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# ASX Release

10 September 2024

## Capital Raising for further Asian Expansion

NEXTDC Limited (**ASX: NXT**) ("**NEXTDC**" or "**the Company**") is pleased to announce it is undertaking a capital raising by way of a fully underwritten A\$550 million institutional placement<sup>1</sup> of new fully paid ordinary shares in NEXTDC (the "**Placement**") and a non-underwritten Share Purchase Plan ("**SPP**") of up to a maximum of A\$200 million (the "**Capital Raising**").

### Use of Proceeds

The proceeds received from the Capital Raising are intended to be applied to the acquisition of new data centre development sites in Asia, as well as general corporate purposes and transaction costs.

Once acquired, the Asian sites are expected to expand the Company's data centre development pipeline in Asia, which in due course will also add to NEXTDC's planned capacity of more than 1GW based on its existing portfolio of data centre sites.

The targeted Asian development sites are not included in NEXTDC's updated FY25 capital expenditure guidance (refer below) or the Company's existing funding plan. The Company will provide a further update to capital expenditure guidance at the appropriate juncture when there is a higher degree of certainty in relation to the costs and completion of such land acquisitions.

NEXTDC reported liquidity of A\$2.7 billion as at 30 June 2024.

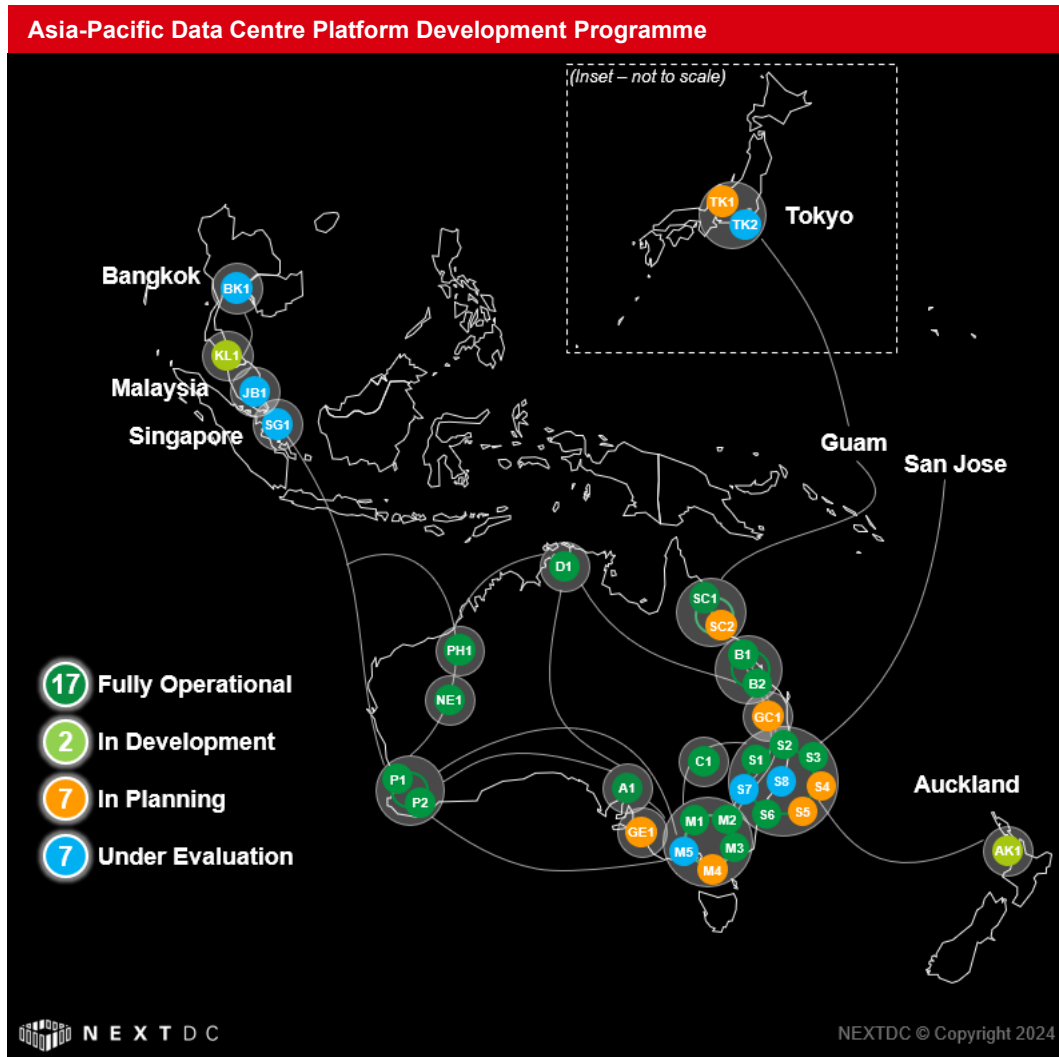
### Asian Development Facilities

NEXTDC continues to see opportunity in the growing cloud and AI-led demand for digital infrastructure throughout core Asian markets, which it believes creates strong tailwinds for NEXTDC and its key global cloud service provider customers. As highlighted in NEXTDC's recent market disclosures, the Company continues to actively evaluate and plan its expansion in these new markets, including site evaluation and negotiation in Bangkok, Thailand (BK1) and Johor, Malaysia (JB1).

