ASX Appendix 4D

Results for Announcement to the Market
For the half-year ended 31 December 2024 ("1H25")
Previous corresponding period: to 31 December 2023 ("1H24")

Summary of financial information

	Note	1H25 $'000	1H24# $'000	Change $'000	Change %
Revenue from ordinary activities		205,516	209,118	(3,602)	(2%)
Net revenue	1	167,767	149,099	18,668	13%
Profit/(loss) from ordinary activities after income tax for the period attributable to members		(42,668)	(21,507)	(21,161)	nmf
Profit/(loss) after income tax attributable to members		(42,668)	(21,507)	(21,161)	nmf

[1] Comprises total revenue less direct costs

Explanation of Profit from Ordinary Activities

The $21.2 million increase in loss after income tax in 1H25 is primarily due to the Group entering into a new $2.9 billion syndicated debt agreement during the half-year under a new common terms platform to refinance its existing debt arrangement. The new facilities provide significant benefits, including additional flexibility for the Company to fund its longer-term growth ambitions through both the bank and bond markets, as well as material pricing reductions resulting in a significant improvement in the overall cost of funds. As a result of the refinance, the remaining unamortised transaction costs on the existing facilities of $15.9 million was written off in December 2024, along with the remaining unamortised balance of the modification gain of $10.6 million.

NTA Backing

	1H25	1H24#
Net tangible asset backing per ordinary share	$6.46	$3.50

Dividends

No dividend has been proposed or declared for the period ended 31 December 2024.

Comparative information has been restated to reflect the prior period error detailed in note 1 (b) of the Interim Financial Report.

NEXTDC Limited

ABN 35 143 582 521

Interim financial report for the half-year ended 31 December 2024

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by NEXTDC Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These interim financial statements are the consolidated interim financial statements of the consolidated entity consisting of NEXTDC Limited and its subsidiaries. The interim financial statements are presented in the Australian currency.

NEXTDC Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office is:

NEXTDC Limited
20 Wharf Street
Brisbane Qld 4000

The Directors of NEXTDC Limited present their report on the consolidated entity (referred to hereafter as "the Group") consisting of NEXTDC Limited ("NEXTDC" or "the Company") and the entities it controlled at the end of, or during, the half-year ended 31 December 2024 ("1H25").

Directors

The following persons held office as Directors of NEXTDC Limited during the financial period and up to the date of this report:

Douglas Flynn
Craig Scroggie
Stuart Davis
Dr Gregory J Clark AC
Stephen Smith
Jennifer Lambert
Dr Eileen Doyle
Maria Leftakis

Principal activities

During the half-year, the principal continuing activities of the Group consisted of the development and operation of independent data centres in the Asia Pacific region.

Operating and financial review

NEXTDC is pleased to announce its interim results for the half-year ended 31 December 2024 that saw continued growth in contracted utilisation, as well as an increase in underlying EBITDA.

As at 31 December 2024:
• Contracted utilisation increased by 27.0MW (18%) to 176.0MW (31 December 2023: 149.0MW)
• Strong forward order book of 83.0MW(1) that is projected to ramp up over the remainder of FY25 through to FY29, underpinning future growth in revenues and earnings

Key financial highlights include:
• Total revenue fell $3.6 million (2%) to $205.5 million (1H24: $209.1 million)
• Net revenue(2) was up $18.7 million (13%) to $167.8 million (1H24: $149.1 million)
• Underlying EBITDA increased $3.4 million (3%) to $105.4 million (1H24: $102.0 million)
• Liquidity (cash and undrawn senior debt facilities) of $2.5 billion at 31 December 2024

(1) Forward order book represents the difference between the contracted utilisation (176.0MW) and billing utilisation (93.0MW) at the end of 1H25
(2) Comprises total revenue less direct costs

Operating and financial review (continued)

Reconciliation of statutory profit/(loss) to EBITDA and underlying EBITDA is as follows:

	1H25 $'000	Restated# **1H24 $'000**
Net profit/(loss) after tax	($42,668)	($21,507)
Add: finance costs	$64,467	$47,229
Less: interest income	($27,819)	($15,608)
Add: income tax expense	$5,421	$6,409
Add: depreciation and amortisation	$96,875	$80,234
EBITDA	**$96,276**	**$96,757**
Add: early stage international operating expenses	$3,492	$1,545
Add: costs expensed in relation to acquisition opportunities	$554	$319
Add: share of loss on investment in associate	$1,813	$3,369
Add: impairment of investment in associate	$3,237	-
Underlying EBITDA	**$105,372**	**$101,990**

Comparative information has been restated to reflect the prior period error detailed in note 1 (b).

NEXTDC has a clear strategy to differentiate its services through in-house engineering innovation and the adoption of new technologies in power and cooling systems. In addition, NEXTDC is committed to delivering a world-class customer experience with continued investments in internal systems and processes, with the ongoing implementation of online platforms to automate and integrate the management of the entire customer journey through the life cycle of their data centre services with NEXTDC.

These investments position NEXTDC to deliver significant customer benefits, reinforce its market differentiation over the longer term and deliver scalable growth, generating operating cost efficiencies and increasing revenue.

A summary of consolidated revenues and segment EBITDA for the period is set out below:

	Segment revenues		**Segment EBITDA**	
Consolidated entity	**1H25 $'000**	1H24 $'000	**1H25 $'000**	1H24 $'000
Victoria	**69,383**	66,233	**50,106**	45,771
NSW/ACT	**96,919**	108,662	**62,391**	60,589
Rest of Australia	**37,374**	32,453	**25,201**	21,263
International	**-**	89	**(741)**	(984)
Other	**1,840**	1,681	**(201)**	983
Total segment revenue/EBITDA	**205,516**	209,118	**136,756**	127,622

Segment EBITDA reconciles to Group EBITDA as follows:

	1H25 $'000	**1H24 $'000**
Segment EBITDA	$136,756	$127,622
Less: employee benefits expense (non-facility staff)	($21,701)	($17,121)
Less: overheads and other expenses	($14,531)	($10,960)
Add: other income	$802	$585
Less: share of loss/impairment on investment in associate	($5,050)	($3,369)
EBITDA	**$96,276**	**$96,757**

Operational developments and performance

NEXTDC invested approximately $1.0 billion during the half-year to progress capital development projects. A1 Adelaide, D1 Darwin and S6 Sydney were opened to customers, while land was acquired for S7 Sydney. S3 Sydney added 16MW of built capacity to support contracted customer requirements, with a further 24MW in progress and the final 12MW of capacity now in planning. 6MW of built capacity was added at M2 Melbourne to support customer contracts, with 18MW in progress and a further 20MW+ in planning.

Building expansion works are also underway at M3 Melbourne, with 13.5MW in progress and a further 50MW+ in planning. B2 Brisbane added 2MW of built capacity, while planning works for the expansion of B2 Brisbane and P1 Perth are nearing completion, with early works expected to commence in 2H25.

International expansion continues to progress, with construction works commencing at KL1 Kuala Lumpur, planning works progressing at AK1 Auckland, and identification of potential new data centre sites across Asia.

Throughout the period, NEXTDC maintained 100% uptime across its national data centre network. In addition, NEXTDC also maintained its ISO 9001 and ISO 27001 certifications.

Sales performance

NEXTDC has continued to focus its sales strategy on partnering with providers of infrastructure, platform and packaged services. Flexibility offered by being carrier and vendor neutral allows customers a choice of carriers and systems integrators.

Contracted utilisation grew by 27.0MW over the 12 month period to 31 December 2024 to 176.0MW. As a percentage of installed capacity in NEXTDC's national portfolio, this represents approximately 93% of installed capacity being contracted.

