | 3,157,173        |
| Borrowings                   | 7,086,835           | 5,134,708        |
| Lease liabilities            | 829,735             | 1,216,038        |
| Other financial liabilities  | -                   | 293,333          |
|                              | <u>12,232,566</u>   | <u>9,801,252</u> |

### **Market risk**

#### **Foreign currency risk**

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Management has determined that this risk is not significant.

The Group has not entered into forward foreign exchange contracts during the current financial year.

#### **Price risk**

The Group is not exposed to any significant price risk.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Current financial assets and financial liabilities are generally not exposed to interest rate risk because of their short-term nature. At 30 June 2026 and 30 June 2025, the Group's cash/cash equivalents (note 11) and borrowings (note 21) are fixed interest rate instruments. Therefore, they are not subject to interest rate risk.

### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above.

**Note 28. Financial instruments (continued)**

The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the Board annually.

The Group does not have any significant credit risk exposure.

**Liquidity risk**

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities and by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

**Remaining contractual maturities**

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

|                                      | Weighted<br>average<br>interest rate<br>% | 1 year or less<br>\$ | Between 1<br>and 2 years<br>\$ | Between 2<br>and 5 years<br>\$ | Over 5 years<br>\$ | Remaining<br>contractual<br>maturities<br>\$ |
|--------------------------------------|-------------------------------------------|----------------------|--------------------------------|--------------------------------|--------------------|----------------------------------------------|
| <b>Consolidated - 2026</b>           |                                           |                      |                                |                                |                    |                                              |
| <b>Non-derivatives</b>               |                                           |                      |                                |                                |                    |                                              |
| <i>Non-interest bearing</i>          |                                           |                      |                                |                                |                    |                                              |
| Trade and other payables             | -                                         | 4,315,996            | -                              | -                              | -                  | 4,315,996                                    |
| <i>Interest-bearing - variable</i>   |                                           |                      |                                |                                |                    |                                              |
| Lease liability                      | -                                         | 435,190              | 237,548                        | 156,997                        | -                  | 829,735                                      |
| <i>Interest-bearing - fixed rate</i> |                                           |                      |                                |                                |                    |                                              |
| <i>Borrowings:</i>                   |                                           |                      |                                |                                |                    |                                              |
| Insurance premium funding            | 3.710%                                    | 46,157               | -                              | -                              | -                  | 46,157                                       |
| FlexiCommercial Pty Ltd              | 9.996%                                    | 45,451               | 3,604                          | -                              | -                  | 49,055                                       |
| iPartners                            | 9.700%                                    | 696,500              | 7,282,762                      | -                              | -                  | 7,979,262                                    |
| Total non-derivatives                |                                           | 5,539,294            | 7,523,913                      | 156,997                        | -                  | 13,220,204                                   |

|                                      | Weighted<br>average<br>interest rate<br>% | 1 year or less<br>\$ | Between 1<br>and 2 years<br>\$ | Between 2<br>and 5 years<br>\$ | Over 5 years<br>\$ | Remaining<br>contractual<br>maturities<br>\$ |
|--------------------------------------|-------------------------------------------|----------------------|--------------------------------|--------------------------------|--------------------|----------------------------------------------|
| <b>Consolidated - 2025</b>           |                                           |                      |                                |                                |                    |                                              |
| <b>Non-derivatives</b>               |                                           |                      |                                |                                |                    |                                              |
| <i>Non-interest bearing</i>          |                                           |                      |                                |                                |                    |                                              |
| Trade and other payables             | -                                         | 3,157,173            | -                              | -                              | -                  | 3,157,173                                    |
| Other financial liabilities          | -                                         | 293,333              | -                              | -                              | -                  | 293,333                                      |
| <i>Interest-bearing - variable</i>   |                                           |                      |                                |                                |                    |                                              |
| Lease liability                      | -                                         | 313,746              | 310,132                        | 689,951                        | 39,433             | 1,353,262                                    |
| <i>Interest-bearing - fixed rate</i> |                                           |                      |                                |                                |                    |                                              |
| <i>Borrowings:</i>                   |                                           |                      |                                |                                |                    |                                              |
| Insurance premium funding            | 3.830%                                    | 58,375               | -                              | -                              | -                  | 58,375                                       |
| FlexiCommercial Pty Ltd              | 9.996%                                    | 49,261               | 49,058                         | -                              | -                  | 98,319                                       |
| iPartners                            | 9.950%                                    | 497,500              | 5,207,178                      | -                              | -                  | 5,704,678                                    |
| Total non-derivatives                |                                           | 4,369,388            | 5,566,368                      | 689,951                        | 39,433             | 10,665,140                                   |

## **Note 28. Financial instruments (continued)**

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

### **Fair value of financial instruments**

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

## **Note 29. Fair value measurement**

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short term nature.

