



NEXION Group

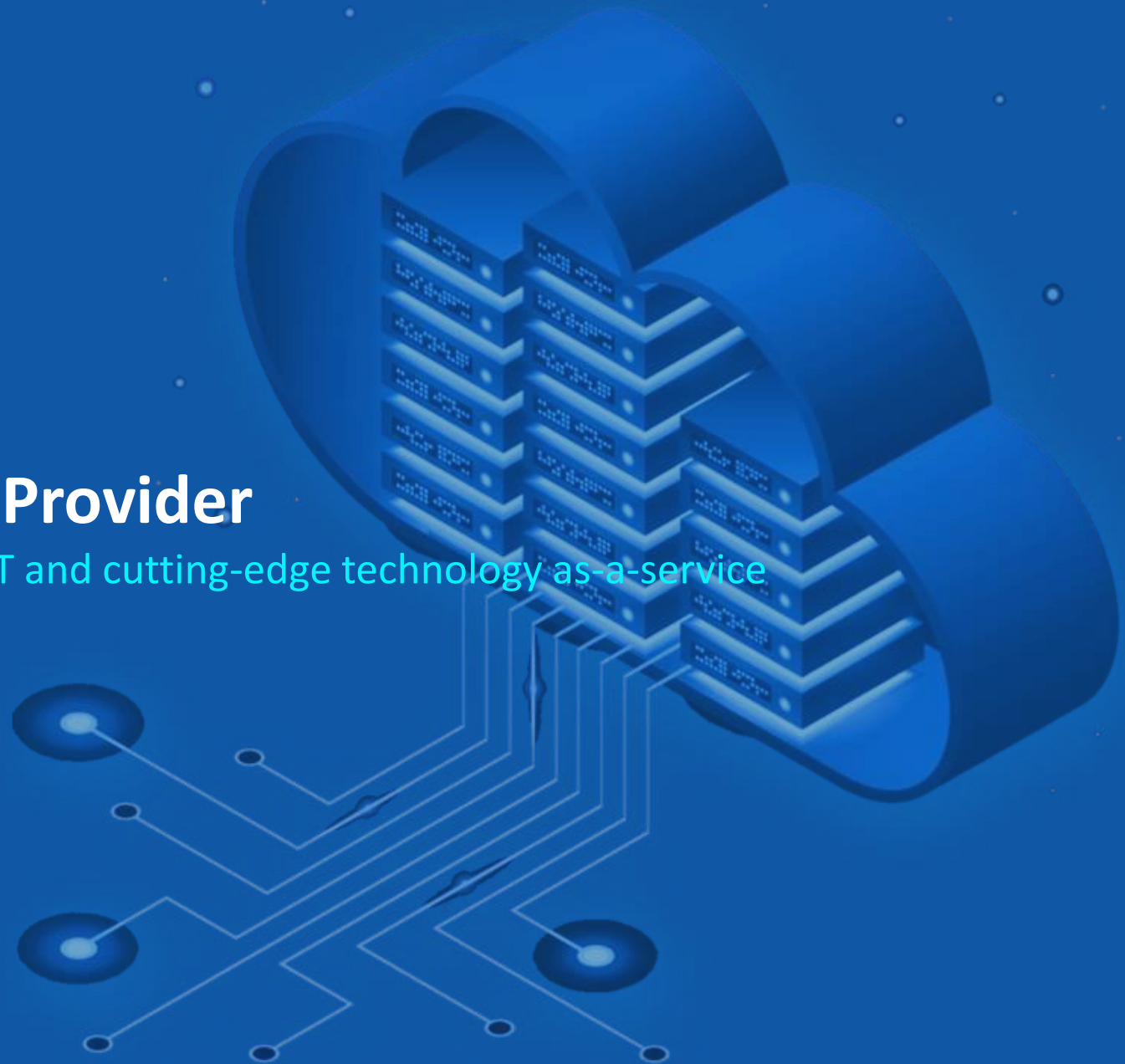
Rapidly Growing Hybrid Cloud Provider

Delivering globally connected cloud, enterprise ICT and cutting-edge technology as-a-service

Corporate Presentation

28 October 2021

www.nexiongroup.io



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Our what, how and why...