NEXTDC continues to derive revenue from numerous product sources such as white space (including power recharge), rack ready services, establishment service fees and add-on services.

Funding and financial position

In September 2024, NEXTDC completed an institutional placement and share purchase plan, raising $678 million to secure new data centre sites in Asia and further accelerate the development and fitout of NEXTDC's digital infrastructure platform.

In December 2024, NEXTDC entered into a new $2.9 billion syndicated debt agreement under a new common terms platform to refinance its existing debt arrangement. The new Facilities are summarised as follows:

- $1,500 million - Facility A Revolving Loan Facility ($1,100 million undrawn)
- $400 million - Facility B Term (fully drawn)
- $1,000 million - Facility C Revolving Loan Facility (undrawn)

Facility A has a maturity date of 3 December 2029, while Facilities B and C have a maturity date of 3 December 2031.

NEXTDC's balance sheet position is underpinned by more than $5.2 billion in total assets.

Subsequent events

Since the end of the reporting period, no matters have arisen which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except as disclosed below:

- On 31 January 2025, NEXTDC disposed of its 31.96% holding in AUCyber Limited (ASX: CYB) (formerly Sovereign Cloud Holdings (ASX: SOV)) for proceeds of $7.1 million.

Dividends

No dividend has been declared or paid during the half-year ended 31 December 2024 (1H24: nil).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the ‘rounding off’ of amounts in the Directors’ report and financial report. Amounts in the Directors’ report and financial report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

Craig Scroggie
Managing Director and Chief Executive Officer

24 February 2025

Auditor’s Independence Declaration

As lead auditor for the review of NEXTDC Limited for the half-year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of NEXTDC Limited and the entities it controlled during the period.

Brett Entwistle
Partner
PricewaterhouseCoopers

Sydney
24 February 2025

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	Note	Consolidated entity **31 December 2024 $'000**	Restated[#] 31 December 2023 $'000
REVENUE FROM CONTINUING OPERATIONS			
Revenue from contracts with customers	3	**205,516**	209,118
OTHER INCOME			
Other income	3	**27,656**	16,530
EXPENSES			
Direct costs		**(37,749)**	(60,019)
Employee benefits expense		**(30,117)**	(24,705)
Data centre facility costs		**(20,038)**	(12,281)
Depreciation and amortisation expense		**(96,875)**	(80,234)
Professional fees		**(3,699)**	(2,412)
Marketing costs		**(1,290)**	(820)
Office and administrative expenses		**(11,134)**	(9,677)
Finance costs	4(a)	**(64,467)**	(47,229)
Share of loss on investment in associate	7	**(1,813)**	(3,369)
Impairment of investment in associate	7	**(3,237)**	-
Profit/(loss) before income tax		**(37,247)**	(15,098)
Income tax benefit/(expense)	5	(5,421)	(6,409)
Profit/(loss) after income tax		**(42,668)**	(21,507)
PROFIT/(LOSS) IS ATTRIBUTABLE TO:			
Owners of NEXTDC Limited		**(42,668)**	(21,507)
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		**11,275**	(1,031)
Gains/(losses) on cash flow hedges		**(7,323)**	(8,725)
Hedging (gain)/loss reclassified to profit or loss		**(6,029)**	(12,819)
Costs of hedging		**-**	181
Income tax relating to these items		**5,420**	6,409
Total comprehensive income		**(39,325)**	(37,492)
Attributable to:			
Owners of NEXTDC Limited		**(39,325)**	(37,492)
		Cents	Cents
EARNINGS/(LOSS) PER SHARE FOR PROFIT/(LOSS) ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE GROUP:			
Basic earnings/(loss) per share		**(6.85)**	(4.18)
Diluted earnings/(loss) per share		**(6.85)**	(4.18)

[#] Comparative information has been restated to reflect the prior period error detailed in note 1 (b).