## **Note 30. Key management personnel disclosures**

### *Compensation*

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

|                              | <b>Consolidated</b> |                  |
|------------------------------|---------------------|------------------|
|                              | <b>2026</b>         | <b>2025</b>      |
|                              | <b>\$</b>           | <b>\$</b>        |
| Short term employee benefits | 834,400             | 857,881          |
| Bonus payments               | 358,830             | 423,836          |
| Post-employment benefits     | 67,200              | 84,015           |
| Share-based payments         | 282,503             | 270,886          |
|                              | <u>1,542,933</u>    | <u>1,636,618</u> |

## **Note 31. Remuneration of auditors**

For services provided for the financial year the following fees were paid or payable for services provided by Moore Australia Audit (WA), the auditor of the Company, and its network firms:

|                                                    | <b>Consolidated</b> |               |
|----------------------------------------------------|---------------------|---------------|
|                                                    | <b>2026</b>         | <b>2025</b>   |
|                                                    | <b>\$</b>           | <b>\$</b>     |
| <i>Audit services - Moore Australia Audit (WA)</i> |                     |               |
| Audit or review of the financial statements        | <u>95,850</u>       | <u>94,019</u> |
| <i>Other services - network firms</i>              |                     |               |
| Tax compliance                                     | 18,500              | 19,500        |
| Consulting                                         | <u>38,920</u>       | <u>-</u>      |
|                                                    | <u>57,420</u>       | <u>19,500</u> |

## **Note 32. Contingent liabilities**

There were no contingent liabilities as at 30 June 2026 and 30 June 2025.

## **Note 33. Commitments**

There were no capital commitments as at 30 June 2026 and 30 June 2025.

#### **Note 34. Related party transactions**

##### *Parent entity*

DXN Limited is the parent entity.

##### *Subsidiaries*

Interests in subsidiaries are set out in note 36.

##### *Joint ventures*

Interests in joint ventures are set out in note 40.

##### *Key management personnel*

Disclosures relating to key management personnel are set out in note 30 and the remuneration report included in the directors' report.

##### *Transactions with related parties*

There were no transactions with related parties during the current and previous financial year.

##### *Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

##### *Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

#### **Note 35. Parent entity information**

Set out below is the supplementary information about the parent entity.

##### *Statement of profit or loss and other comprehensive income*

|                                                     | <b>Parent</b> |             |
|-----------------------------------------------------|---------------|-------------|
|                                                     | <b>2026</b>   | <b>2025</b> |
|                                                     | <b>\$</b>     | <b>\$</b>   |
| Loss after income tax                               | (6,469,420)   | (3,160,854) |
| Other comprehensive income for the year, net of tax | -             | -           |
| Total comprehensive loss                            | (6,469,420)   | (3,160,854) |

**Note 35. Parent entity information (continued)**

*Statement of financial position*

|                                | 2026<br>\$          | Parent<br>2025<br>\$ |
|--------------------------------|---------------------|----------------------|
| Total current assets           | 13,888,845          | 7,458,474            |
| Total non-current assets       | 5,966,238           | 1,735,009            |
| Total assets                   | 19,855,083          | 9,193,483            |
| Total current liabilities      | 8,804,895           | 4,703,334            |
| Total non-current liabilities  | 6,609,192           | 798,744              |
| Total liabilities              | 15,414,087          | 5,502,078            |
| Net assets                     | <u>4,440,996</u>    | <u>3,691,405</u>     |
| Equity                         |                     |                      |
| Issued capital                 | 61,645,926          | 54,538,374           |
| Share-based payments reserve   | 236,339             | 250,656              |
| Options reserve                | 328,367             | 330,333              |
| Capital reorganisation reserve | 127,742             | -                    |
| Accumulated losses             | <u>(57,897,378)</u> | <u>(51,427,958)</u>  |
| Total equity                   | <u>4,440,996</u>    | <u>3,691,405</u>     |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

*Capital commitments*

The parent entity had no capital commitments as at 30 June 2026 and 30 June 2025.