<sup>1</sup> It is intended that eligible institutional shareholders who participate in the volume based bookbuild in relation to the Placement will receive preferential allocation of new securities up to their 'pro-rata' share of the shares on offer under the Capital Raising.



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In FY24, NEXTDC received foreign investment approval from Thailand's Board of Investment ("BOI") for the development of a new hyperscale data centre in Bangkok. Securing approval for foreign direct investment allows the Company to advance the planning and development of a new data centre in Bangkok once a suitable site has been acquired.

At the same time, NEXTDC's planned JB1 development is expected to provide a critical next step in the expansion of NEXTDC's existing presence in Malaysia, with practical completion of its KL1 site expected in FY26. NEXTDC continues to invest in Malaysia as its digital economy continues to expand.

Mr Craig Scroggie, CEO and Managing Director commented:

*"The underlying market dynamics that continue to drive demand for NEXTDC's leading digital infrastructure platform continue at an unprecedented pace. While the Company is already well placed from a liquidity perspective to continue to accelerate its development activities, it is becoming clear that opportunities for value accretive investment in the near term will continue to grow in accordance with our record pipeline and strong growth in the demand for cloud and AI services."*

*"We're thrilled the Thailand BOI approved our investment application for a new NEXTDC hyperscale data centre in Bangkok. In addition to our ongoing development and expansion in Malaysia, this Capital Raising will support another significant step in NEXTDC's expansion efforts in Southeast Asia and underscores our commitment to delivering world class Tier IV and built-to-suit data centre solutions across the region."*

## FY25 Guidance Update

NEXTDC provides the following updated guidance<sup>2</sup> for FY25:

- Net revenue in the range of A\$340 million to A\$350 million (unchanged)
- Underlying EBITDA<sup>3</sup> in the range of A\$210 million to A\$220 million (unchanged)
- Capital expenditure in the range of A\$1,300 million to A\$1,500 million (previously A\$900 million to A\$1,100 million)

FY25 capital expenditure has been increased by A\$400 million in relation to a site acquisition in Sydney (S7), which is now in the advanced stages of negotiation and remains subject to contract.

Funding for the S7 acquisition and related costs are already provided within NEXTDC's previously disclosed liquidity of A\$2.7 billion as at 30 June 2024.

## Capital Raising

NEXTDC today launched an institutional placement to certain eligible investors in permitted jurisdictions to raise approximately A\$550 million as well as offering eligible shareholders<sup>4</sup> in Australia and New Zealand the ability to subscribe for up to A\$30,000 of new shares each under a non-underwritten SPP, which is capped at A\$200 million<sup>5</sup>.

The Placement is fully underwritten at A\$17.15 per share (the "**Placement Price**"), which represents a 3.9% discount to the last close<sup>6</sup>.

The SPP will be conducted at an issue price that is the lower of:

- the Placement Price; and
- the 5-day VWAP during the five trading days up to, and including, the SPP closing date (expected to be Friday, 4 October 2024) less a 2.5% discount, rounded down to the nearest cent.

New shares issued under the Placement and SPP will be fully paid and rank equally in all respects with existing shares from allotment.

<sup>2</sup> Previous FY25 guidance dated 27 August 2024.

<sup>3</sup> FY25 underlying EBITDA excludes non-recurring items and costs related to NEXTDC's activities in offshore markets, acquisition opportunities and investment in associates. Underlying EBITDA is a non-IFRS financial measure that does not have a standardised meaning prescribed by AAS and IFRS, and therefore, may not be comparable to similarly titled measures presented by other entities, nor should it be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. See Important Notice for further information.

<sup>4</sup> Eligible shareholders are holders of NEXTDC Shares as at 7:00pm (AEST) on 9 September 2024, who have a registered address in Australia or New Zealand and who meet certain other eligibility criteria.

<sup>5</sup> Should NEXTDC receive valid applications exceeding the SPP cap of A\$200 million, it is NEXTDC's intention that the scale back will be applied having regards to the pro-rata shareholding of eligible shareholders (as at 7:00pm on 9 September 2024).

<sup>6</sup> Closing price on 10 September 2024 of A\$17.84.



