DXN
The Data Exchange Network Ltd

Company Presentation

New Management

Chief Executive Officers

(Joint acting)

Richard Whiting

- Joined DXN November 2018 as Chief Commercial Officer and has worked to deliver new sales processes and onboard telecommunications carriers for new data centres

- Richard has been involved in the IT and telecommunications industry for over 40 years and was a founding partner in Amnet Internet Services, which was later sold to Amcom Telecommunications

- Richard has held several executive management positions over 19 years with Amcom/Vocus including Chief Operating Officer, Chief Technology Officer and CEO – Western Region.

- Richard was a key member of the Amcom executive team and was involved in all aspects of running the business with a focus on the Sales & Operations, strategic direction, M&A

- Over this period, he was responsible for data centres and was involved in the acquisition of a number data centres

Simon Forth

- Joined DXN November 2018 as Chief Operating Officer and has delivered improvements within our manufacturing operations and our engineering processes

- Simon has previously been an experienced CEO managing a multidiscipline engineering organisations that services the highly competitive gas and mining sectors

- Sector in parallel with DXN modular engineering & manufacturing division - welding, electrical, instrumentation, IT/SCADA development and site construction and commissioning

- Simon was the key driver behind ASX listed Legend Corporation Ltd. Leading the organisation's transformation from an electronics and IT manufacture/distribution organisation to higher margin electrical distribution

- Simon has extensive experience in strategic activities that including IPO's and M&A

Achievements since IPO

New Management

- Joint Interim CEO's appointed early February 2019

Sydney Data Centre DXN-SYD01

- Operational by July 2019
- Key Infrastructure On Site – Office Renovations
- DA approval now received
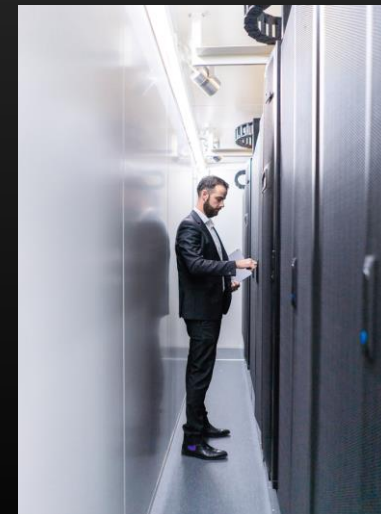
Melbourne Data Centre DXN-MEL01

- 4 of 6 modules complete
- PowerCorp scheduled upgrade 2nd half 2019

Telco Interconnection

- Engaged, connectivity with Telstra, Vocus, TPG & peering/content

TIER-Ready

- Uptime Institute TIER-Ready III
- Uptime Institute TIER-Ready IV

Lessons Learned

Cost Management

- Poor cost management practices have led to budget overruns

Project Management

- Schedule and engineering deliverables underestimated

Capex

- Design changes (0.5MW to 1.0MW) that involved additional capex undertaken without funding

Sales Slow

- DXN Modules sales were slower than expected in the first half of FY19

Now – Focus on Costs

- Team in place with experience to manage pricing, margins, costs

Now - Project tightly Managed

- Schedule reviewed and tightened
- Weekly meetings to review and manage progress

Now – Capex budget

- Capex required to build out both Sydney and Melbourne clearly established

Now – Sales team in place

- Team in place with track record of selling in Data Centre and Modules
- Pipeline established

Competitive Advantages

- Low cost fabrication – less than $7.5m per MW

- Vertical integration results in cost savings and knowledge creation

- Software App gives us the edge – clip the ticket and build additional recurring revenue stream