WHAT WE DO

We create advanced technology solutions incorporating Hybrid Cloud, SD-WAN and Cyber Security on a global scale.

HOW WE DO IT

We deploy our OneCloud nodes to data centres around the world, providing capacity to our customers over long term contracts.

WHY WE DO IT

Because we believe it is always better to build a market than follow one.





Private Cloud



NEXION OneCloud



Public Cloud

Solutions across the full journey to the Cloud

- ✓ NEXION provides Hybrid Cloud and associated services on a consumption model with global SD-WAN with Cyber Security at its core.
- ✓ NEXION revenue from our services is from long term enterprise contracts that exhibit reliable customer retention rates and strong gross margins.
- ✓ NEXION works with industry-leading global technology partners IBM, Aryaka and NetApp to create its OneCloud platform.
- ✓ NEXION is fast becoming a provider of choice for “as-a-service” technology solutions at global scale.

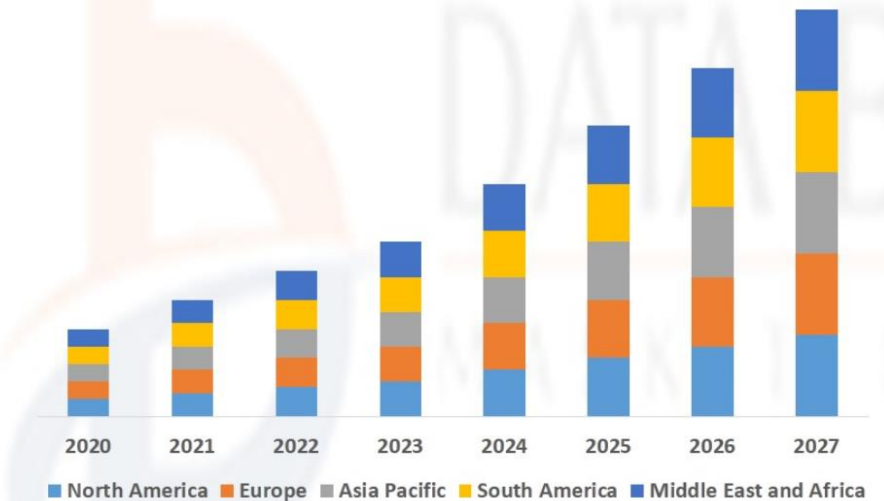


Hybrid Cloud Market Growth

- ✓ **According to a comprehensive research report** by Market Research Future (MRF), The Global Hybrid Cloud market **size is predicted to reach USD 173.33 Billion by 2025 with a CAGR of 22.25%.¹**
- ✓ Hybrid Cloud is an integrated Cloud service that uses both public and private clouds to perform distinctive functions in the same organization.
- ✓ Hybrid cloud helps to bridge the gap between businesses and information technology by improving efficiency and agility and at the same time rapidly delivering IT resources at an affordable cost.
- ✓ Factors propelling hybrid cloud market growth include cost efficiency, security, interoperability between existing systems and cloud services, rapid digitization, and various technological advances such as the integration of edge computing, machine learning (ML), internet of things (IoT), and artificial intelligence.

1. <https://www.marketresearchfuture.com/reports/hybrid-cloud-market-1018>

Global Hybrid Cloud Market is Expected to Account for USD 204.48 Billion by 2027



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Tracking ahead of plan

- Rapid delivery against objectives since IPO.
- Successful deployment of OneCloud nodes.
- Strategic Alliances with global tech giants IBM, Netapp and Aryaka.
- First acquisition, Blue-Sky, completed and delivering results.
- International expansion begun with NZ and exploring options in EMEA, Americas and Asia.
- Line of sight to FY22 revenue target of \$15M and plans to reach FY23 target of \$30M.
- Reached human resource levels required for profitability in Q4 FY22.