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## Key Dates

Event	Date
Record date for SPP (7:00pm)	Monday, 9 September 2024
Placement bookbuild	Tuesday, 10 September 2024
Announcement of the completion of the Placement	Wednesday, 11 September 2024
Settlement of new shares issued under the Placement	Friday, 13 September 2024
Allotment and normal trading of new shares issued under the Placement	Monday, 16 September 2024
Expected SPP offer opening date (9:00am)	Wednesday, 18 September 2024
Expected SPP offer closing date (5:00pm)	Friday, 4 October 2024
Announcement of results of SPP	Thursday, 10 October 2024
Issue and allotment of new shares under the SPP	Friday, 11 October 2024
SPP holding statements dispatched and trading of new shares issued under the SPP commences	Wednesday, 16 October 2024

*All times and dates refer to Sydney Time. 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.*

## Advisers

Cadence Advisory acted as financial adviser and Herbert Smith Freehills as legal adviser to NEXTDC in relation to the Capital Raising.

Authorised for release by the Board of NEXTDC.

## ENDS

For more information:

**Simon Guzowski**

T: +61 2 8072 4943

E: [investorrelations@nextdc.com](mailto:investorrelations@nextdc.com)

NEXTDC Investor Centre: [www.nextdc.com/our-company/investor-centre](http://www.nextdc.com/our-company/investor-centre)



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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 “believes”, “continue”, “expect”, “forecast”, “estimated”, “intended”, “planned”, “potential”, “likely”, “projected”, “anticipated”, “targeted” or such similar phrases are intended to identify forward looking statements. Similarly, NEXTDC’s FY25 Guidance, including indications of and future guidance on future earnings, 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 Capital Raising 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, advisers, underwriters and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, employees, partners, consultants, contractors, agents, advisers and representatives (together, 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 Annexure A: Key Risks of this announcement 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 and supply chain conditions 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.

Investors should be aware that this announcement contains certain financial measures that are “non-IFRS financial information” under ASIC Regulatory Guide 230 ‘Disclosing non-IFRS financial information’ and also “non-GAAP financial measures” within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The disclosure of non-GAAP financial measures in the manner included in this presentation may not be permissible in a registration statement under the U.S. Securities Act. The non-IFRS financial information have not been subject to review by NEXTDC’s auditors and include underlying EBITDA. The non-IFRS/non-GAAP financial information does not have a standardised meaning prescribed by AAS and IFRS and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information included in this announcement.



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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.

The new shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, 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. The new shares to be offered and sold in the SPP may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States (to the extent that such person is acting for the account or benefit of a person in the United States).



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## 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 one of the only 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)



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## Annexure A: Key Risks

This section discusses some of the key risks associated with an investment in NEXTDC, together with risks relating to participation in the Capital Raising, which may affect the value and performance of NEXTDC shares. The below risks should not be taken as a complete list of the risks associated with an investment in NEXTDC. You should be aware that a number of risks and uncertainties, which are both specific to NEXTDC and of a more general nature (and which are beyond NEXTDC's control), may affect the future operating and financial performance of NEXTDC and the value and performance of NEXTDC shares. Accordingly, no assurance or guarantee of future performance or profitability is given by NEXTDC in respect of NEXTDC shares. Before investing in NEXTDC shares, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on NEXTDC (such as that available on the ASX website) and seek professional advice from an adviser who is licensed by ASIC to give that advice before making an investment decision.

### **Reduction in Demand for Data Centre Services**

The market for data centres is characterised by rapidly changing technology and industry trends, frequent new product, and competitor introductions, changing laws (e.g. data and privacy), as well as changing customer demands.

NEXTDC is currently exposed to favourable industry trends in relation to data centre outsourcing and co-location cloud provision which remains a key driver of customer demand. However, there are no assurances that such demand will continue or that existing customers will renew their data centre requirements through NEXTDC at all or at the same level as in prior periods.

A reduction in customer demand or increase in competitive supply may have a material adverse effect on NEXTDC's financial position and performance. This could include a reduction in revenue (including as a result of NEXTDC having to lower product prices in response to changing customer demand or competitive supply) or NEXTDC retaining excess capacity over a longer period to the detriment of its return on capital and the subsequent valuation of its investment in its data centre facilities and therefore the value of its securities.

### **Data Centre Interruptions or Outages**

The critical systems of NEXTDC's data centres are subject to failure. Any failure in the critical systems, including a breakdown in critical plant, equipment or services, such as the cooling equipment, generators, backup batteries, routers, switches or other equipment, power supplies or network connectivity, whether or not within NEXTDC's control, could result in service interruptions and data losses for its customers, as well as equipment damage, which could significantly disrupt the normal business operations of its customers.

Whilst NEXTDC has measures, including disaster recovery planning, in place to prevent data centre and system interruptions or outages, there is a risk that such measures may prove to be inadequate, and the data centres remain susceptible to interruptions and outages. Such interruptions and outages are generally caused by power complications, network failures, telecommunication failures, hardware or software malfunction, natural disasters, security threats and cyber-attacks, terrorist attacks, computer viruses or similar events, many of which are beyond the control of NEXTDC.

