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# ASX Release

11 April 2024

## Entitlement Offer to Accelerate Development

NEXTDC Limited (**ASX: NXT**) ("**NEXTDC**" or "**the Company**") is pleased to announce it is undertaking a capital raising of A\$1,321 million by way of a fully underwritten 1 for 6 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in NEXTDC ("**New Shares**") (the "**Entitlement Offer**").

The net proceeds from the Entitlement Offer will be applied to accelerating the development and fit out of NEXTDC's leading digital infrastructure platform in its core Sydney and Melbourne markets to meet unprecedented growth in customer demand and position itself to take advantage of ongoing market expansion over the medium term.

### Highlights

- NEXTDC is experiencing record demand for its data centre services
  - For the 12 months to 31 December 2023, NEXTDC's contracted utilisation increased 64.8MW<sup>1</sup> (77%) to 149.0MW<sup>2</sup>
  - Record forward order book of 68.8MW<sup>3</sup> which the Company projects will convert into billings across FY25 to FY29, driving future growth in revenues and earnings<sup>2</sup>
- New Shares are priced at A\$15.40 per New Share ("**Offer Price**")
  - Representing 6.8% discount to the TERP<sup>4</sup> of A\$16.52
- Following completion of the Entitlement Offer, NEXTDC will have pro-forma tangible asset backing of ~A\$5.1 billion and pro-forma liquidity of ~A\$3.4 billion<sup>5</sup>
- FY24 guidance has been reaffirmed<sup>2</sup>

Commenting on the strong market demand in Sydney and Melbourne, NEXTDC Chief Executive Officer and Managing Director, Craig Scroggie said:

*"NEXTDC continues to see significant growth in demand for its data centre services underpinned by powerful structural tailwinds. Amid this backdrop, we have decided to bring forward the development and fitout of key assets in Sydney and Melbourne to ensure we are able to meet this growth in demand, continue to support our customers, and ensure the Company is well positioned to take advantage of the diverse range of opportunities expected to present over the medium term."*

<sup>1</sup> Represents increase in utilisation over the 12-month period ended 31 December 2023

<sup>2</sup> Refer to NEXTDC's 1H24 Results Announcement released to the ASX on 27 February 2024

<sup>3</sup> Forward order book represents the difference between the contracted utilisation (149.0MW) and billing utilisation (80.2MW) as at 31 December 2023

<sup>4</sup> The Theoretical Ex-Rights Price ("**TERP**") is the theoretical price at which NEXTDC shares should trade immediately following the ex-date for the Entitlement Offer. TERP is calculated by reference to NEXTDC's closing price of A\$16.71 on 10 April 2024, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which NEXTDC shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP

<sup>5</sup> Refer to page 18 of the Investor Presentation released to ASX on 11 April 2024

## FY24 Guidance Reaffirmed

NEXTDC reaffirms its FY24 guidance provided to ASX at the time of the Company's 1H24 results on 27 February 2024:

- Total revenue in the range of A\$400 million to A\$415 million
  - Net revenue in the range of A\$296 million to A\$304 million
- Underlying EBITDA in the range of A\$190 million to A\$200 million
- Capital expenditure in the range of A\$850 million to A\$900 million

## Entitlement Offer

The proceeds from the Entitlement Offer, together with NEXTDC's existing liquidity are expected to be used to fund:

- A\$400 million on accelerating the built capacity of S3;
- A\$350 million in the development of the S4 data centre;
- A\$300 million in the development of the S5 data centre;
- A\$330 million on accelerating the built capacity of M2;
- A\$500 million on identified land acquisition opportunities in Asia-Pacific which are at various stages of evaluation;
- A\$643 million allocated for 2H24 capital expenditure<sup>6</sup>
- A\$25 million of transactions costs associated with the Entitlement Offer,

plus funding allocated for general corporate purposes of A\$862 million in support of NEXTDC's broader development pipeline and working capital liquidity support.

The Entitlement Offer comprises a 1 for 6 pro-rata accelerated non-renounceable entitlement offer to raise A\$1,321 million. The Entitlement Offer is being offered at a price of A\$15.40 per New Share, which represents a discount of 6.8% to the TERP of A\$16.52.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 6 existing fully paid ordinary shares in NEXTDC held at 7.00pm (Sydney time) on Monday, 15 April 2024 ("**Existing Shares**"). New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares from allotment.

The Entitlement Offer comprises an institutional component ("**Institutional Entitlement Offer**") and retail component ("**Retail Entitlement Offer**").

The Entitlement Offer is fully underwritten by the joint lead managers and bookrunners (the "**Joint Lead Managers**").