Accelerating revenue growth from new, large recurring revenue contracts.

Resources on-board to meet and exceed all targets.

Tracking toward revenue target and profitability in FY22.



OneCloud Node Expansion

In the last half of FY21, NEXION made rapid progress in establishing new OneCloud Nodes.

- Perth OneCloud expansion to include an Aryaka PoP was completed.
- Auckland OneCloud was established and deployment is underway.
- Additional OneCloud in Africa and Canada in pre-planning phase for FY22.
- Satellite nodes added to further enhance services and capacity.
- NetApp Keystone storage included in the OneCloud architecture – first of its kind

Doubled the  NEXION OneCloud Node-Count



< 2 Nodes
to
4 Nodes >



 Nodes at IPO  New Nodes Since IPO  New Node Locations Being investigated

Strategic Alliances



NEXION launched its hybrid cloud solutions with IBM Global Technology Services (NYSE:IBM) and announced a number of new deals with IBM to deliver services to some of their customers in Western Australia. NEXION and IBM signed GTS (Global Technology Services). IBM is a \$100B business globally.



NEXION took the helm as Aryaka's Principal Partner in Australia and New Zealand to accelerate SD-WAN and SASE deployments. Aryaka's network covers 35 cities globally with more than 60 points of presence.



NEXION became a Cloud partner of NetApp, one of the worlds leading data storage providers and began offering Netapp storage as a service in Australia & New Zealand. NetApp is an \$8B global leader in data storage solutions.



New Acquisition

Purchased Blue Sky Telecom

- NEXION announced the purchase of Blue-Sky Telecom (BST) for \$2M cash with no further incentives.
- BST delivered \$3.9M revenue in FY21 representing a purchase price of 50% of revenue, well under our perception of the FY21 industry average of approximately 1.6x revenue¹.
- Integration of BST is complete, and the Group will deliver circa \$900k in annual cost efficiencies, providing a positive contribution to Group EBITDA.
- Combined sales team delivering revenue from new markets including hard-rock mining and satellite communications.
- Additional acquisitions are now under consideration to complete OneCloud expansion and customer demand.

1. RSM Independent Experts Report published at https://cdn-api.markitdigital.com/apiman-gateway/ASX/asx-research/1.0/file/2924-02437054-6A1056470?access_token=83ff96335c2d45a094df02a206a39ff4

Preparation for phase 2 Growth

NEXION has made a number of internal promotions and new appointments in preparation for the next phase of expansion.

- ✓ Paul Glass **CEO**, focussed on global expansion, group targets and strategic relationships.
- ✓ Kevin Read **COO** overseeing Group operations. Kevin is focussed on optimising operating costs and delivery of new technology.
- ✓ Evelyn Hogg becomes Group **CFO** with previous vCFO, Dom Papaluca maintaining his role as Group Accountant.
- ✓ Jamie Morgan joins from IBM to become **CRO** Chief Revenue Officer, focussed on all sales and global revenue opportunity development.
- ✓ Luke Poyner becomes **CTO**, managing all aspects of technology and technical delivery.