NEXTDC promotes its 100% uptime certification and service excellence delivered through its Tier IV and Tier III facilities as a key reason for customers to entrust their critical IT infrastructure with NEXTDC. A data centre or system interruption or outage at any of NEXTDC's data centres may have a material adverse effect on NEXTDC's business, operations, reputation and financial performance and therefore the value of its securities.





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### **Development of Data Centres**

NEXTDC is involved in the development of data centres. Generally, development projects, including JB1 and BK1, have a number of key risks including: (i) the risk that suitable sites are not found or required planning consents are not obtained, access to power and regulatory approvals are not obtained or, if obtained, are received later than expected, or with terms and conditions which are adverse to NEXTDC's interests; (ii) the escalation of development costs beyond those originally projected; (iii) unforeseeable project delays beyond the control of NEXTDC; (iv) any delay or disruption to NEXTDC's supply chain for critical infrastructure components, which significantly delays or impacts the construction of the data centres; and (v) non-performance/breach of contract by a contractor or sub-contractor. Increases in supply or falls in demand could influence the acquisition of sites, the timing and value of future revenue and the carrying value of completed data centres.

The failure or significant delay of a material data centre development, including JB1 or BK1 or series of development projects, may have a material adverse effect on NEXTDC's future financial position and operating and financial performance results and therefore the value of its securities.

### **International Expansion**

Part of NEXTDC's growth strategy is to continue expanding its international presence, including the proposed new Asian Development Facilities. International expansion will require significant management focus and resources, with the success of any expansion efforts dependent on various factors, including NEXTDC's ability to secure customer relationships, gain market insight and knowledge as well as hire and retain skilled employees.

There is also a risk that NEXTDC may fail to fully or adequately understand, comply with or account for differing laws, regulations and business customs in international jurisdictions. For example, investing in Malaysia and Thailand may require navigating complex local business customs and practices, which can increase operational risks for companies like NEXTDC. Malaysia's and Thailand's political climate can be volatile, and changes in government policies and regulations can impact the business environment and investment climate. The failure by NEXTDC to comply with any international laws, regulations and practices may interrupt or adversely affect various parts of the business and may have a material adverse effect on NEXTDC's operations, and its future financial position and operating results and therefore the value of its securities.

### **Termination of Key Customer Contracts**

One of the keys to the success of NEXTDC's business is its ability to retain and grow existing customer relationships and develop new customer relationships. There is no guarantee that these relationships will continue or, if they do continue, that these relationships will be successful.

Whilst the majority of NEXTDC's customer contracts by number are on NEXTDC's standard terms and conditions, the majority of NEXTDC's top customer contracts are based on highly negotiated individual customer contracting terms rather than NEXTDC's standard terms and conditions. This means in practice that the legal terms which govern the relevant arrangements differ significantly from customer to customer.

Some of these material customer contracts to which NEXTDC is a party contain provisions which may give the customer a right to terminate the contract under certain scenarios (including for convenience).

The breach, termination or non-renewal of any material customer contract or loss of business may have a material adverse effect on NEXTDC's future financial position and financial performance and therefore the value of its securities.



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### **Adverse Implications of Competitive Dynamics**

NEXTDC competes against other local and global data centre owners and operators, as well as alternate business models such as traditional on-premises solutions. Similarly, cloud service providers have grown in size and market share, with many having built their own data centres in addition to relying on third-party providers such as NEXTDC. An increasing use of self-built data centres has the potential to reduce demand for data centre services from third-party providers such as NEXTDC. This could lead to decreased revenue and profits for NEXTDC, as well as a potential decrease in the value of NEXTDC's data centres.

In Australia, cloud service providers have preferred to outsource their IT infrastructure needs to third-party providers such as NEXTDC, as it is typically more cost-effective, and they are able to rely on NEXTDC's dedicated expertise and resources for data centre development and services. However, there is a risk that at any time NEXTDC may compete less effectively against its competitors, causing it to lose market share and the ability to develop or secure new clients.

### **Loss of Key Management Personnel**

NEXTDC depends on the talent and experience of its staff and employees. It is essential that appropriately skilled staff be available in sufficient numbers to support NEXTDC's business. While NEXTDC has initiatives in place to mitigate the risk of its key staff leaving, these initiatives may be unsuccessful and the loss of such staff may have a negative impact on NEXTDC's business and operations.

### **Disruption on Failure of Technology Systems and Software**

NEXTDC and its customers are dependent on the performance, reliability and availability of the Company's infrastructure and technology platforms to provide its customers with a highly reliable service. Although NEXTDC's systems have been designed around industry-leading architectures, they remain vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses, cyber-attacks or similar events. NEXTDC's disaster recovery planning cannot account for all eventualities.