- Rapid deployment of modules

- Data centre in a data centre concept – secure and safe

- Ability to price competitively when required

- Differentiate on customer service

- Tier III & Tier IV = reliability

- Edge ready modules to service a growing market

DXN Data Centres

Recurring Revenue

- DC attractive Recurring Revenue
- Low labour
- Client self management App

DXN Scalable Data Centre

- Capex match with revenue
- Inhouse construction = lower costs

Edge

- Reduce latency – Streaming, IoT & 5G

Software App - DCIM & BMS

- Manage our own & 3rd party DC

Reliable Environment

- TIER rating = customer confidence
- Migration old DC to TIER

Cloud Connectivity

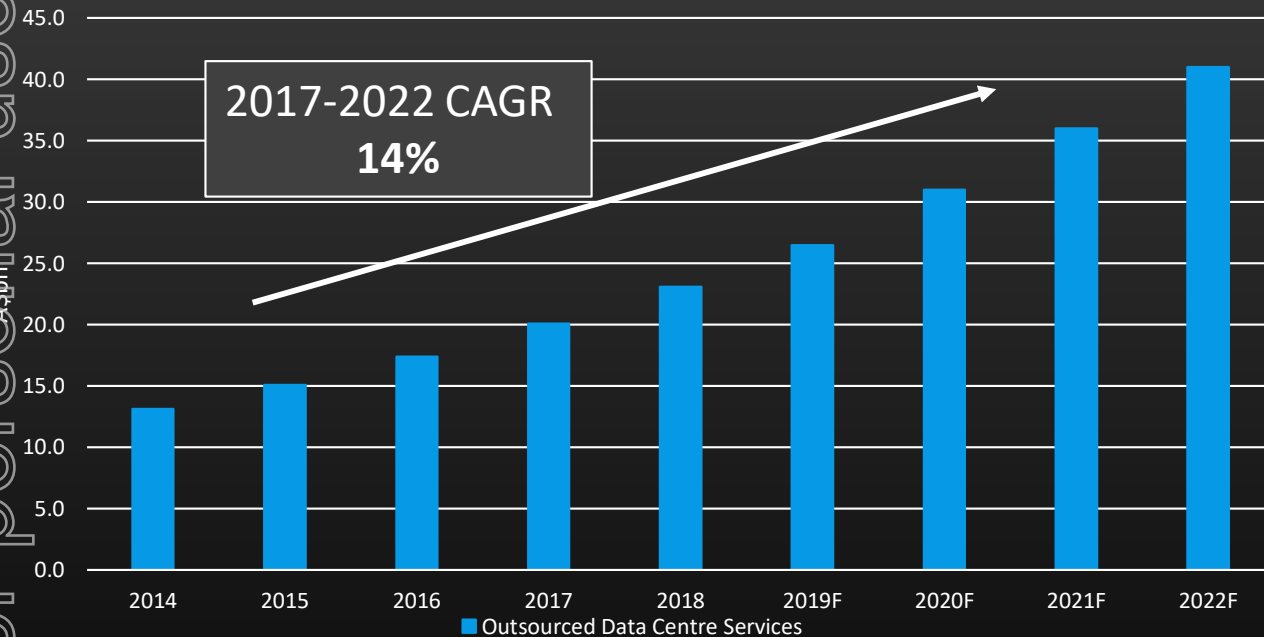- Access to Cloud service providers and content providers

Competition

- Niche market vs Hyperscale, Next DC, Equinix

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DXN Data Centres

Asia Pacific Data Centre Services Market

2017-2022 CAGR **14%**

A$bn

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019F | 2020F | 2021F | 2022F |

■ Outsourced Data Centre Services

Source: Cadmon, Frost & Sullivan

- Asia-Pacific data centre service market (only outsourced data centre) is estimated to grow at 14% CAGR from 2017 to 2022

- Australia, the data centre service market is estimated to grow at 12% CAGR over the next 5 years, with the market reaching over A$2bn by 2022

DXN Modules

Prefabricated Data Centres

- Used internally in DXN owned facilities

- Sell to a wide range of external edge infrastructure customers

Manufacturing Capability

- Vertical manufacturing operation

- Assembled a strong manufacturing team across engineering, fabrication and operations