Strategy for Growth

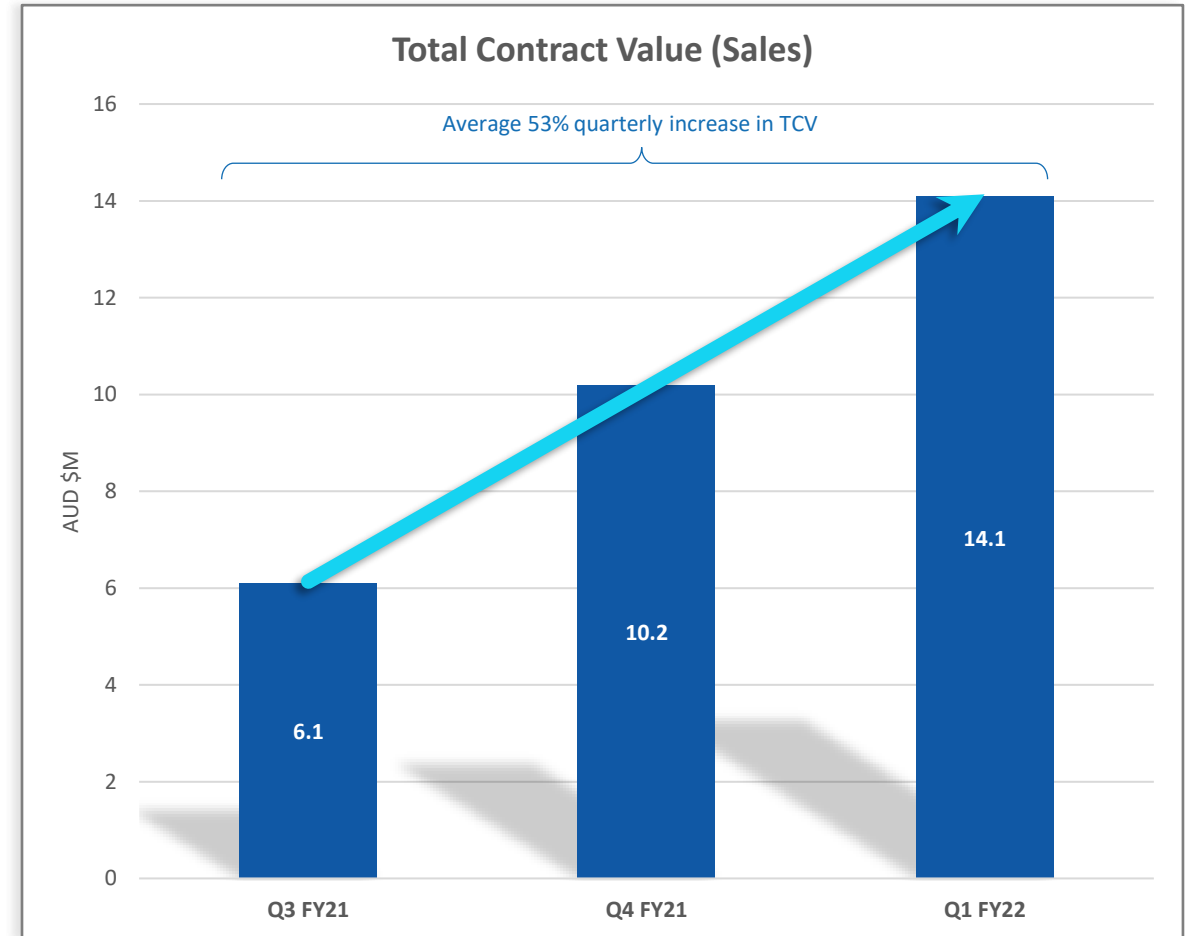
- ✓ NEXION embarked on a rapid growth strategy using IPO funds.
- ✓ Achieved critical mass in sales and delivery to support the roll-out of its Australian Hybrid Cloud nodes.
- ✓ First node complete, 8 sales staff, 20+ delivery staff, 3 admin staff and complete C-level suite in-place.
- ✓ Revenue accelerating now as a result of this effort and investment.
- ✓ Strategy in-place to get to positive EBITDA with steady state operations and current funding options.
- ✓ Plans in place to continue rapid expansion by seeding international reach both East toward America's and West to Europe, Middle East and Africa (EMEA).

NEXION is striving to create a global Hybrid Cloud network that delivers hosting solutions for our partners and their customers.

In only two quarters, NEXION has set the foundation in Australia and taken its first international steps.