Any failure or disruption to the services provided from or termination of contracts for any reason with third party service providers could adversely impact NEXTDC's operating and financial performance and therefore the value of its securities. It could also expose the Company to claims for loss and damage from customers that may exceed the amounts that NEXTDC is able to recover from the third-party service providers.

### **Availability of Adequately Priced Utilities**

NEXTDC and its customers rely on third party providers for the supply of utilities to its data centres (including electricity, water and diesel fuel). There is no guarantee that the third-party supplier will continue their business with NEXTDC in the future or be able to consistently provide sufficient levels of utilities and services to NEXTDC on commercially acceptable terms to satisfy NEXTDC's requirements. As a result, NEXTDC's financial performance may vary from period to period and may fluctuate in the future.

### **Cyber Security Incidents or Breaches of Data Privacy Rules and Regulations**

NEXTDC's business involves the cloud hosting and storage of information, including confidential and proprietary data of organisations and personal information of individuals. Advances in technological capabilities and tools and methods used by hackers and cyber terrorists may result in a compromise or breach of the technology used by NEXTDC to protect confidential information. There is a risk that the measures taken by NEXTDC may not be sufficient to detect or prevent unauthorised access to, or disclosure of, such confidential information.



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There is a risk that any data security breaches or NEXTDC's failure to protect confidential information could result in potential enforcement action and monetary fines from data protection authorities, litigation by customers, termination of customer contracts, potential indemnity obligations and potential remediation costs (offering credit monitoring services, for example), which could materially impact NEXTDC's financial and operating performance and financial condition. The occurrence of such security breaches or incidents, or the perception that one has occurred, could also result in a loss of customer confidence in the security of NEXTDC's data centres or damage to the NEXTDC brand and NEXTDC's reputation, reduce demand for NEXTDC's data centres, disrupt normal business operations, and require NEXTDC to spend material resources to investigate or correct the breach and prevent future security breaches and incidents.

As the techniques used by malicious actors to obtain unauthorised access to systems and data continue to evolve, NEXTDC may be unable to anticipate attempted security breaches and, in turn, implement adequate preventative measures. The potential for security breaches may increase as NEXTDC grows its business and expands its profile as a vendor of cloud-based applications and the cloud functionality of its platform, including as the volume of data NEXTDC hosts in the cloud and the number of users that have access to it increases. There is no guarantee that NEXTDC will be able to prevent or rectify any such security breaches or incidents that may occur, or that insurance will be adequate to cover potential financial exposures for one or more of these circumstances, and there is a risk that the successful assertion of one or more large claims against such cover could compromise the availability and cost of such cover in the future. Material cyber security or data breaches may result in a material adverse effect on NEXTDC's future financial position and operating results and therefore the value of its securities.

### **Future Acquisitions and Investments**

NEXTDC continues to evaluate a range of growth driven initiatives, which may include the acquisition of new data centre sites or business acquisitions or investments both domestically and internationally.

There can be no assurances that NEXTDC will identify suitable future acquisition or investment opportunities or successfully execute or complete such acquisition or investment opportunities, including due to increased competition for such opportunities or the inability to agree commercially acceptable terms. If an acquisition is undertaken, there may be risks associated with integrating the operations and personnel of an acquisition target with NEXTDC's businesses and potential disruptions of integration to NEXTDC's other business operations.

There are no assurances that every acquisition or investment that NEXTDC makes or enters into will result in favourable outcomes for the business or its future financial position. NEXTDC has in the past written down an investment in a listed associate and there is a risk it may need to make future write-downs in relation to this or other investments and/or contribute capital in the future.

NEXTDC will seek to obtain customary warranties and indemnities from vendors of any acquired businesses or investments (where possible). However, NEXTDC may not be able to obtain, or may not obtain, all appropriate warranties or indemnities. Further, there can be no assurance that NEXTDC will be able to recover any or all of its losses in the event that those warranties are found to be incorrect. NEXTDC's failure to detect material due diligence issues connected to an acquisition or investment or, where an acquisition is undertaken, the failure of NEXTDC to adequately integrate or manage the acquisition may result in a material adverse effect on NEXTDC's future financial position and operating results and therefore the value of its securities.

### **Legal and Regulatory Compliance**

In each jurisdiction in which it operates or will operate in the future, NEXTDC must comply with a range of other laws, regulations and industry standards including, but not limited to, privacy laws, fair trade laws, anti-bribery and corruption legislation, sanctions legislation, consumer protection laws, employment laws and



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taxation laws. Failure by NEXTDC to comply with those laws, regulations and industry standards may result in litigation, regulatory enquiry or investigation, fines and penalties, or significant reputational damage which could have an adverse effect on NEXTDC's financial position and performance.