**Note 36. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| Name                                         | Principal place of business /<br>Country of incorporation | Ownership interest |           |
|----------------------------------------------|-----------------------------------------------------------|--------------------|-----------|
|                                              |                                                           | 2026<br>%          | 2025<br>% |
| Secure Data Centre Pty Ltd                   | Northern Territory, Australia                             | 100%               | 100%      |
| SDC Trust                                    | Northern Territory, Australia                             | 100%               | 100%      |
| DXN SDC Darwin Pty Ltd                       | New South Wales, Australia                                | 100%               | 100%      |
| DXN DCaaS Pty Ltd                            | New South Wales, Australia                                | 100%               | 100%      |
| DXN Solutions Holdings Pty Ltd <sup>1</sup>  | New South Wales, Australia                                | 100%               | -         |
| DXN Solutions Australia Pty Ltd <sup>2</sup> | New South Wales, Australia                                | 100%               | -         |
| DXN Solutions Holdings Pte Ltd <sup>3</sup>  | Singapore                                                 | 100%               | -         |
| DXN Solutions Pte. Ltd <sup>4</sup>          | Singapore                                                 | 100%               | -         |
| DXN Asia Sdn Bhd (Malaysia) <sup>5</sup>     | Malaysia                                                  | 100%               | -         |
| Tas01 Pty Ltd <sup>6</sup>                   | Tasmania, Australia                                       | -                  | 100%      |

<sup>1</sup> Incorporated in Australia on 5 November 2025

<sup>2</sup> Incorporated in Australia on 6 November 2025

<sup>3</sup> Incorporated in Singapore on 11 November 2025

<sup>4</sup> Incorporated in Singapore on 28 August 2025

<sup>5</sup> Incorporated in Malaysia on 28 January 2026

<sup>6</sup> Disposed on 30 June 2026

**Note 37. Cash flow information**

*Reconciliation of loss after income tax to net cash from/(used in) operating activities*

|                                                    | Consolidated |             |
|----------------------------------------------------|--------------|-------------|
|                                                    | 2026<br>\$   | 2025<br>\$  |
| Loss after income tax expense for the year         | (6,615,277)  | (2,314,248) |
| Adjustments for:                                   |              |             |
| Depreciation and amortisation                      | 1,081,153    | 1,001,881   |
| Write off of current assets                        | 111,763      | (55,316)    |
| Share-based payments                               | 195,900      | 346,489     |
| Finance costs                                      | 354,555      | (92,178)    |
| Borrowing costs                                    | 67,226       | 445,972     |
| Change in fair value of warrants                   | 44,527       | 168,333     |
| Loss on sale of TAS01                              | 592,474      | -           |
| Change in operating assets and liabilities:        |              |             |
| Decrease/(increase) in trade and other receivables | 2,290,643    | (2,318,252) |
| Increase in inventories/work in progress           | (1,433,605)  | (134,728)   |
| Decrease/(increase) in prepayments                 | 38,012       | (118,602)   |
| Increase in trade and other payables               | 1,272,047    | 1,655,190   |
| Increase/(decrease) in contract liabilities        | 2,863,887    | (2,515,191) |
| Increase in employee benefits                      | 115,109      | 37,027      |
| Net cash from/(used in) operating activities       | 978,414      | (3,893,623) |

**Note 37. Cash flow information (continued)**

*Non-cash investing and financing activities*

|                                                           | Consolidated<br>2026<br>\$ | 2025<br>\$ |
|-----------------------------------------------------------|----------------------------|------------|
| Additions to the right-of-use assets                      | -                          | 522,285    |
| Shares issued - conversion of capitalised interest (Pure) | -                          | 1,000,000  |
|                                                           | -                          | 1,522,285  |

*Changes in liabilities arising from financing activities*

| Consolidated                                     | Pure<br>\$  | Insurance<br>premiums<br>funding<br>\$ | iPartners<br>Pty Ltd<br>\$ | FlexiCom<br>mercial<br>Pty Ltd<br>\$ | Lease<br>liability<br>\$ | Total<br>\$ |
|--------------------------------------------------|-------------|----------------------------------------|----------------------------|--------------------------------------|--------------------------|-------------|
| Balance at 1 July 2024                           | 4,000,000   | 51,783                                 | -                          | 113,450                              | 4,154,744                | 8,319,977   |
| Net cash (used in)/from financing activities     | (3,000,000) | -                                      | 5,000,000                  | -                                    | (614,856)                | 1,385,144   |
| Finance facility drawn down                      | -           | 257,857                                | -                          | -                                    | -                        | 257,857     |
| Repayment of finance facility                    | -           | (255,316)                              | -                          | (33,066)                             | -                        | (288,382)   |
| Conversion of debt to equity                     | (1,000,000) | -                                      | -                          | -                                    | -                        | (1,000,000) |
| Lease surrender                                  | -           | -                                      | -                          | -                                    | (2,015,231)              | (2,015,231) |
| Other changes                                    | -           | -                                      | -                          | -                                    | (208,619)                | (208,619)   |
| Balance at 30 June 2025                          | -           | 54,324                                 | 5,000,000                  | 80,384                               | 1,316,038                | 6,450,746   |
| Net cash (used in) financing activities          | -           | -                                      | -                          | -                                    | (522,940)                | (522,940)   |
| Finance facility drawn down                      | -           | 200,523                                | 2,000,000                  | -                                    | -                        | 2,200,523   |
| Repayment of finance facility                    | -           | (211,881)                              | -                          | (36,515)                             | -                        | (248,396)   |
| Changes through discontinued operations (note 9) | -           | -                                      | -                          | -                                    | 472,548                  | 472,548     |
| Lease liability addition per AASB16 DCaaS        | -           | -                                      | -                          | -                                    | (347,869)                | (347,869)   |
| Lease liability derecognition per AASB16 TAS     | -           | -                                      | -                          | -                                    | (31,939)                 | (31,939)    |
| Other changes                                    | -           | -                                      | -                          | -                                    | (56,103)                 | (56,103)    |
| Balance at 30 June 2026                          | -           | 42,966                                 | 7,000,000                  | 43,869                               | 829,735                  | 7,916,570   |