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

	Note	Consolidated entity 31 December 2024 $'000	30 June 2024 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**372,969**	1,236,192
Trade receivables		**73,930**	70,354
Derivative financial instruments		**4,362**	2,242
Other assets		**15,896**	25,926
Total current assets		**467,157**	1,334,714
Non-current assets			
Property, plant and equipment	6	**4,689,480**	3,781,537
Intangible assets		**58,833**	55,829
Other assets		**21,395**	21,750
Investment in associates	7	**7,087**	12,137
Derivative financial instruments		**-**	10,730
Total non-current assets		**4,776,795**	3,881,983
Total assets		**5,243,952**	5,216,697
LIABILITIES			
Current liabilities			
Trade and other payables		**113,526**	131,713
Lease liabilities		**7,315**	7,056
Revenue received in advance		**18,446**	11,823
Total current liabilities		**139,287**	150,592
Non-current liabilities			
Provisions		**2,226**	1,840
Revenue received in advance		**52,008**	49,139
Derivative financial instruments		**2,906**	-
Borrowings	8	**777,943**	1,375,353
Lease liabilities		**71,811**	72,673
Total non-current liabilities		**906,894**	1,499,005
Total liabilities		**1,046,181**	1,649,597
Net assets		**4,197,771**	3,567,100
EQUITY			
Contributed equity	9	**4,336,990**	3,667,117
Reserves		**18,036**	14,570
Accumulated losses		**(157,255)**	(114,587)
Total equity		**4,197,771**	3,567,100

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

	Note	Attributable to owners of NEXTDC Limited			
		Contributed Equity $'000	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2023		2,371,154	28,965	(123,501)	2,276,618
Prior period error		-	-	53,060	53,060
Restated total equity at the beginning of the financial year		2,371,154	28,965	(70,441)	2,329,678
Prior period error		-	-	978	978
Other comprehensive loss		-	(15,985)	-	(15,985)
Profit/(loss) for the period as previously reported		-	-	(22,485)	(22,485)
Total comprehensive loss		**-**	**(15,985)**	**(21,507)**	**(37,492)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		(42)	-	-	(42)
Share based payments - conversion of rights to shares		617	(617)	-	-
Share based payments - value of employee services		-	1,489	-	1,489
Balance at 31 December 2023 - restated#		**2,371,729**	**13,852**	**(91,948)**	**2,293,633**
Balance at 1 July 2024		3,667,117	14,570	(114,587)	3,567,100
Profit/(loss) for the period		-	-	(42,668)	(42,668)
Other comprehensive loss		-	3,343	-	3,343
Total comprehensive income for the period		**-**	**3,343**	**(42,668)**	**(39,325)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs		667,685	-	-	667,685
Share based payments - conversion of rights to shares	9	2,188	(2,188)	-	-
Share based payments - value of employee services		-	2,311	-	2,311
		669,873	123	-	669,996
Balance at 31 December 2024		**4,336,990**	**18,036**	**(157,255)**	**4,197,771**

Comparative information has been restated to reflect the prior period error as detailed in note 1 (b).

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Consolidated entity	
	31 December 2024 $'000	31 December 2023 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**231,912**	219,359
Payments to suppliers and employees (inclusive of GST)	**(138,883)**	(138,398)
	93,029	80,961
Interest paid	**(49,684)**	(39,107)
(Payments for)/proceeds from bank guarantees	**9,781**	(430)
Interest received	**31,731**	15,845
Net cash inflow from operating activities	**84,857**	57,269
Cash flows from investing activities		
Payments for property, plant and equipment	**(983,483)**	(223,218)
Payments for intangible assets	**(11,685)**	(9,257)
Net cash (outflow) from investing activities	**(995,168)**	(232,475)
Cash flows from financing activities		
Proceeds from borrowings	**800,000**	-
Repayment of borrowings	**(1,400,000)**	-
Transaction costs paid in relation to borrowings	**(20,901)**	-
Proceeds from issues of shares	**678,155**	-
Transaction costs paid in relation to issue of shares	**(10,470)**	(42)
Principal elements of lease payments	**(603)**	(764)
Net cash inflow (outflow) from financing activities	**46,181**	(806)
Net (decrease) in cash and cash equivalents	**(864,130)**	(176,012)
Cash and cash equivalents at the beginning of the period	**1,236,192**	765,841
Effects of exchange rate changes on cash and cash equivalents	**907**	(362)
Cash and cash equivalents at the end of the period	**372,969**	589,467

