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INVESTOR UPDATE

The Data Exchange Network Limited (**ASX: DXN**) (**Data Exchange, DXN or the Company**) is pleased to provide its shareholders with this update following our successful listing on the ASX.

Highlights

- Orders for data centre modules and mission-critical infrastructure have reached $3.1m to mid-May 2018;

- Design and engineering for our Melbourne and Sydney DC's to UTI Tier-III/IV certifiable standards is complete;

- Melbourne and Sydney colocation facilities are on track to go live in Q4' 2018 CY;

- Sales team recruitment is progressing quickly with key staff already in place for Melbourne and Sydney;

- Quotes for colocation opportunities have been delivered;

- Official launch of a new micro-DC product line is complete and first orders received;

- Patent protections have been expanded to China, Europe, Japan, Singapore, the UAE and the US;

- Beta test of our new monitoring, access and control software (version 2.0) is complete, the release candidate is under final development and it will be ready for handover to operations in the September quarter.

Managing Director and CEO Peter Christie said:

"We are excited to be listed on the ASX and look forward to educating our shareholders further about the advantages of using modular technology to build data centre facilities. The development of our two initial sites – in Melbourne and Sydney – is well underway and on-track to go live in the December quarter, this year.

Our infrastructure sales team continues to land new sales in our Edge DC and mission critical infrastructure product lines and our enhanced IoT platform is in final phases of testing for live deployment."

Sales Update

DXN sells a range of products and services that deliver both one-time order value or recurring revenue streams:

- Data centre modules, our IoT software and associated mission critical infrastructure typically deliver a one-off order value with revenue collected at order placement, on delivery or from progress payments throughout the manufacture and deployment process;

- Colocation services at our own data centres generate a monthly revenue stream over long term contracts from 12 months and up to 60 months or more.

Our sales team has received orders for four new Edge DC infrastructure solutions to be deployed in Western Australia, Queensland and Africa, to customers in the government, automotive and mining sectors. Total contract value (TCV) of the sale of these solutions and other services and components has reached $3.1m to mid-May 2018.

In anticipation of our December quarter, 2018 go-live date for the DXN-M1 and DXN-S1 colocation DCs, we have begun expanding the existing sales team that now numbers 8 members across Australia. The team is actively quoting on colocation deals to build a pipeline of potential contracts with new clients that would begin in the later part of 2018.

Colocation Facilities Update

We are pleased to report that the delivery of the Melbourne and Sydney colocation facilities is well underway, with:

- Engineering & design being completed for the Sydney (DXN-S1) and Melbourne (DXN-M1) sites in preparation for submission to UTI for Tier-III/IV certification;

- Long lead items have been ordered and the anticipated delivery dates meet our build-schedule requirements;

- Construction of the first data centre modules is underway at our Perth manufacturing facility; and

- Fit-out and construction of both sites is on target for a go-live date in late Q4'18 CY;

New Micro-DC Product Line

Data Exchange has developed and launched a new line of Micro-DC products. Micro data centers are standalone rack-level systems containing all the components of a large data center, including on board cooling, telecommunication and storage systems, security, fire suppression, and uninterruptible power supply (UPS).

"Growth in the 'edge' of the network, driven by the arrival of the internet of Things (IoT), will cause a proliferation of micro data centers, building the sector from a global $1.7 billion p.a. industry in 2015 to $6.3 billion p.a. by 2020" according to a report from analyst group, MarketsandMarkets.

With the launch of the Micro-DC product line, Data Exchange now has products across the full spectrum of customer requirements including:

- Standalone Micro-DC deployments as small as a single quarter rack;
- Standalone self-contained modular Edge DCs;
- Medium to large scale colocation data centres;
- Other customizable solutions for mission critical infrastructure;

New Product Offering:
Micro Data Centre

An intelligent micro data centre product is one of the keys to edge computing success. With this in mind, we created the Data Exchange Micro Data Centre. A plug and play, enclosed engineered solution with integrated power, cooling, remote monitoring and security platform.

Easy Deployment

A pre-manufactured, fully tested solution ensuring minimal on-site engineering and installation required to deploy your data centre, significantly reducing your CAPEX.

Easy Management

Design once and deploy anywhere. With this standardised architecture and remote monitoring platform, you have total visibility of critical assets, reducing risk, operational costs and improving service levels.

Easy Expansion

A fully functional stand-alone solution. You can plan and deploy your IT assets step by step as business grows. Buy small and scale to big only when necessary.

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