

18 February 2021

## ASX Announcement

DXN Limited (ASX:DXN) is pleased to provide its half yearly report and Appendix 4D for the six months ended 31 December 2020 (1HFY21).

### December 2020 Half Year Highlights:

- Sales \$4.1m - an improvement of 65% on 1H FY20
- Gross margin 35% - a gain of 158% on 1HFY20
- EBITDA loss \$225,854 - a 92% improvement on 1HFY20
- New contracts secured - \$3.6m

	1HFY21 \$	1HFY20 \$	Variance %
<b>Revenue</b>			
Sales to customers	4,133,406	2,503,634	65%
Cost of sales	(2,706,127)	(1,950,052)	39%
Gross profit	1,427,279	553,582	158%
Other income	1,160,087	927,548	25%
Less other operating expenses	(2,813,220)	(4,233,922)	34%
<b>EBITDA</b>	<b>(225,854)</b>	<b>(2,752,792)</b>	<b>92%</b>
Depreciation & amortisation	(1,726,598)	(909,708)	(90%)
Foreign exchange gains/(loss)	(79,716)	(16,279)	(390%)
Equity-settled employee costs	(88,438)	(336,084)	74%
Finance expenses	(254,310)	(131,052)	(94%)
Non-operating income / (expenses) *	-	(1,969,000)	
<b>Net Loss After Tax</b>	<b>(2,374,916)</b>	<b>(6,114,915)</b>	<b>61%</b>

\* Impairment charge on the Melbourne facility Right of Use asset

## CEO Commentary

DXN has made significant progress with its restructuring and strategy implementation and the benefits began to emerge in 1HFY21. A strong focus on reducing operating expenses, improved gross margin (from 22% to 35%) and increased sales improved EBITDA by 92% compared to 1HFY20. We are seeing positive results with regards to cost containment and improved efficiencies being achieved at DXN's new manufacturing facility.

### DXN Limited

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Colocation sales in SYD01 or Sydney Data Centre continue to be slow but our sales strategy implemented in September 2020 is showing some promising signs. TAS01 our data Centre in Hobart Tasmania is performing to plan. The DXN Modules manufacturing strategic focus on subsea cables, the resources sector and EDGE data centre opportunities is also starting to deliver results, lifting sales to customers by 65%. New manufacturing sales in the period of \$3.6m included contracts secured with Newcrest Mining (c.\$1.5m), CPS (c.\$300k), Streamline Connect (c.\$700k), and a subsea cable landing station contract with APX Partners (c.\$1.1m). The pipeline of new business opportunities continues to be strong and this is expected to support sales over the remainder of FY21.

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### **About DXN Limited**

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

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ASX Release authorised by the Board

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