NEXTDC may also become subject to new laws, regulations or industry standards, or new or changed interpretations of existing laws, regulations or industry standards, or enhanced supervisory expectations regarding the management of legal and regulatory compliance risks associated with such laws, regulations and industry standards. Additionally, NEXTDC may become subject to more proactive enforcement by relevant regulators of compliance with such laws, regulations and industry standards. New or amended laws, regulations or industry standards, or new or changed interpretations of existing laws, regulations or industry standards, could restrict NEXTDC's ability to provide its services, result in changes to NEXTDC's business model, reduce NEXTDC's profit margins or make compliance more difficult or expensive, any of which may have an adverse impact on NEXTDC's financial position and performance.

A breach of any laws, regulations or industry standards applicable to NEXTDC may lead to prosecution, investigations and inquiries and result in the imposition of conditions, fines and penalties or other sanctions on NEXTDC, which could have an adverse effect on NEXTDC's business, reputation, future financial position and operating results. Any deterioration in NEXTDC's regulatory compliance performance may adversely affect NEXTDC's reputation and standing in the industry, and its ability to win and retain contracts with its customers.

#### **Adverse Implications from Litigation and Disputes**

NEXTDC may in the ordinary course of business become involved in litigation, arbitration and disputes, for example with its suppliers, clients or other contractual counterparties. Such disputes may relate to, but are not limited to, contractual disputes, indemnity claims, employment disputes, property damage claims, environmental claims, and regulatory inquiries and audits. Any such litigation, arbitration or dispute could involve significant economic costs and damage to relationships with suppliers, clients and/or other stakeholders. If NEXTDC is involved in any litigation, arbitration or disputes or protracted settlement negotiations in relation to such litigation, arbitration or disputes, this may disrupt NEXTDC's business operations, or cause NEXTDC to incur significant legal costs, and may divert management's attention away from the daily operations of the business. Any such events may have a material adverse effect on NEXTDC's future financial position and operating results or reputation and therefore the value of its securities.

#### **Environmental Laws and Regulation**

National and local environmental laws and regulations may affect the operations of NEXTDC's businesses. Environmental standards are set by these laws and regulations, having regard to certain aspects of health and environmental quality, and they provide for penalties and other liabilities if such standards are breached.

NEXTDC's businesses incur costs to comply with these environmental laws and regulations, and changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities, which may have a material adverse effect on NEXTDC's future financial position and operating results, as well as to its reputation, and therefore the value of its securities.

#### **Lease Risk**

NEXTDC leases certain of its properties (S2 and C1) from third parties. Any breach or termination of leases could have a material adverse impact on NEXTDC, as there is a risk that NEXTDC may not be able to secure appropriate replacement sites on commercially acceptable terms. Due to the nature and size of the sites NEXTDC requires to operate its business, NEXTDC may need to accept less favourable terms (including increased rent) or terms that are more onerous than the prevailing market terms at the time. Any failure to secure appropriate sites on acceptable terms may result in a material increase in operating costs



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and have a material adverse impact on NEXTDC's financial and operating performance and therefore the value of its securities.

### **Insurance Coverage**

Not all risks are insured or insurable. NEXTDC cannot be certain that its current insurance is adequate or that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially acceptable terms. If NEXTDC experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses, or liabilities to third parties. These risks may have a material adverse effect on NEXTDC's future financial position and operating results and therefore the value of its securities.

### **Foreign Exchange**

The vast majority of NEXTDC's cash reserves and assets are in Australian dollar (A\$) denominated currency. Following NEXTDC's expansion into Malaysia and New Zealand (and other international markets currently under evaluation), NEXTDC's revenues, expenses and capital costs will increasingly be incurred in foreign currencies, whereas NEXTDC reports in Australian dollars (A\$). As a result of the use of these various foreign currencies, NEXTDC will be exposed to an increased level of foreign currency fluctuations, which may adversely affect its future financial position and operating results and therefore the value of its securities.

### **Ability to Access Debt or Equity Funding in the Future**

NEXTDC may, in the future, require additional debt or equity in order to fund growth strategies and/or to refinance its existing debt obligations. NEXTDC may be unable to access debt or equity funding on commercially acceptable terms, or at all, in the future.

Any drawdown under NEXTDC's existing syndicated debt facilities will require NEXTDC to comply with financial covenants and representations. There is a risk that NEXTDC will not be able to draw on these debt facilities if it is unable to meet these requirements. If NEXTDC did draw on these facilities and were to breach any of these financial covenants and obligations, the lenders may seek to cancel the facilities and declare all outstanding amounts immediately due and payable. If that action were to be taken, there is no certainty that NEXTDC would have access to sufficient cash to meet its repayment obligations or be able to refinance the existing debt on commercially acceptable terms. In those circumstances, NEXTDC would need to seek waivers or other forms of accommodation. Alternatively, NEXTDC would need to procure alternative financing arrangements to refinance the debt obligations, which may adversely affect its future financial position and therefore the value of its securities.