**Note 38. Share-based payments**

**Options**

Set out below are summaries of options:  
2026

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted   | Expired/ exercised/ forfeited | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|-----------|-------------------------------|--------------------------------|
| 23/01/2024 | 22/01/2028  | \$0.0300       | 2,666,666                        | -         | -                             | 2,666,666                      |
| 06/12/2024 | 06/12/2026  | \$0.1400       | 10,000,000                       | -         | (700,000)                     | 9,300,000                      |
| 21/11/2025 | 17/12/2030  | \$0.0000       | -                                | 1,083,871 | (1,083,871)                   | -                              |
| 21/11/2025 | 06/01/2031  | \$0.0000       | -                                | 1,083,871 | (1,083,871)                   | -                              |
| 21/11/2025 | 14/05/2031  | \$0.0000       | -                                | 5,201,613 | -                             | 5,201,613                      |
|            |             |                | 12,666,666                       | 7,369,355 | (2,867,742)                   | 17,168,279                     |

**Note 38. Share-based payments (continued)**

Weighted average exercise price \$0.1170 \$0.0000 \$0.0340 \$0.0805

2025

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted    | Expired/ exercised/ forfeited | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|------------|-------------------------------|--------------------------------|
| 22/10/2021 | 22/10/2024  | \$0.2100       | 725,924                          | -          | (725,924)                     | -                              |
| 23/01/2024 | 22/01/2028  | \$0.0300       | 4,666,666                        | -          | (2,000,000)                   | 2,666,666                      |
| 06/12/2024 | 06/12/2026  | \$0.1400       | -                                | 10,000,000 | -                             | 10,000,000                     |
|            |             |                | 5,392,590                        | 10,000,000 | (2,725,924)                   | 12,666,666                     |

Weighted average exercise price \$0.0540 \$0.1400 \$0.0780 \$0.1170

Set out below are the options exercisable at the end of the financial year:

| Grant date | Expiry date | 2026 Number       | 2025 Number       |
|------------|-------------|-------------------|-------------------|
| 23/01/2024 | 22/01/2028  | 2,666,666         | 2,666,666         |
| 06/12/2024 | 06/12/2026  | 9,300,000         | 10,000,000        |
|            |             | <u>11,966,666</u> | <u>12,666,666</u> |

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.69 years (2025: 1.67 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free interest rate | Fair value at grant date |
|------------|-------------|---------------------------|----------------|---------------------|----------------|-------------------------|--------------------------|
| 21/11/2025 | 17/12/2030  | \$0.0470                  | \$0.0000       | -                   | -              | -                       | \$0.047                  |
| 21/11/2025 | 06/01/2031  | \$0.0470                  | \$0.0000       | -                   | -              | -                       | \$0.047                  |
| 21/11/2025 | 14/05/2031  | \$0.0470                  | \$0.0000       | -                   | -              | -                       | \$0.047                  |

**Performance rights**

Set out below are summaries of performance rights:

2026

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted | Expired/ exercised/ forfeited | Balance at the end of the year |
|------------|-------------|----------------|----------------------------------|---------|-------------------------------|--------------------------------|
| 29/11/2024 | 29/11/2027  | \$0.0000       | 5,000,000                        | -       | (5,000,000)                   | -                              |
|            |             |                | 5,000,000                        | -       | (5,000,000)                   | -                              |

**Note 38. Share-based payments (continued)**

| 2025       |             |                |                                  |                  |                               |                                |
|------------|-------------|----------------|----------------------------------|------------------|-------------------------------|--------------------------------|
| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted          | Expired/ exercised/ forfeited | Balance at the end of the year |
| 29/11/2024 | 29/11/2027  | \$0.0000       | -                                | 5,000,000        | -                             | 5,000,000                      |
| 22/07/2021 | 14/07/2024  | \$0.0000       | 553,333                          | -                | (553,333)                     | -                              |
|            |             |                | <u>553,333</u>                   | <u>5,000,000</u> | <u>(553,333)</u>              | <u>5,000,000</u>               |

The weighted average remaining contractual life of performance rights outstanding at 30 June 2025 was 1.44 years (30 June 2026: N/A).