## Accelerated Development Works

The Entitlement Offer of A\$1,321 million is expected to largely fund the accelerated development and fitout in core Sydney and Melbourne markets to support unprecedented customer demand:

- **S3 Sydney:** accelerate built capacity to 50MW in line with recent customer contractual commitments.
- **S4 Sydney:** fast track the development of the first data centre building, deploying critical HV infrastructure and fitting out the initial 10MW of built capacity.
- **S5 Sydney:** fast track the development of Stage 1 building works for the new data centre.
- **M2 Melbourne:** accelerate built capacity to 60MW, triggering the next stage of building expansion works and delivering additional HV infrastructure.

<sup>6</sup> Represents, the mid-point of FY24 Capital Expenditure Guidance of A\$850 – A\$900 million less capital expenditure of A\$232 million invested in 1H24

## Additional Information on the Entitlement Offer

### Institutional Entitlement Offer

Eligible Institutional Shareholders<sup>7</sup> will be invited to participate in the Institutional Entitlement Offer, which opens on Thursday, 11 April 2024. Eligible Institutional Shareholders can choose to take up all, part or none of their entitlements. Institutional entitlements cannot be traded on market or otherwise renounced.

Institutional entitlements that Eligible Institutional Shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional entitlements that would otherwise have been offered to Ineligible Institutional Shareholders, will be sold at the Offer Price.

### Retail Entitlement Offer

Eligible Retail Shareholders<sup>8</sup> will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9:00am (Sydney time) on Thursday, 18 April 2024 and close at 5:00pm (Sydney time) on Thursday, 2 May 2024.

Eligible Retail Shareholders may also apply for additional new shares at the Offer Price for up to 100% of their existing entitlement ("**Top Up Facility**"). Additional New Shares will only be available where there is a shortfall between applications received from Eligible Retail Shareholders and the number of New Shares proposed to be issued under the Retail Entitlement Offer. NEXTDC and the Joint Lead Managers retain the flexibility to scale back applications for additional New Shares at their discretion.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet ("**Retail Offer Booklet**"), which NEXTDC expects to lodge with the ASX on Thursday, 18 April 2024. For Eligible Retail Shareholders who wish to take up all or part of their entitlement, payment must be made via BPAY® or by following the instructions set out on the personalised Entitlement and Acceptance Form. Payment is due by no later than 5.00pm (Sydney time) on Thursday, 2 May 2024. The Retail Offer Booklet and accompanying Entitlement and Acceptance Form will be sent electronically to those Eligible Retail Shareholders who have elected to receive electronic communications from NEXTDC.

### Entitlement Offer Timetable

Event	Date
Trading halt and announcement of Entitlement Offer	Thursday, 11 April 2024
Announcement of results of Institutional Entitlement Offer	Monday, 15 April 2024
Trading halt lifted and NEXTDC shares recommence trading	Monday, 15 April 2024
Entitlement Offer Record Date	7:00pm (Sydney time), Monday, 15 April 2024
Retail Entitlement Offer opens and Retail Offer Booklet made available	9:00am (Sydney time), Thursday, 18 April 2024
Settlement of New Shares issued under the Institutional Entitlement Offer	Friday, 19 April 2024

<sup>7</sup> "**Eligible Institutional Shareholders**" are defined, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, as a sophisticated or professional Shareholder on the Record Date (being 7:00pm (Sydney time) on Monday, 15 April 2024) who: (a) is not an Ineligible Institutional Shareholder; and (b) has received an invitation to participate in the Institutional Entitlement Offer (either directly or through a nominee). "**Ineligible Institutional Shareholder**" means a Shareholder who is an institutional or sophisticated Shareholder on the Record Date with a registered address outside Australia and New Zealand or any other jurisdiction that NEXTDC and the Joint Lead Managers agree to whom ASX Listing Rule 7.7.1(a) applies

<sup>8</sup> "**Eligible Retail Shareholders**" are defined as retail shareholders on the Record Date who: (a) are registered as a holder of existing NEXTDC Existing Shares; (b) have a registered address in Australia or New Zealand or is a Shareholder that NEXTDC has otherwise determined is eligible to participate; (c) is not in the United States; (d) was not invited to participate in The Institutional Entitlement Offer and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer

Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Monday, 22 April 2024
Retail Entitlement Offer closes	5:00pm (Sydney time), Thursday, 2 May 2024
Announcement of results of Retail Entitlement Offer	Tuesday, 7 May 2024
Settlement of New Shares Issued under the Retail Entitlement Offer	Wednesday, 8 May 2024
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 9 May 2024
Normal trading of New Shares issued under the Retail Entitlement Offer	Friday, 10 May 2024
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	Monday, 13 May 2024

*The above timetable is indicative only. NEXTDC and the Joint Lead Managers reserve the right to amend any or all of these dates at their absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of new shares is subject to confirmation from the ASX.*

Further information in relation to the Entitlement Offer is set out in a capital raising presentation titled 'Entitlement Offer To Accelerate Development' released today to the ASX by NEXTDC.

