



NEXION Group

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IBM signs deal with NEXION for provision of Cloud Services in WA

NEXION Networks Pty Ltd (**NEXION**), a NEXION Group company (**ASX: NNG**) is pleased to announce that IBM Australia Ltd (**IBM**) (**NYSE: IBM**) has signed a multi-million dollar contract with Nexion to deploy an array of NEXION products including: NEXION OneCloud IaaS; Network links; SIP; Security and Desktop Support as well as Managed Services for a IBM project in Western Australia.

The 60-month contract extends on current IBM solutions in the NEXION W1 Data Centre. The project will see NEXION deploy a hybrid cloud solution for IBM that includes IaaS, SD-WAN and secure networking. This is the second significant contract NEXION has signed with IBM in the last 12 months that provides tailored solutions for customers in Australia.

NEXION Chief Operating Officer, Kevin Read said “We are excited to be working with IBM, a recognised global technology leader. This deal helps underpin our global growth strategy based on key partnerships and to have a company of IBM’s caliber select Nexion is a phenomenal outcome. Hybrid Cloud is one of the fastest growing cloud segments and NEXION is proud to be an emerging global cloud, security, networking and data centre player”

This announcement has been authorized by the Board of NEXION Group Ltd.

NEXION Growth Strategy

NEXION aims to become a global operator of Hybrid Cloud SD-WAN infrastructure and capital from the IPO will be used to fund OneCloud expansion. The Company currently operates in Perth, Adelaide and Melbourne.

Paul Glass, Group CEO mentions ‘Our model is to support our global partners in secure, globally connected Hybrid Cloud, and this agreement with IBM for expected revenue to NEXION over 5 years of an estimated AUD\$4 million (functionally located in Perth, WA) and the ‘go live’ of our Perth, WA Aryaka PoP are major milestones for the company’.

NEXION’s intends to deploy OneCloud Nodes in strategic locations globally. The existing OneCloud nodes in Perth, Melbourne and Adelaide and will be followed by nodes in other Australian capital cities. Following the IPO, NEXION will look to deploy additional OneCloud Nodes in cities globally starting in New Zealand and abroad.

Global data networks are the arteries of the Cloud. Thus, NEXION has recently entered into a global first agreement with Aryaka to leverage their network to provide connectivity to OneCloud Nodes. Aryaka is a Silicon Valley global leader in Software-defined wide area networking (SD-WAN) and will be integral to NEXION's global expansion. The agreement immediately renders NEXION 'live' in 65 existing Aryaka Points of Presence (PoPs) globally and allows NEXION to build new Aryaka PoPs in locations such as Perth and other cities where NEXION is building OneCloud nodes.

NEXION's Business

NEXION offers Private Cloud Infrastructure coupled with Public Cloud Products such as Amazon AWS and Microsoft Azure to create a Hybrid Cloud service called OneCloud. NEXION uses software-defined wide-area network (SD-WAN) technology to connect its corporate customers to its OneCloud Nodes. OneCloud Nodes consists of compute and storage capacity, bonded globally via SD-WAN that customers rent to deploy their corporate applications and integrate their operations into public cloud services offered by Microsoft, Amazon and Google etc.

Public clouds offer agility, elasticity and scalability on a global basis. Companies embrace Public Cloud to make their information technology services more responsive to the needs of their businesses. By shifting workloads to the cloud, businesses can make great strides in reducing costs and boosting productivity. This allows them to focus on their core operations and more quickly pivot to new market opportunities.

However, Public Cloud is not always the best solution. It may be relatively expensive for a particular compute or storage workload, too slow if it is not in region or perceived as less secure than a Private Cloud equivalent. Hybrid Cloud thus evolved as companies embraced different models of Public, Private and on-premises solutions to meet the diverse requirements their business units have, globally.

The Hybrid Cloud segment is one of the fastest growing segments of the IT industry today as corporations accelerate their migration from traditional owner-operated compute resources to pay-as-you-go platforms. NEXION's core business is in the sweet spot of this irreversible trend.

NEXION has focused on deployment and rental of NEXION OneCloud and interconnection of these OneCloud Nodes using SD-WAN networks. NEXION owns its own data centre in Belmont, Western Australia, from which it centrally controls its growing network of OneCloud and Aryaka SD-WAN infrastructure. NEXION is a full-stack information technology service provider offering sales of associated information technology, project management and support services that complement its Hybrid Cloud infrastructure service.

Investors

NEXION Group

Media

M&C Partners

Melissa

Hamilton

Melissa.hamilton@mcpartners.com.au

About NEXION Group:

NEXION is an information technology service provider that offers compute and data storage equipment as a service that it integrates with Public Cloud services to form a Hybrid Cloud. NEXION Networks Pty Ltd (NEXION Networks) owns and operates Hybrid Cloud infrastructure and provides

associated services while NEXION W1 Pty Ltd (NEXION W1) owns and operates a 3 Mega-watt capacity data centre in Perth, Western Australia.

The Company offers private Cloud infrastructure integrated with Public Cloud services to form the NEXION Hybrid Cloud solution it calls OneCloud. NEXION hosts a OneCloud Node in its own data centre in Perth and third-party data centers in other cities and sells capacity to customers on term contracts up to 36-months. NEXION provides project management services to migrate customers to its Hybrid Cloud platform as well as associated equipment and support services for additional fees. The Company also provides SD-WAN to connect customer premises and equipment to its Hybrid Cloud.

Investor.relations@nexiongroup.io

Media.relations@nexiongroup.io



<https://www.linkedin.com/company/nexiongroup>

NEXION Group Ltd
Level 2, Building C, 355 Scarborough Beach Rd
Osborne Park, WA, 6017, Australia
ABN:48 628 415 887

Security holders or other interested parties can contact the following person they have queries:

PAUL GLASS | Director
GROUP CHIEF EXECUTIVE OFFICER
P: 1300 436 110
E: paul.glass@nexiongroup.io