- First modular data centre developer in the world to receive both TIER-Ready III and TIER-Ready IV certification

Target Markets

- Data centres (traditional, hyperscale, remote locations, disaster recovery, temporary replacement of ageing infrastructure)

- Radio communication facilities

- Telco cable landing stations

- 5G telecommunication tower infrastructure
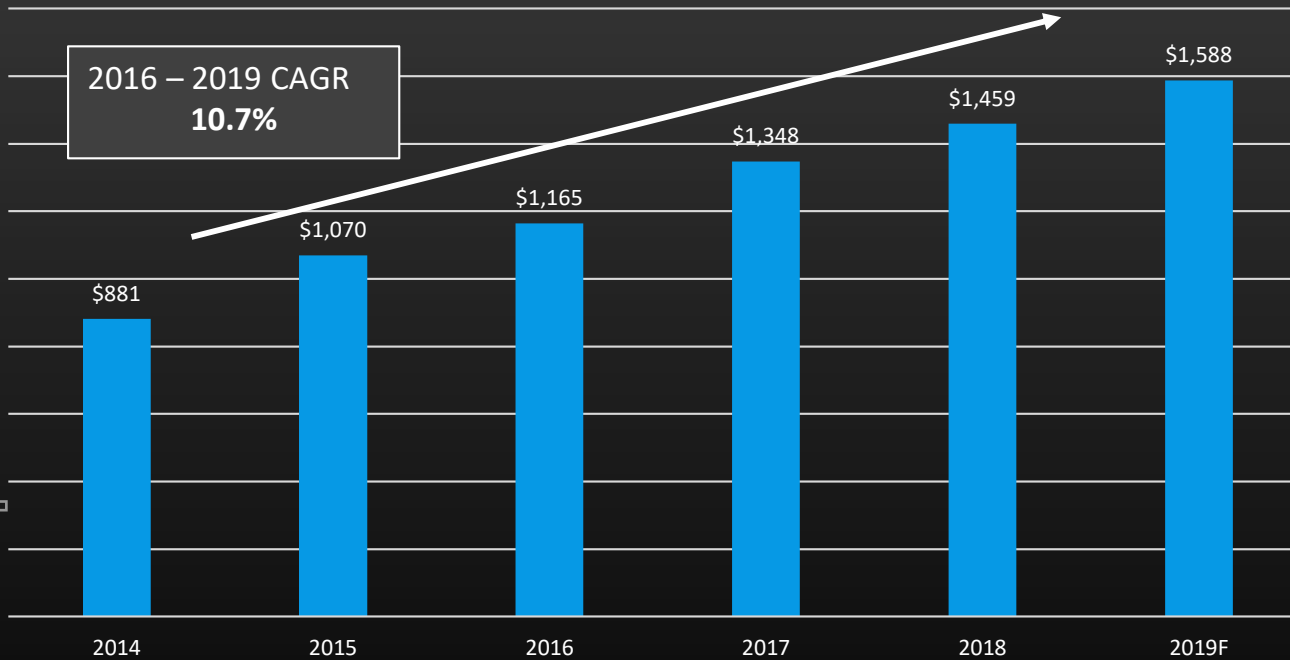
- Edge Computing Applications

DXN Modules

Containerised/Enclosure-Based Data Centres
($USM)

2016 – 2019 CAGR **10.7%**

- $881 (2014)
- $1,070 (2015)
- $1,165 (2016)
- $1,348 (2017)
- $1,459 (2018)
- $1,588 (2019F)

- Modular Infrastructure – data centre – Global Revenue forecast at US$1.58b

📊 **Numbers**

DXN-SYD01

- 400kW/725 racks/5.5MW

DXN-MEL01

- 400kW/861 racks/5.8MW

Growth

- Industry colocation 12% CAGR

Peers

- Industry - $10-12m per MW

Forward

Short Term

- SYD01 – Operational July 2019
- Pre-commitment colo sales
- MEL01 – Power upgrades & complete
- Drive DXN Module sales Australasia
- Build Module and Data Centre sales teams