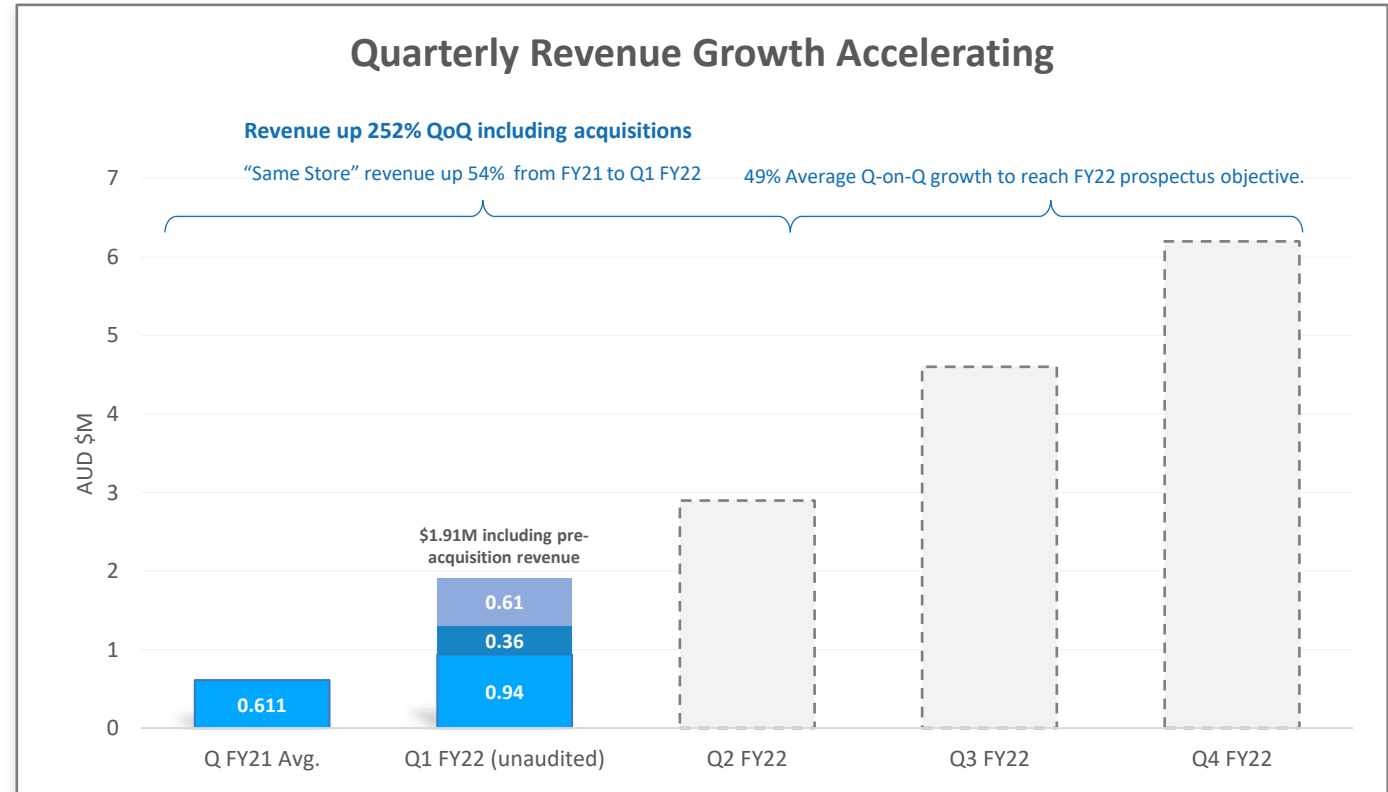
Total Contract Value Accelerating

- NEXION's core business is long term recurring revenue contracts for use of its Hybrid Cloud platform, Global Networks and Managed ICT Services.
- Since IPO, the size of new contracts has increased substantially to average in the millions of dollars per contract.
- The lag from sale to revenue for each new contract is just under one quarter on average.
- Contracts are typically from 36 to 60 months. Total Contract Value is the monthly contract revenue times contract term.



