

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

ASX Release

11 May 2023

Regional Expansion and A\$618 million Entitlement Offer

NEXTDC Limited (**ASX: NXT**) ("**NEXTDC**" or "**the Company**") is pleased to announce two new data centre developments, as part of NEXTDC's regional expansion strategy, on recently acquired commercial property sites: Kuala Lumpur, Malaysia ("**KL1**") and Auckland, New Zealand ("**AK1**") ("**New Sites**").

The Company will fund the development of data centres on the New Sites, together with an accelerated fit out at S3, following the 35.9MW increase in contracted utilisation announced to the ASX on 12 April 2023, via a ~A\$618 million fully underwritten 1 for 8 pro-rata accelerated non-renounceable entitlement offer of new fully paid ordinary shares in NEXTDC ("**New Shares**") ("**Entitlement Offer**").

Highlights

- KL1 is located ~10km from the Kuala Lumpur CBD, with total power planned of 65MW¹
- AK1 is located in the Auckland CBD, with total power planned of 10MW+^{2,3}
- Both New Sites are expected to reach practical completion of Phase 1 build in 1H FY26
- 1 for 8 Entitlement Offer is priced at A\$10.80 per New Share ("**Offer Price**"), representing 7.5% discount to the TERP⁴ of A\$11.67
- Following completion of the Entitlement Offer, NEXTDC will have pro-forma tangible asset backing of ~A\$3.8 billion and pro-forma liquidity of ~A\$2.6 billion⁵

Updated FY23 Guidance

NEXTDC provides the following update to its FY23 guidance provided at the time of the Company's 1H FY23 announcement on 28 February 2023:

- Data centre services revenue in the range of A\$350 million to A\$360 million (previously the upper end of the A\$340 million to A\$355 million range)
- Underlying EBITDA in the range of A\$192 million to A\$196 million (previous range: A\$190 million to A\$198 million)
- Capital expenditure in the range of A\$670 million to A\$720 million (previous range: A\$620 million to A\$670 million)
 - This range has been updated to reflect the recently acquired land for KL1 of ~A\$53 million

¹ Initial capital expenditure for Phase 1 of KL1 is projected to deliver IT capacity of 7.5MW.

² Initial capital expenditure for Phase 1 of AK1 is projected to deliver IT capacity of 1.7MW.

³ AK1 is capable of up to 15MW based on higher density deployments.

⁴ 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\$11.78 on 10 May 2023, 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.

⁵ Pro-forma liquidity represented by cash of A\$364 million at 31 December 2022 adjusted for new drawn debt of A\$100 million as referenced in NEXTDC's ASX Announcement of 13 January 2022 and the proceeds of the Entitlement Offer of ~A\$618 million, both net of transaction costs, together with undrawn debt facilities of A\$1.5 billion also referenced in the ASX Announcement of 13 January 2022.

Entitlement Offer

NEXTDC is today launching the Entitlement Offer with net proceeds raised to fund new incremental growth initiatives including the proposed new data centre developments of KL1 and AK1 and accelerated mechanical, electrical and data hall fit out at S3 in light of the increase in contracted utilisation at that site.

In total, NEXTDC intends to invest:

- ~A\$250 million⁶ in the development of KL1;
- ~A\$140 million⁷ in the development of AK1; and
- ~A\$150 million on accelerating the fit out of S3.

The remainder of the proceeds from the Entitlement Offer will be used for general corporate purposes and the payment of transaction costs associated with this Entitlement Offer.

The Entitlement Offer comprises a 1 for 8 pro-rata accelerated non-renounceable entitlement offer to raise ~A\$618 million. The Entitlement Offer is being offered at a price of A\$10.80 per New Share, which represents a discount of 7.5% to the TERP of A\$11.67.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 New Share for every 8 existing fully paid ordinary shares in NEXTDC held at 7.00pm (Sydney time) on 15 May 2023 ("**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**").

NEXTDC's CEO and Managing Director Craig Scroggie and all eligible Non-Executive Directors have committed to individually take up all of their respective entitlements under the Retail Entitlement Offer.

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

New Sites Acquired in Kuala Lumpur and Auckland

NEXTDC's expansion into Malaysia and New Zealand leverages its proven business model and key relationships into complementary, adjacent geographic markets. The Company has recently purchased and settled on new commercial property sites in Kuala Lumpur, Malaysia, and Auckland, New Zealand.

Advanced plans are in place for both the construction and operation of the new data centres. Construction at AK1 and KL1 is expected to commence in FY24 with the sites targeting practical completion in 1H FY26. Both AK1 and KL1 will be 100% owned by NEXTDC and benefit from access to supporting infrastructure.