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

These financial statements for the half-year reporting period ended 31 December 2024 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by NEXTDC Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Where necessary, comparative information has been reclassified to conform with changes in presentation in the current interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(a) Adoption of new or amended standards and future accounting developments

New and revised standards and interpretations issued by the AASB and the IASB that are effective for the half year ended 31 December 2024 did not result in significant changes to the Group's accounting policies. There are no new accounting standards or amendments to existing standards that are not yet effective, which are expected to have a material impact on the Group.

(b) Correction of error in accounting for prior years

As described in the annual report for the year ended 30 June 2024, an error was identified relating to the capitalisation of borrowing costs during the construction of qualifying assets (which are assets constructed over a substantial period of time). The error arose in the 1H24 comparative period and earlier, and has already been adjusted for in the consolidated balance sheet in the FY24 financial statements. The impact on the 1H24 financial statements is only in relation to the Consolidated Statement of Comprehensive Income where the depreciation expense has increased by $1.2m and finance cost has decreased by $2.2m resulting in a decrease in the earnings/(loss) per share of 0.19 cents per share.

2 Segment information

(a) Description of segments

Management considers the business from a geographic perspective and has identified five reportable segments, being each geography where the Group operates data centre facilities and the last capturing financial information from operations that do not naturally fit into any particular geography. As these segments do not exist as a separate legal entity, information such as income tax expense and segment liabilities are not prepared and provided to management for review and therefore not presented.

During the prior year, management reassessed the basis for reporting on revenue from external customers to its chief operating decision makers, breaking down the revenue into a number of sub-categories to provide further meaningful information to decision makers on key revenue elements across each segment. Comparative information has also been amended to reflect this change.

(b) Segment information provided to management

31 December 2024	Vic $'000	NSW/ACT $'000	Rest of Australia $'000	International $'000	Other $'000	Total
Revenue from external customers						
Colocation revenue	57,174	70,780	30,390	-	-	**158,344**
Interconnection revenue	4,658	3,055	5,401	-	1,840	**14,954**
Other revenue including power passthrough	7,517	22,672	1,370	-	-	**31,559**
Rental revenue from landbank properties	34	412	213	-	-	**659**
Total revenue	**69,383**	**96,919**	**37,374**	**-**	**1,840**	**205,516**
Direct costs						
-Power	(9,900)	(22,692)	(4,599)	(18)	-	**(37,209)**
-Other	(36)	(441)	(63)	-	-	**(540)**
Facility costs	(6,937)	(8,087)	(4,699)	(115)	(200)	**(20,038)**
Employee benefits expense	(2,378)	(3,027)	(2,650)	(254)	(107)	**(8,416)**
Other expenses	(26)	(281)	(162)	(354)	(1,734)	**(2,557)**
Segment EBITDA	**50,106**	**62,391**	**25,201**	**(741)**	**(201)**	**136,756**
Segment assets	1,363,902	2,070,693	705,144	141,805	-	4,281,544
Unallocated assets	-	-	-	-	962,408	962,408
Total segment assets	**1,363,902**	**2,070,693**	**705,144**	**141,805**	**962,408**	**5,243,952**

2 Segment information (continued)

(b) Segment information provided to management (continued)