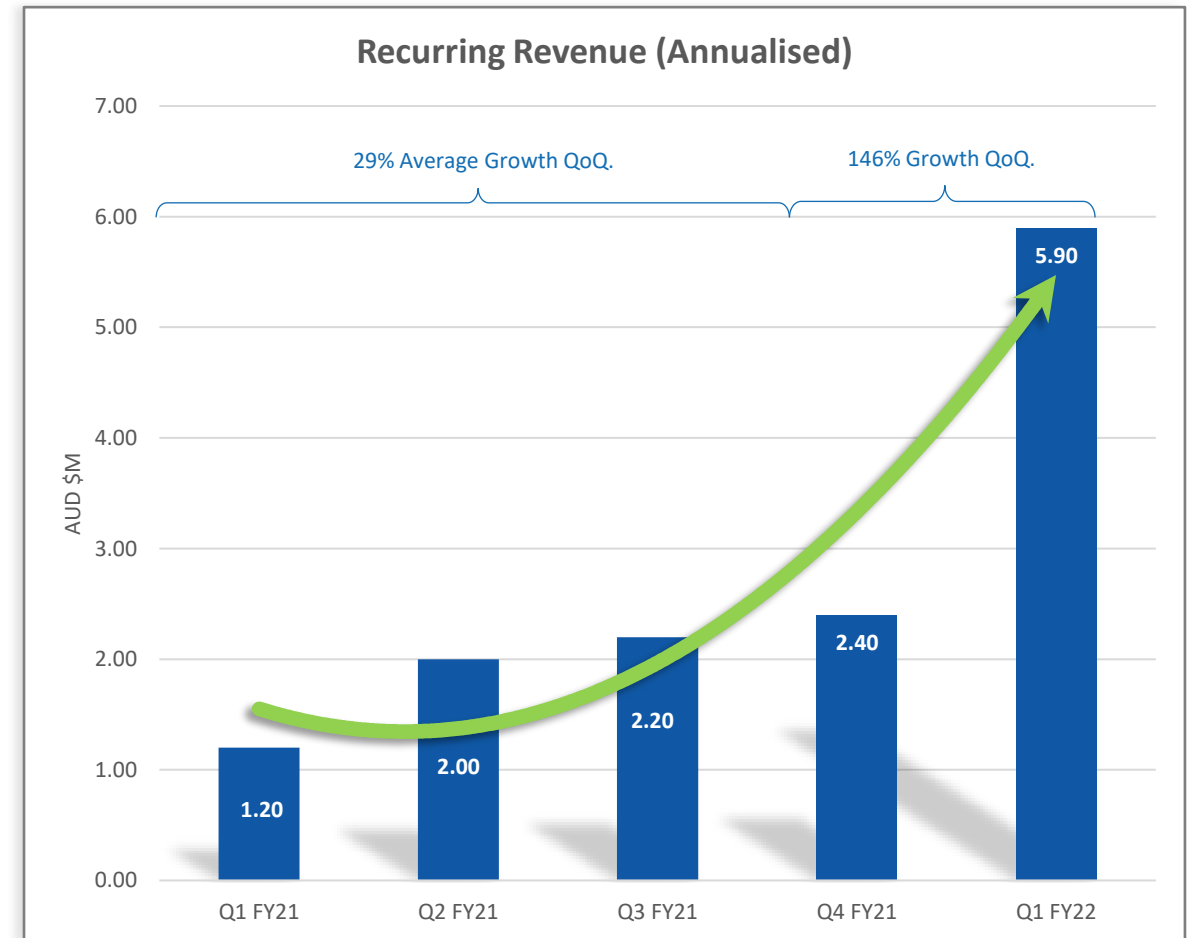
Increased TCV Driving Quarterly Revenue

- Revenue growth accelerating each quarter as new term contracts are on-boarded.
- Additional resources added after IPO accelerated underlying NEXION Networks business by 54% from pre-IPO average of \$611K per quarter to \$940K in Q1 FY22.
- Addition of Blue Sky in the last month of Q1 added \$360K and including the entire month took revenue to \$1.91M, a 252% increase.
- NEXION has reached critical mass where the OneCloud infrastructure is able to generate revenue to get through EBITDA positive later in Q4 FY22.