The performance rights were cancelled

**Recognised share-based payment expenses**

The expense recognised for employee and services received during the period are as follows:

|                                | Consolidated<br>2026 | 2025           |
|--------------------------------|----------------------|----------------|
| Performance rights and options |                      |                |
| - Employees                    | 139,363              | 346,489        |
| - Services                     | -                    | 290,000        |
|                                | <u>139,363</u>       | <u>636,489</u> |

**Note 39. Events after the reporting period**

Subsequent to 30 June 2026, the Group secured a number of material contracts and contract variations which further strengthened its contracted order book.

The Group was awarded a \$1.2 million contract by Solomon Islands Submarine Cable Company Limited (SISCC) for the design, manufacture, delivery and installation of a cable landing station. The project forms part of the ACS-1 submarine cable program, an Australian Government-financed initiative designed to strengthen the security and resilience of telecommunications infrastructure across the Pacific. The ACS-1 cable will provide additional routing resilience for the Solomon Islands and integrate with the broader Pacific Connect network. Project activity is expected to commence following contract execution, with delivery scheduled by April 2027.

The Group was also awarded a contract of approximately \$4.1 million by Australia Pacific Airports (Melbourne) Pty Ltd, the operator of Melbourne Airport, for the design, engineering, manufacture, factory acceptance testing, delivery, installation and commissioning of a prefabricated Edge data centre facility. The facility will incorporate critical power, cooling, fire detection and suppression systems and associated infrastructure and forms part of Melbourne Airport's Airport Development Plan Information and Communication Technology enabling works program. Delivery to site, installation, site acceptance testing and commissioning are expected towards the end of the first half of calendar year 2027.

The Group entered into a \$12.2 million contract with an AI compute operator for the design, engineering, manufacture, delivery, installation and commissioning of a turnkey 2MW AI High-Performance Computing (HPC) modular data centre. The solution will combine purpose-built DXN AI modules with upgrades to existing infrastructure at the customer's site, including integrated power, cooling, fire detection and suppression, security and building management systems. Detailed design and long-lead procurement commenced following contract execution, with the customer's site targeted to be operational in early calendar year 2027. The contract represents DXN's second AI HPC award and increased the Group's AI HPC order book to approximately \$21 million.

The Group also received a variation order of approximately \$1.6 million under its existing contract with Globalstar Inc., reflecting additional project fees and logistics costs.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



30 June 2026

## Note 39. Interests in joint ventures

Collectively, these contracts and variations represent approximately \$19.1 million of additional contracted work subsequent to 30 June 2026 and were not included in the Group's contracted backlog at year end.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Note 40. Interests in joint ventures

The Group has interests in the following joint ventures that are individually and collectively immaterial to the Group

|  NAME |  COUNTRY OF INCORPORATION |  OWNERSHIP INTEREST |        |  CARRYING AMOUNT OF INVESTMENT |
|-----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------------------------|
|                                                                                         |                                                                                                             | 2026 %                                                                                               | 2025 % |                                                                                                                    |
| SSDXN Solutions Pte Ltd Singapore                                                       | Singapore                                                                                                   | 50.00%                                                                                               | ----   | ----                                                                                                               |
| PT SSDXN Solutions Indonesia                                                            | Indonesia                                                                                                   | 49.95%                                                                                               | ----   | ----                                                                                                               |

\*Accordingly, the financial impact of these joint ventures is not material to the Group's consolidated financial statements



# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2026



| ENTITY NAME                        | ENTITY TYPE    | PLACE FORMED /<br>COUNTRY OF<br>INCORPORATION | OWNERSHIP<br>INTEREST % | TAX<br>RESIDENCY |
|------------------------------------|----------------|-----------------------------------------------|-------------------------|------------------|
| DXN Limited                        | Body Corporate | New South Wales, Australia                    | ---                     | Australian       |
| <b>Subsidiaries:</b>               |                |                                               |                         |                  |
| Secure Data Centre Pty Ltd         | Body Corporate | Northern Territory, Australia                 | 100%                    | Australian       |
| SDC Trust                          | Trust          | Northern Territory, Australia                 | 100%                    | Australian       |
| DXN SDC Darwin Pty Ltd             | Body Corporate | New South Wales, Australia                    | 100%                    | Australian       |
| DXN DCaaS Pty Ltd                  | Body Corporate | New South Wales, Australia                    | 100%                    | Australian       |
| DXN Solutions Holdings<br>Pty Ltd  | Body Corporate | New South Wales, Australia                    | 100%                    | Australian       |
| DXN Solutions<br>Australia Pty Ltd | Body Corporate | New South Wales, Australia                    | 100%                    | Australian       |
| DXN Solutions<br>Holdings Pte Ltd  | Body Corporate | Singapore                                     | 100%                    | Singaporean      |
| DXN Solutions Pte. Ltd             | Body Corporate | Singapore                                     | 100%                    | Singaporean      |
| DXN Asia Sdn Bhd (Malaysia)        | Body Corporate | Malaysia                                      | 100%                    | Malaysian        |



In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Shalini Lagrutta  
Managing Director

30 August 2026



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Myo Myint Ohn  
Non-Independent, Non-Executive Chair

**Moore Australia Audit (WA)**

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## Independent Audit Report

### To the members of DXN Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of DXN Limited (the Company) and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
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| <p data-bbox="229 544 1359 600"><b>Customer contracts – Revenue Recognition, Valuation of works in progress (WIP), trade accounts receivable and contract liabilities</b></p> <p data-bbox="229 611 1359 701"><b>Refer to Note 2 Revenue Recognition, Note 3 Critical Accounting Judgements, Estimates and Assumptions, Note 12 Trade and Other Receivables, Note 13 Inventories/Work in Progress and Note 20 Contract Liabilities</b></p> <p data-bbox="229 712 783 880">For the year ended 30 June 2026, a portion of the Group's revenue is derived from the sales of DXN Modules. At balance date, DXN Module-related balances were Works in Progress (WIP) - \$1.82 million ("mill"), trade debtors - \$1.2 mill and contract liabilities - \$3.8 mill.</p> <p data-bbox="229 891 783 947">The accurate recording of revenue is highly dependent upon the following key factors:</p> <ul data-bbox="277 958 783 1462" style="list-style-type: none"> <li>• Knowledge of the individual characteristics and status of contracts.</li> <li>• Management's invoicing process including <ul style="list-style-type: none"> <li>– Accurate measurement of work done based on the Module build's stage of completion</li> <li>– Invoices prepared in compliance with contract terms and conditions described in the contract, provided they fulfil the criteria of AASB 15 <i>Revenue from Contracts with Customers</i>.</li> <li>– Recognition of any variations in accordance with contractual terms and based on an assessment as to when the Group believes it is highly probable that a significant reversal in revenue recognised will not occur.</li> </ul> </li> </ul> <p data-bbox="229 1473 783 1641">We focused on this matter as a key audit matter due to the significance of contract-based revenue to the Group combined with the need to comply with a variety of contractual conditions, leading to judgemental risk associated with revenue recognition.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p data-bbox="783 712 1359 745">Our procedures included among others:</p> <ul data-bbox="831 757 1359 1989" style="list-style-type: none"> <li>• Obtained an understanding of the processes and relevant controls relating to accounting for customer contracts to ensure compliance with AASB 15.</li> <li>• Reviewed significant customer contracts to understand the terms/conditions and their revenue recognition impact, and accuracy of contract liabilities (or income in advance).</li> <li>• Tested the accuracy and completeness of contracting revenue and related cost of sales to supporting documentation on a sample basis.</li> <li>• Performed cut-off testing on revenue and income in advance to ensure they were recorded accurately and in the appropriate reporting period.</li> <li>• Examined costs included within WIP balances on a sample basis by verifying the amounts to source documentation and tested its recoverability through subsequent invoicing (if applicable), discussions with management and review of other supporting evidence.</li> <li>• Assessed the adequacy of the provision for any onerous contracts based on our understanding of the projects. This includes reviewing management's assessment of provision for onerous contracts by focusing on projects with low or negative margins.</li> <li>• Checked the calculation of the percentage of completion in determination of the revenue recognised.</li> <li>• Reviewed ageing of trade receivables and &amp; testing its recoverability to subsequent receipts. We also considered Board minutes and the expected credit loss assessment performed by management and other documents concerning any expected credit loss in regard to trade receivables and works in progress.</li> <li>• Reviewed the relevant disclosures contained in the financial statements.</li> </ul> |



| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | How the matter was addressed in our audit |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| <div data-bbox="229 521 1364 589" data-label="Section-Header"> <p><b>Divestment of TAS01 Pty Ltd (TAS01)</b></p> </div> <div data-bbox="229 589 1364 656" data-label="Text"> <p><b>Refer to Note 9 Discontinued Operations, Note 16 Property, Plant and Equipment, Note 17 Right-of-use assets and Note 18 Intangibles</b></p> </div> <div data-bbox="229 656 783 913" data-label="Text"> <p>During the year ended 30 June 2026, the Group completed the disposal of its wholly owned subsidiary, TAS01 Pty Ltd, which operated the Group's modular data centre facility in Tasmania. The transaction resulted in the derecognition of the subsidiary's assets and liabilities, recognition of a gain or loss on disposal, and presentation of TAS01's financial results as a discontinued operation.</p> </div> <div data-bbox="229 913 783 1003" data-label="Text"> <p>The accounting for the disposal involved significant management judgement and estimation, including:</p> </div> <div data-bbox="229 1003 783 1529" data-label="List-Group"> <ul style="list-style-type: none"> <li>• Determining the appropriate disposal date and assessment of when control transferred to the purchaser.</li> <li>• Identifying and measuring all assets and liabilities disposed of, including property, plant and equipment, lease-related balances and working capital items.</li> <li>• Assessing the appropriate treatment of lease arrangements and any continuing obligations remaining with the Group following disposal.</li> <li>• Calculating the gain or loss on disposal, including consideration received, transaction costs and net assets derecognised.</li> <li>• Determining whether the disposal met the requirements of AASB 5 Non-current Assets Held for Sale and Discontinued Operations for presentation as a discontinued operation.</li> </ul> </div> <div data-bbox="229 1529 783 1731" data-label="Text"> <p>We focused on this matter as a key audit matter due to the significance of the transaction, the complexity of the accounting requirements associated with the disposal of a subsidiary, and the level of judgement involved in determining the gain or loss on disposal and the presentation of the transaction in the financial statements.</p> </div> <div data-bbox="783 656 1364 1836" data-label="Text"> <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtained and reviewed the sale and purchase agreement and other supporting transaction documentation to understand the key terms and conditions of the divestment.</li> <li>• Assessed management's determination of the disposal date and tested whether control of TAS01 transferred to the purchaser in accordance with the relevant accounting standards.</li> <li>• Tested the assets and liabilities disposed of by agreeing balances to supporting accounting records and relevant source documentation.</li> <li>• Evaluated the accounting treatment applied to lease arrangements associated with TAS01, including consideration of any lease liabilities, right-of-use assets and ongoing obligations retained by the Group.</li> <li>• Assessed management's calculation of the gain or loss on disposal by testing the consideration received, transaction costs and net assets derecognised.</li> <li>• Performed procedures over significant estimates and judgements applied by management in accounting for the transaction and challenged assumptions where appropriate.</li> <li>• Assessed whether the disposal met the criteria for classification and presentation as a discontinued operation in accordance with AASB requirements.</li> <li>• Reviewed board minutes, ASX announcements and other supporting evidence relating to the transaction.</li> <li>• Evaluated the adequacy and appropriateness of the disclosures included in the financial statements relating to the disposal and discontinued operation.</li> </ul> </div> |                                           |



| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment Assessment of Intangible Assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Refer to Note 18 Intangibles</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>At 30 June 2026, the Group recognised intangible assets of \$2.9 million. Management assessed whether indicators of impairment existed and evaluated the recoverability of these assets in accordance with AASB 136 <i>Impairment of Assets</i>. The assessment of recoverable amount involved significant judgement regarding future cash flow forecasts, revenue growth expectations, forecast profitability and other assumptions used in determining value in use.</p> <p>Given the carrying value of intangible assets, the Group's loss from continuing operations during the year and the level of estimation uncertainty associated with forecasting future performance, we considered the impairment assessment of intangible assets to be a key audit matter.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's process for assessing impairment indicators and determining recoverable amounts.</li> <li>• Evaluated whether the cash-generating units identified by management were appropriate for the purposes of the impairment assessment.</li> <li>• Assessed the reasonableness of management's cash flow forecasts by comparing them to Board-approved budgets, historical performance and available supporting evidence.</li> <li>• Challenged key assumptions used in the impairment assessment, including forecast revenue growth, margins and expected future performance.</li> <li>• Performed sensitivity analyses over key assumptions to assess the extent to which changes in assumptions would affect the recoverable amount.</li> <li>• Tested the mathematical accuracy of the impairment models.</li> <li>• Evaluated whether the disclosures contained in the financial statements appropriately described the key assumptions, judgements and estimation uncertainty associated with the impairment assessment.</li> </ul> |



### Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and
- c) for such internal control as the directors determine is necessary to enable the preparation of:
  - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at: [https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf). This description forms part of our auditor's report.



## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of DXN Limited, for the year ended 30 June 2026 complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Shaun Williams  
Partner – Audit and Assurance  
[Moore Australia Audit \(WA\)](#)  
Perth  
30<sup>th</sup> day of August 2026



Moore Australia Audit (WA)  
Chartered Accountants

The shareholder information set out below was applicable as at 19 August 2026.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

|                                       | Ordinary shares   |                          | Quoted options over ordinary shares |                          |
|---------------------------------------|-------------------|--------------------------|-------------------------------------|--------------------------|
|                                       | Number of holders | % of total shares issued | Number of holders                   | % of total shares issued |
| 1 to 1,000                            | 76                | -                        | -                                   | -                        |
| 1,001 to 5,000                        | 325               | 0.31                     | -                                   | -                        |
| 5,001 to 10,000                       | 476               | 0.96                     | -                                   | -                        |
| 10,001 to 100,000                     | 891               | 8.48                     | -                                   | -                        |
| 100,001 and over                      | 286               | 90.25                    | 9                                   | 100.00                   |
|                                       | <u>2,054</u>      | <u>100.00</u>            | <u>9</u>                            | <u>100.00</u>            |
| Holding less than a marketable parcel | <u>108</u>        | <u>0.02</u>              | <u>-</u>                            | <u>-</u>                 |

### Equity security holders

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

|                                                                              | Ordinary shares    |                          |
|------------------------------------------------------------------------------|--------------------|--------------------------|
|                                                                              | Number held        | % of total shares issued |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED                                    | 55,500,000         | 15.05                    |
| CITICORP NOMINEES PTY LIMITED                                                | 45,062,870         | 12.22                    |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>                       | 33,742,774         | 9.15                     |
| MRS SHARON JOY GORDON                                                        | 8,620,210          | 2.34                     |
| MR ANDREW WALSH                                                              | 8,153,254          | 2.21                     |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED                                    | 7,642,845          | 2.07                     |
| DIXSON TRUST PTY LIMITED                                                     | 6,504,305          | 1.76                     |
| MR BRENDAN ERIN JOSEPH POWER                                                 | 6,044,444          | 1.64                     |
| FARCASH PTY LTD <FARCASH SUPER FUND A/C>                                     | 5,452,324          | 1.48                     |
| MR MICHAEL NEIL COOK                                                         | 5,424,928          | 1.47                     |
| MR BAO FENG PAN & MS MIN HUA XUAN <BAO SUPERFUND A/C>                        | 5,256,523          | 1.43                     |
| MR HARRY CHESHER WHITING                                                     | 4,705,187          | 1.28                     |
| MR LINPING FU                                                                | 4,000,000          | 1.08                     |
| SEALEX PTY LTD <THE SEAL A/C>                                                | 3,474,684          | 0.94                     |
| MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING <WHITING FAMILY S/F A/C> | 3,263,387          | 0.88                     |
| MR CAMERON ROSS BARBER                                                       | 3,142,047          | 0.85                     |
| AV&RV PTY LTD <VEDIG SUPER A/C>                                              | 3,000,000          | 0.81                     |
| PUNTERO PTY LTD                                                              | 2,947,878          | 0.80                     |
| WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>                               | 2,590,910          | 0.70                     |
| BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>                      | 2,400,000          | 0.65                     |
|                                                                              | <u>216,928,570</u> | <u>58.81</u>             |

*Unquoted equity securities*

|                              | Number<br>on issue | Number<br>of holders |
|------------------------------|--------------------|----------------------|
| Options over ordinary shares | 17,168,279         | 9                    |

**Substantial shareholders**

Substantial shareholders in the Company are set out below:

|                                                        | Ordinary shares<br>% of total<br>shares<br>issued |       |
|--------------------------------------------------------|---------------------------------------------------|-------|
|                                                        | Number held                                       |       |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED              | 55,500,000                                        | 15.05 |
| CITICORP NOMINEES PTY LIMITED                          | 45,062,870                                        | 12.22 |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 33,742,774                                        | 9.15  |

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.



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For more information email  
✉ [info@dxn.solutions](mailto:info@dxn.solutions)

Visit Our Website  
🌐 [www.dxn.solutions](http://www.dxn.solutions)

Connect with us  
in [@dxn solutions](https://www.linkedin.com/company/dxn-solutions)

DXN Limited  
📍 ABN: 46 620 888 548