Medium Term

- Research DC sites capital city & regional
- Pursue Edge opportunities
- Asian DC ideally with partner anchor tenant

Case Studies

Resolute

DATA EXCHANGE BUILD RUGGED, RESILIENT MODULAR DC'S FOR RESOLUTE MINING

INDUSTRY: GOLD MINING

Key Objectives:
Design and build 3 Modular Data Centres. The build needed to fit ISO standards for ease of shipping. Careful consideration also needed to be given to the extreme mining environments of the DC's final destination.

Solutions Specifications:
Ravenswood, QLD
- 4 Rack Build
- N+1 cooling
- UPS with 10 Minute Battery Backup
- Full VESDA and Stat-X Fire Suppression System

Syama, West Africa
- 4 Rack Build
- N+1 cooling
- UPS with 10 Minute Battery Backup
- VESDA Early Warning Fire Detection Only

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synergy

PROVIDING THE SUPPORT BEHIND THE POWER

INDUSTRY: POWER

Key Objectives:
Design, build and co-ordinate the deployment and on-site installation of a 40ft Modular Data Centre to house Synergy's Critical Infrastructure.

Solutions Specifications:
40ft Modular DC
- ISO12944 Paint System
- UPS in 2N to Support Critical IT Load with 30min Battery Backup
- UPS to Support Critical Cooling with 60min Battery Backup
- N+1 Cooling
- AutoFloor™
- VESDA and Stat-X Fire Suppression System

Bespoke engineering to deliver a fit for purpose Data Centre

AHG AUTOMOTIVE HOLDINGS GROUP

THINKING SMALL IS BIG THINKING

INDUSTRY: AUTOMOTIVE AND LOGISTICS

Key Objectives:
Provide a Data Recovery Mirror solution to replace the rapidly aging server room.

Solutions Specifications:
DXN-E2 MDC
- 2 Racks
- 2N Power Distribution
- N+1 Cooling
- High Availability
- Remote Monitoring
- Plug and Play System
- Full Maintenance Support

The perfect solution for old server room size constraints

SES Networks

EDGE INFRASTRUCTURE FOR THE APEC SUMMIT

INDUSTRY: TELECOMMUNICATION

Key Objectives:
Data Exchange will have people *talking* at this year's APEC Summit. As the supplier of data centre technology to the SES Networks for the upcoming meeting, our latest communications module will be used to provide communications for delegates and media in 2018.

Attendees of this year's event include US President Donald Trump, and Chinese General Secretary Xi Jinping among the thousands of delegates. This data centre module was designed and built for satellite communications specialists SES Networks and when deployed will be one of the biggest-bandwidth satellite stations on the planet.

Corporate Overview

Financial Information	
Share price (27 March 2019)	$0.079
Share on issue (including 80.5m escrowed shares)	195.3m
Market Capitalisation	**$15.4m**
Cash (27 March 2019, excluding $2.0m in restricted cash)	$3.0m
Debt (ANZ revolving facility, 5.0m drawn to 3.1m)	$3.1m
Enterprise Value	**$15.5m**
Unlisted Options: 39.3m @ 30c expiring between Nov '20 – April '21	

Substantial Holders	Shares	Voting Power(%)
Carason Ward Pte Ltd [1]	55,700,000	28.52%
Buttonwood Nominees Pty Ltd [2]	17,091,389	8.75%
Herdsman Lake Capital Asia Pte Ltd [3]	13,925,000	7.13%
SG Hiscock & Company Limited	10,825,806	5.54%
Other Directors	7,902,823	4.05%

[1] Co-Founders Tim Desmond (current Director) and Dean Coetzee (escrowed till April 2020)
[2] Relates to Newgate Capital Partners
[3] Co-Founder and ex-CEO Peter Christie (escrowed till April 2020)

Board & Management

Board Of Directors

Douglas Loh
Independent
Non-executive Chairman

Currently: Executive Director, Biome Australia Ltd & Health Science Innovation Holdings Pty Ltd
Previously: Head of Equities, Acorn Capital

Mr Loh over 30 years of advisory, company management, investment management, & market research experience with a focus on smaller companies. He was a founding member of Acorn Capital in late 1998, Australia's first boutique investment manager specialising in the microcap sector. His 19-year career at Acorn Capital included roles as the Head of Equities, CFO, COO and Executive Director of the Company.

