27 March 2019

ASX Announcement

$8.3 million Underwritten Entitlement Issue

- Eight and a half (8.5) New Shares for every ten (10) Shares held at an issue price of $0.05 per Share
- Free attaching option for every two (2) shares subscribed for and issued under the Offer ($0.10 exercise price with a 1 year term)
- Funds raised will enable DXN-SYD01 to be ready for service (RFS) in July 2019, progress DXN-MEL01 towards RFS in Q1 CY2020, working capital and offer costs
- Supported by existing and new institutional and sophisticated investors
- Certain Directors and both CEO's have agreed to act as priority sub-underwriters for $360,000

The Data Exchange Network Limited (the **Company**) (ASX:DXN) is pleased to announce the Company has resolved to proceed with a non-renounceable pro-rata entitlement issue on the basis of eight and a half (8.5) new shares (**New Share**) for every ten (10) shares held by eligible shareholders on the record date (expected to be on or about 3 April 2019) at an issue price of $0.05 per New Share to raise up to approximately $8.3 million (before costs) (**Entitlement Issue** or **Offer**).

Subscribers in the Entitlement Issue will receive one (1) free-attaching option (**New Option**) for every two (2) New Shares subscribed for and issued, exercisable at $0.10 per Option on or before the date which is one year from the date of issue. The Company intends to apply for quotation of the New Options.

The funds raised from the Entitlement Issue will be applied to completion of the first 1 megawatt (MW) of core supporting infrastructure to support the 400 kilowatt (kW) of RFS rack space currently at the Homebush datacentre (DXN-SYD01), completion to 400kW of rack space in situ (facility, power and telco modules) and partial construction of 1MW of core supporting infrastructure at the Port Melbourne datacentre (DXN-MEL01), working capital and costs of the Offer.

Douglas Loh, Chairman of the Company said:

> "*The Company is pleased to announce the Offer which will enable completion of DXN-SYD01 by July 2019, which is the Company's priority. With a capex budget clearly established and a tightened project management schedule, the Company is targeting a*

July 2019 opening for DXN-SYD01. The experience gained from constructing DXN-SYD01 will be utilised and applied to DXN-MEL01, with an anticipated operational date targeted for the March quarter 2020, subject to power requirement being met.

The majority of the Directors who hold an Entitlement have decided to participate in the Offer as priority sub-underwriter of the Offer.

On behalf of the Board, I recommend that you consider taking up your Entitlement and thank you for your past support of the Company."

New Shares and New Options issued under the Offer (totaling up to 165,989,711 New Shares and up to 82,994,855 New Options) will be listed on the ASX with the New Shares ranking pari-passu with existing fully paid ordinary shares.

The Company has signed an underwriting agreement with Pinnacle Corporate Finance Pty Ltd (**Pinnacle**), whereby Pinnacle has agreed to fully underwrite the Offer to $8.3 million. Other than standard market termination events and condition precedents to an offer of this nature, it is a condition precedent to Pinnacle underwriting the Offer that the Company appoint two (2) new directors to the Board (the Company is yet to identify any persons at this point in time), and to undertake a CEO search, by the closing date of the Offer.

Pinnacle has entered into priority sub-underwriting agreements with the following directors Douglas Loh, Terry Smart and Richard Carden and CEO's Simon Forth and Richard Whiting totaling $360,000.

Further information with respect to the Offer will be disclosed in a Prospectus, intended to be lodged with the ASIC on or about 28 March 2019 and mailed to eligible shareholders shortly after the record date. Shareholders may view the Company's ASX announcements, including those relating to the Offer, on the ASX website under the ASX code DXN.

Persons should consider the Prospectus before deciding whether to acquire securities and eligible shareholders will need to complete the personalised entitlement and acceptance form that will accompany the Prospectus in order to apply for New Shares and attaching New Options under the Offer.

The Company has received a waiver under Listing Rule 7.40 from the ASX not requiring the Company send out a letter to current holders of options in the Company, given the last trading price was significantly below the exercise price of the options currently on issue. A notification in relation to the entitlement issue will therefore not be sent to current holders of options in the Company.

Key dates for the Offer

Event	Proposed Date
Lodgement of Prospectus with the ASIC	28 March 2019
Lodgement of Prospectus & Appendix 3B with ASX	28 March 2019
Notice sent to Shareholders	1 April 2019
Ex date	2 April 2019
Record Date for determining Entitlements	3 April 2019
Prospectus sent out to Shareholders & Company announces this has been completed	8 April 2019
Opening Date	8 April 2019
Last date to extend the closing date	23 April 2019
Closing Date*	29 April 2019
ASX notified of under subscriptions	2 May 2019
Issue date/Shares entered into Shareholders' security holdings	6 May 2019
Quotation of Shares issued under the Offer	7 May 2019

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such the date the Securities are expected to commence trading on ASX may vary.

-Ends-

About DXN

DXN 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.

To find out more about DXN's Modular Colocation facilities visit www.dataexchange.io

For more information please contact:

Mr Simon Forth
CEO Joint Interim
T +61 1300 328 239
E: simon@dataexchange.io

Mr Richard Whiting
CEO Joint Interim
T: +61 1300 328 239
E: richard.whiting@dataexchange.io