### **Underwriting Risks**

NEXTDC has entered into an Underwriting Agreement under which the Joint Lead Managers have agreed to fully underwrite the Placement, subject to the terms and conditions of the Underwriting Agreement. A summary of the Underwriting Agreement is provided at Annexure C. If certain conditions are not satisfied or certain events occur, the Joint Lead Managers may terminate the Underwriting Agreement. The ability of a Joint Lead Manager to terminate the Underwriting Agreement in respect of certain events will depend on whether, in the reasonable opinion of the Joint Lead Manager, the event has, or could reasonably be expected to have, a material adverse effect on the marketing or success of the Placement, renders it impracticable to effect acceptances of applications for new shares or settlement and issue of new shares, or could reasonably be expected to give rise to a liability for that Joint Lead Manager under the Corporations Act or any other applicable law.



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### **Dilution**

Shareholders who are not eligible to participate or do not participate to at least their 'pro-rata' share<sup>7</sup> in the Placement and SPP will have their percentage shareholding in NEXTDC diluted. Shareholders may also have their investment diluted by future capital raisings by NEXTDC.

### **Adverse Inflation Implications**

As inflation continues to remain elevated, this may result in unmitigated increases in the prices of key elements of NEXTDC's supply chain, including critical capital equipment and/or labour costs. NEXTDC has a large development pipeline with material capital expenditure that it expects to continue in the medium term in line with its growth expectations. To the extent NEXTDC cannot pass on the impacts of inflation to its customers, it may adversely affect its future financial position and operating results and therefore the value of its securities.

### **Global Markets Risks**

NEXTDC's financial performance, financial position and the price of NEXTDC's shares may fluctuate due to various factors, including movements in domestic and international capital markets, recommendations by analysts, investor perceptions, interest and exchange rates, changes in government, inflation, fiscal, monetary and regulatory policies, prices of commodities, global geopolitical events, the outbreak of hostilities and acts of terrorism, the outbreak of communicable diseases or pandemics and other factors.

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<sup>7</sup> In this context, "pro-rata" refers to a pro-rata share of new shares issued under the Placement and the SPP by reference to NEXTDC's latest available beneficial shareholder register prior to launch of the Placement. Unlike a rights issue, this may not truly reflect the participating shareholder's actual "pro-rata" share of new shares issued under the Capital Raising.





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## Annexure B: International Offer Restrictions

This announcement does not constitute an offer of new ordinary shares in NEXTDC (“**New Shares**”) in any jurisdiction in which it would be unlawful. In particular, this announcement may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### **Bermuda**

This announcement may be distributed, and the New Shares may be offered and sold, only from outside Bermuda to institutional and professional investors in Bermuda. No offer or invitation to subscribe for New Shares may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for New Shares.

### **Canada (British Columbia, Ontario and Quebec provinces)**

This announcement constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the “**Provinces**”), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This announcement is not a prospectus, an advertisement or a public offering of securities in the Provinces. This announcement may only be distributed in the Provinces to persons who are “accredited investors” within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this announcement, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

NEXTDC as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this announcement has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this announcement are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s Province. A purchaser may refer to



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any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this announcement, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

### **Cayman Islands**

This announcement may be distributed, and the New Shares may be offered and sold, only from outside the Cayman Islands to institutional and professional investors in the Cayman Islands. No offer or invitation to subscribe for New Shares may be made to the public in the Cayman Islands or in any manner that would constitute carrying on business in the Cayman Islands.

### **European Union (Germany and Luxembourg)**

This announcement has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this announcement may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

### **Hong Kong**

**WARNING:** This announcement has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this announcement may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this announcement have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this announcement, you should obtain independent professional advice.





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## Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the “FIEL”) pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

## New Zealand

This announcement has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the “FMC Act”).

The New Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This announcement has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this announcement shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

## Singapore

This announcement and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this announcement and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This announcement has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return



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this announcement immediately. You may not forward or circulate this announcement to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### **Switzerland**

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this announcement nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this announcement will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("FINMA").

Neither this announcement nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This announcement is personal to the recipient and not for general circulation in Switzerland.

### **United Arab Emirates**

This announcement does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this announcement nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This announcement may be distributed in the UAE only to "professional investors" (as defined in the SCA Board of Directors' Decision No.13/RM of 2021, as amended).

No offer of New Shares will be made to, and no subscription for New Shares will be permitted from, any person in the Abu Dhabi Global Market or the Dubai International Financial Centre.

### **United Kingdom**

Neither this announcement nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this announcement or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This announcement is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This announcement may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.



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Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this announcement is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("**relevant persons**"). The investment to which this announcement relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this announcement.

### United States

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

The new shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares to be offered and sold in the Placement may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States. The new shares to be offered and sold in the SPP may not be offered or sold, directly or indirectly, in the United States or to any person that is acting for the account or benefit of a person in the United States (to the extent that such person is acting for the account or benefit of a person in the United States).