Richard Carden
Non-executive Director

Currently: Independent Non Executive Director, DXN

Previously: Speeedcast International Limited, Pacnet Ltd, Verizon

Mr Carden has over 25 years of experience in the telecoms, data centre and IT industry and is an accomplished business leader with a solid track record in driving sales productivity and revenue growth.

Terry Smart
Independent
Non-executive Director

Currently: Managing Director, Good Guys

Previously: CEO, JB HiFi (ASX:JBH)

Mr Smart has been Managing Director of The Good Guys at JB Hi-Fi Limited (ASX:JBH) since April 18, 2017. Mr Smart served as the CEO of JB Hi-Fi Limited from May 2010 to June 30, 2014. Mr Smart was a founding Director of JB H-Fi and served as the COO from 2000. During his tenure at JB Hi-fi, Mr Smart was instrumental in developing the company from initial public offering to a dominant Australian retailer with a A$3B market cap.

John Duffin
Independent
Non-executive Director

John Duffin has over 20 years' experience in the Asian data centre industry, most recently as the South Asia Managing Director of the Uptime Institute, the IT industry's most trusted and adopted global standard for the proper design, build and operation of data centres. Duffin is a trained Chartered Engineer, with experience in mechanical and electrical engineering design, consultancy and business operations throughout Asia, Japan, Australia and the UK. Prior to joining the Uptime Institute, he was Technical Director at AECOM and held a variety of senior roles in companies including Arup, Irwinconsult Ltd and DSCO Group Limited.

Tim Desmond
Executive Director

Mr Desmond is a co-founder and Chief Technology Officer of Data Exchange. Mr Desmond is the technical architect responsible for product development and design of Data Exchange's modular data centre systems. Prior to Data Exchange, Mr Desmond co-founded DX Platforms where he designed, engineered and managed the manufacture of modular data centres for its clients including the 1,088-rack capacity Datacenter Limited colocation facility in Perth, Western Australia. Mr Desmond has a multi-industry background within military, mining, police, information technology and banking data centres.
Mr Desmond is a Certified Data Centre Expert (CDCE).

George Lazarou
Company Secretary and
Chief Financial Officer

Currently: Managing Director, Citadel Capital
Non-Executive Director, eSports Mogul (ASX:ESH)

Mr Lazarou is a qualified Chartered Accountant with over 25 years experience, including five years as a partner of a mid-tier accounting firm, specialising in the areas of audit, advisory and corporate services. Mr Lazarou has extensive skills in the areas of corporate services, due diligence, independent expert reports, mergers & acquisitions and valuations.

Management Team

Richard Whiting
Chief Executive Officer (Interim Joint)

Responsible for the establishment of front-of-house systems, documentation and processes as well as managing DXN's wholesale relationships with major telecommunications providers. Richard joins DXN from Vocus where he was most recently CEO & Group GM of the Western Region and General Manager of Sales Operations. Richard has previously held positions including Chief Technology Officer for Amcom Telecommunications and Managing Director of Amnet.

Simon Forth
Chief Executive Officer (Interim Joint)

Simon has an extensive range of skills that are aligned with DXN's core business and operations. He previously managed a multidiscipline engineering organisations and earlier he was the key driver behind ASX listed Legend Corporation Ltd. An Executive Director who lead the organisation's transformation from IT & electronics to higher margin electrical distribution business. Simon has extensive experience in strategic activities that including IPO's and M&A.