Recurring Revenue Growth Accelerating

- Recurring revenue is 77% of total revenue going in to Q2 FY22 and in excess of operating costs.
- New contracts won with IBM, Aryaka, Clough and Netapp coming on-stream.
- Additional revenue from hard-rock mining sector and high value satellite communications contracts generated a significant uptick in Q1.
- Growth anticipated to continue on-trend as contracts already sold progress from implementation to operational.
- Expansion into New Zealand, Canada and Africa could deliver additional step-change increases over coming quarters.



Cash Position

- NEXION secured large managed services lines of business as part of its new contracts that required additional investment in human resources.
- Acquisition of Blue-Sky Telecom for cash rather than all-scrip delivered lower consolidated operating costs and positive EBITDA but consumed \$2M of cash reserves.
- NEXION now has the man-power and Hybrid-Cloud infrastructure necessary to deliver its objectives through to FY23.
- Operating losses are anticipated to reduce by up to 53% and 74% QoQ for the next two quarters (from \$900k in Q1) as NEXION's revenue growth accelerates throughout FY22.
- Sales growth is driving NEXION toward a positive EBITDA result in Q4 FY22.

Expenditure Since IPO	Plan (3 of 8 qtrs.)	Actual to Q1 FY22	Variance
IPO Costs and Expenses	1,068	740	-31%
OneCloud Expansion	1,650	1,918	16%
Working Capital	1,941	2,677	38%
COGS (Services) ¹	0	1,113	~
Acquisitions Inc. M&A Costs ²	0	2,450	~
Receipts from Customers	(1,470)	(2,297)	-36%
Net Expenditure since IPO	3,189	6,601	

Cash Management Plan for the remainder of FY22	
Net Cash (beginning Q2 FY22)	1,700
Net operating profit/loss in FY22	(420)
Planned Net CAPEX ³	(450)
Next Cash (Q4 FY22)	830

1. Delivery of new contracts worth \$8M in total contract value required significant investment in human resources for delivery.
 2. Acquisition and consolidation of Blue Sky Telecom for cash rather than the originally proposed all-scrip offer.
 3. The Company intends to establish a working capital debt facility in the range of \$750k to \$1m to manage liquidity.

NEXION is on-track to become a global provider of Hybrid Cloud infrastructure and Managed ICT services.

- ✓ Global expansion strategy to deploy Hybrid Cloud infrastructure in-country then acquire local resources and customers to deliver services.
- ✓ Expanding East and West around the world starting with New Zealand and South Africa.
- ✓ Grow our service capabilities in each region with our key strategic partners, IBM, Aryaka and Netapp.

Investment Highlights

Large Addressable Market

Hybrid-Cloud market forecast to reach USD 173.33 Billion by 2025 with a CAGR of 22.25% according to Market Research Future (www.marketresearchfuture.com)

Long Term Recurring Revenue

NEXION's Hybrid Cloud infrastructure delivers high-margin recurring revenue from long term (up to 60-month) contracts.

Scalable Globally

Hybrid Cloud is in demand globally using the same technology, services, networks and partners in almost every country.

Industry-leading Partners

NEXION has aligned with global partners including IBM, Aryaka and NetApp to deliver its OneCloud platform and technical services.

Enterprise Customers

NEXION sells its services to enterprise-scale customers, many that require support in multiple cities and countries.

Market Proven

NEXION has proven its capability, delivering services in Australia and New Zealand and winning a number of large new contracts since IPO.



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