Commenting on the New Sites, Chief Executive Officer, Mr Craig Scroggie said:

"We are thrilled to announce our expansion into Malaysia and New Zealand, which marks an important milestone in our growth strategy. Building upon the success we have achieved in Australia over the past decade, we aim to replicate our proven business model in these new markets. As always, our focus remains on creating a highly diversified ecosystem of enterprise, connectivity, cloud, and managed service provider customers. New Zealand and Malaysia are just the first greenfield geographic expansion opportunities outside of Australia, and we are excited about the possibilities ahead."

⁶ Amount includes the new commercial property site acquisition cost of ~A\$53 million (recently settled in 2H FY23).

⁷ Amount excludes the new commercial property site acquisition cost of ~A\$21 million (settled 1H FY23).

Accelerated Fitout at S3

On 12 April 2023, NEXTDC announced to the ASX that following recent contract wins, the Company's contracted utilisation increased by 35.9MW (43%) to 120 MW⁸. As a result of these contract wins, S3 has now achieved contracted utilisation equivalent to 46% of total planned capacity with the overall contracted utilisation significantly exceeding the facility's built capacity.

Accordingly, the Company today announces its decision to accelerate the development of the fit out at S3, and in doing so, NEXTDC will seek to ensure it can meet customer obligations and continues to be best positioned for future growth.

Additional Information on the Entitlement Offer

Institutional Entitlement Offer

Eligible Institutional Shareholders⁹ will be invited to participate in the Institutional Entitlement Offer, which opens on 11 May 2023. Eligible Institutional Shareholders can choose to take up all, part or none of their entitlements. Institutional entitlements cannot be traded on market.

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 Shareholders¹⁰ 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 10:00am (Sydney time) on 18 May 2023 and close at 5:00pm (Sydney time) on 31 May 2023.

Eligible Retail Shareholders may also apply for additional new shares up to a maximum of 100% in excess of their entitlement, at the Offer Price ("**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 retains the flexibility to scale back applications for additional New Shares at its 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 18 May 2023. 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 31 May 2023. 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.

⁸ Refer to NEXTDC's ASX announcement dated 12 April 2023.

⁹ "**Eligible Institutional Shareholders**" defined as in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date (being 7:00pm (Sydney time) on 15 May 2023) who: (a) is not an Ineligible Institutional Shareholder; and (b) has successfully received an invitation from the Joint Lead Managers 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.

¹⁰ "**Eligible Retail Shareholders**" defined as a retail shareholder on the Record Date who: (a) are registered as a holder of existing NEXTDC Existing Shares; (b) have a registered address is Australia or New Zealand; (c) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person 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.

Entitlement Offer Timetable

Event	Date
Trading halt and announcement of Entitlement Offer	Thursday, 11 May 2023
Announcement of results of Institutional Entitlement Offer	Monday, 15 May 2023
Trading halt lifted and NEXTDC shares recommence trading	Monday, 15 May 2023
Entitlement Offer Record Date	7:00pm (Sydney time), Monday, 15 May 2023
Retail Entitlement Offer opens and Retail Offer Booklet made available	Thursday, 18 May 2023
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 23 May 2023
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 24 May 2023
Retail Entitlement Offer closes	5:00pm (Sydney time), Wednesday, 31 May 2023
Announcement of results of Retail Entitlement Offer	Monday, 5 June 2023
Settlement of New Shares Issued under the Retail Entitlement Offer	Tuesday, 6 June 2023
Allotment of New Shares issued under the Retail Entitlement Offer	Wednesday, 7 June 2023
Normal trading of New Shares issued under the Retail Entitlement Offer	Thursday, 8 June 2023
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	Friday, 9 June 2023

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 will be set out in a capital raising presentation titled 'Regional Expansion and Entitlement Offer' 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 1800 425 578 (within Australia) or +61 1800 425 578 (outside Australia).

The Offer Information Line is open from 8.30am to 5.30pm (Sydney time) Monday to Friday until 31 May 2023 when the Retail Entitlement Offer closes.

Advisers

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

ENDS

For more information:

Simon Guzowski

T: +61 2 8072 4943

E: investorrelations@nextdc.com

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

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 earning, liquidity and financial position, capital expenditure requirements, performance, business performance, project timelines or spend, facility go-live dates, utilisation, initial or total facility capacity or connection rates and projections of these are also forward looking statements as are statements regarding any internal management estimates and assessments of sales, market competition, service demand and market outlook. 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 which may cause actual results and outcomes to differ materially from those expressed or implied in this announcement or in such 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.

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 ongoing impacts of the COVID-19 pandemic. 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.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This announcement should not be distributed or released in the United States.

Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States (to the extent that the person holds shares for the account or benefit of a 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.

For personal use only



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 the only data centre operator 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

For personal use only