If you believe that you are an Eligible Retail Shareholder and you do not receive a copy of the Retail Offer Booklet or your personalised Entitlement and Acceptance Form, you can call the NEXTDC Offer Information Line on 1300 131 678 (within Australia) or +61 1300 131 678 (outside Australia).

The Offer Information Line is open from 8.30am to 5.30pm (Sydney time) Monday to Friday until Thursday, 2 May 2024 when the Retail Entitlement Offer closes.

#### **Advisers**

Cadence Advisory is acting as independent financial adviser and Herbert Smith Freehills as legal adviser to NEXTDC in relation to the Entitlement Offer.

Authorised for release by the Board of NEXTDC Limited.

**ENDS**

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## IMPORTANT NOTICE

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

This announcement contains certain forward-looking statements. Words such as “continue”, “expect”, “forecast”, “estimated”, “potential”, “likely”, “projected”, “anticipated” or such similar phrases are intended to identify forward looking statements. Similarly, indications of and future guidance on future earnings, including NEXTDC’s FY24 Guidance, liquidity and financial position, capital expenditure requirements, performance, business performance, project timelines or spend, facility go-live dates, utilisation and initial or total facility capacity of these are also forward-looking statements as are statements regarding market competition, service demand and market outlook, statements regarding NEXTDC’s plans, objectives, and strategies and statements regarding the conduct and outcome of the Entitlement Offer and source and use of funds. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the NEXTDC Group, its officers, employees, agents and advisers and the Joint Lead Manager Parties and which may cause actual results and outcomes to differ materially from those expressed or implied in this announcement or in such statements. None of the Joint Lead Manager Parties have authorised, approved or verified any forward-looking statements. There can be no assurance that the actual outcomes discussed in this announcement will not differ materially from these statements. There are usually differences between forecasts and actual results because events and circumstances frequently do not occur as forecast, and these differences may be material at times. See Appendix B: Key Risks of the capital raising presentation titled ‘Entitlement Offer To Accelerate Development’ released today to the ASX by NEXTDC for a non-exhaustive summary of certain key business, offer and general risk factors that may affect NEXTDC.

Investors should not place undue reliance on such forward-looking statements, especially in view of the current and challenging economic, market, climate, supply chain and other uncertainty and disruption, including the conflicts in the Ukraine and the Middle East. Neither NEXTDC, any member of the NEXTDC Group or their officers, employees, agents or any other person gives any warranty, representation or assurance that the occurrence of the events expressed or implied in any forward looking statement will occur or have or accept any responsibility to update or revise any such forward-looking statement to reflect any change in NEXTDC Group’s circumstances or financial condition, status or affairs or any change in the events or conditions on which such statements are based, except as required under Australian law.

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This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be unlawful. This announcement may not be distributed or released in the United States.

Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (the U.S. Securities Act). Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold to, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

## About NEXTDC

NEXTDC is an ASX 100-listed technology company and Asia's most innovative Data Centre-as-a-Service provider. We are building the infrastructure platform for the digital economy, delivering the critical power, security and connectivity for global cloud computing providers, enterprise and Government.

NEXTDC is recognised globally for the design, construction and operation of Australia's only network of Uptime Institute certified Tier IV facilities, and is one of only a few data centre operators in the Southern Hemisphere to achieve Tier IV Gold certification for Operational Sustainability. NEXTDC has a strong focus on sustainability and operational excellence through renewable energy sources and delivering world-class operational efficiency. Our data centres have been engineered to deliver exceptional levels of efficiency and the industry's lowest Total Cost of Operation through NABERS 5-star energy efficiency.

NEXTDC's corporate operations have been certified carbon neutral under the Australian Government's *Climate Active* Carbon Neutral Standard.

Our Cloud Centre partner ecosystem is Australia's most dynamic digital marketplace, comprising carriers, cloud providers and IT service providers, enabling local and international customers to source and connect with cloud platforms, service providers and vendors to build complex hybrid cloud networks and scale their critical IT infrastructure services.

NEXTDC is *where the cloud lives*®.

To learn more, visit [www.nextdc.com](http://www.nextdc.com)