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## Annexure C: Summary of Underwriting Agreement

NEXTDC has entered into an underwriting agreement with the Joint Lead Managers pursuant to which the Joint Lead Managers have been appointed as joint lead managers, bookrunners and underwriters of the Placement ("**Underwriting Agreement**").

The Underwriting Agreement contains representations, warranties and indemnities in favour of the Joint Lead Managers.

Each Joint Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events, including, but not limited to, where:

- there are certain delays in the timetable for the Placement without the Joint Lead Managers' consent;
- NEXTDC withdraws the Placement;
- a certificate which is required to be furnished by NEXTDC under the Underwriting Agreement is not furnished when required;
- ASIC: (a) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Capital Raising or NEXTDC; or (b) prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, NEXTDC or any of its directors, officers, employees or agents in relation to the Capital Raising, and in each case, such hearing, notice, investigation, prosecution or proceeding becomes public or is not withdrawn or discontinued within two business days after it is made or commenced, or, where it is made or commenced less than two business days before the settlement date for the New Shares, it has not been withdrawn before the settlement date for the New Shares, as the case may be;
- ASX announces that NEXTDC's shares will be delisted, removed from quotation, withdrawn from admission to trading status or suspended from quotation;
- unconditional approval (or approval conditional only on customary conditions which are acceptable to the Joint Lead Managers, acting reasonably) is refused or not granted to the official quotation of all of the New Shares under the Placement by the relevant deadline;
- NEXTDC or one of its material subsidiaries become insolvent or there is an act or omission which may result in NEXTDC or one of its material subsidiaries becoming insolvent;
- any director of NEXTDC or the Chief Executive Officer or Chief Financial Officer is charged with a criminal offence relating to any financial or corporate matter, or any director of NEXTDC is disqualified from managing a corporation under the Corporations Act;
- NEXTDC or any of its directors or the Chief Executive Officer or Chief Financial Officer engages in any fraudulent conduct or activity whether or not in connection with the Capital Raising;
- a change occurs to the Chief Executive Officer or Chief Financial Officer of NEXTDC; and
- a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom or Hong Kong is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.

In addition, each Joint Lead Manager may terminate its obligations under the Underwriting Agreement on the occurrence of certain events which, in the reasonable opinion of that Joint Lead Manager, has had, or could reasonably be expected to have, a material adverse effect on the marketing or success of the Placement, renders it impracticable to effect acceptances of applications for New Shares under the Placement or settlement and issue of New Shares under the Placement, or could reasonably be expected to give rise to a



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liability for that Joint Lead Manager under the Corporations Act or any other applicable law. These events include, but are not limited to, where:

- a certificate which is required to be furnished by NEXTDC under the Underwriting Agreement is not true or incorrect;
- proceedings are commenced or threatened, or there is a public announcement of an intention to commence proceedings before a court or tribunal of competent jurisdiction in Australia seeking an injunction or other order in relation to the Capital Raising;
- NEXTDC is or becomes in default of any of the terms and conditions of the Underwriting Agreement or a representation or warranty by NEXTDC is or becomes false or incorrect;
- any offer material for the Capital Raising includes a statement or fact that is misleading or deceptive or omits to state a fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or deceptive;
- there is an omission from or misstatement relating to the due diligence questionnaire completed by NEXTDC in relation to the Placement;
- a change occurs to the board of directors of NEXTDC;
- there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State or Territory authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of the Underwriting Agreement);
- any adverse change or disruption occurs to the existing financial markets, political or economic conditions of Australia, the United States, the United Kingdom or Hong Kong, or there is any change or development involving a prospective change in national or international political, financial or economic conditions, from those existing at the date of the Underwriting Agreement;
- any adverse change or effect occurs, or an event occurs which is likely to give rise to an adverse change or effect, in the condition (financial or otherwise), assets, earnings, business, affairs, liabilities, financial position or performance, results of operations, profits, losses or prospects of NEXTDC from that existing at the date of the Underwriting Agreement;
- there is an outbreak or escalation of hostilities, whether war has been declared or not, or an act or acts of terrorism, in each case involving one or more of Australia, the United States or the United Kingdom or, nuclear weapons are used in relation to the conflict between Russia and Ukraine, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in that conflict or in the current hostilities involving Israel and the Gaza region of Palestine; and
- trading of securities quoted on ASX, the London Stock Exchange, the New York Stock Exchange or Hong Kong Exchanges and Clearing is suspended, or there is a material limitation in trading, for one business day on which the exchange is open for trading.

If a Joint Lead Manager terminates its obligations under the Underwriting Agreement, it will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by one or both Joint Lead Managers could have an adverse impact on the amount of proceeds raised under the Capital Raising.