31 December 2023	**Vic $'000**	**NSW/ACT $'000**	**Rest of Australia $'000**	**Inter-national $'000**	**Other $'000**	**Total**
Revenue from external customers						
Colocation revenue	49,510	62,993	26,335	-	-	**138,838**
Interconnection revenue	4,587	2,778	4,985	-	1,681	**14,031**
Other revenue including power passthrough	10,368	42,556	923	-	-	**53,847**
Rental revenue from landbank properties	1,768	335	210	89	-	**2,402**
Total revenue	**66,233**	**108,662**	**32,453**	**89**	**1,681**	**209,118**
Direct costs						
-Power	(13,730)	(39,833)	(6,031)	(5)	-	**(59,599)**
-Other	(59)	(337)	(24)	-	-	**(420)**
Facility costs	(4,225)	(4,617)	(3,054)	(146)	(239)	**(12,281)**
Employee benefits expense	(2,438)	(2,686)	(2,001)	(387)	(72)	**(7,584)**
Other expenses	(10)	(600)	(80)	(535)	(387)	**(1,612)**
Segment EBITDA	**45,771**	**60,589**	**21,263**	**(984)**	**983**	**127,622**
30 June 2024						
Segment assets	1,227,250	1,776,771	668,028	89,679	-	3,761,728
Unallocated assets	-	-	-	-	1,454,969	1,454,969
Total segment assets	**1,227,250**	**1,776,771**	**668,028**	**89,679**	**1,454,969**	**5,216,697**

(c) Other segment information

A reconciliation of operating segment results to profit/(loss) before income tax is as follows:

	Consolidated entity	
	31 December 2024 $'000	Restated# 31 December 2023 $'000
Total segment EBITDA	**136,756**	127,622
Employee benefits expense (non-facility staff)	**(21,701)**	(17,121)
Finance costs	**(64,467)**	(47,229)
Depreciation and amortisation expense	**(96,875)**	(80,234)
Overheads and other expenses	**(14,531)**	(10,960)
Investment in associate	**(5,050)**	(3,369)
Other income	**28,621**	16,193
Profit/(loss) before tax	**(37,247)**	**(15,098)**

Comparative information has been restated to reflect the prior period error as detailed in note 1 (b).

3 Revenue

	Consolidated entity	
	31 December 2024 $'000	31 December 2023 $'000
Data centre services revenue	**204,857**	206,716
Rental revenue from landbank properties	**659**	2,402
Total revenue from contracts with customers	**205,516**	209,118

	Consolidated entity	
	31 December 2024 $'000	31 December 2023 $'000
Interest income	**27,819**	15,608
Other items included in gains/(losses)	**(163)**	922
Total other income	**27,656**	16,530

4 Other income and expense items

(a) Finance costs

The Group has identified a number of significant expense items below that impacted financial performance for the half-year:

	Consolidated entity	
	31 December 2024 $'000	Restated# 31 December 2023 $'000
Reversal of modification gain on extinguishment of borrowings	**(10,587)**	-
Costs on extinguishment of borrowings	**(15,905)**	-
Interest expense on lease liabilities	**(2,907)**	(2,816)
Interest expense and finance charges	**(47,333)**	(46,596)
	(76,732)	(49,412)
Amount capitalised	**12,265**	2,183
Total finance costs expensed	**(64,467)**	(47,229)

Comparative information has been restated to reflect the prior period error as detailed in note 1 (b).

4 Other income and expense items (continued)

(a) Finance costs (continued)

In December 2024, NEXTDC entered into a new $2.9 billion syndicated debt agreement under a new common terms platform to refinance its existing debt arrangement. The new facilities provide significant benefits, including additional flexibility for the Company to fund its longer-term growth ambitions through both the bank and bond markets, as well as material pricing reductions resulting in a significant improvement in the overall cost of funds. Refer to note 8 for further details.

The refinance has been accounted for as an extinguishment of the previous facilities, and as a result the remaining unamortised cost of these facilities of $15.9 million was written off in December 2024, along with the remaining unamortised balance of the modification gain of $10.6 million.

5 Income tax expense

(a) Income tax expense

	Consolidated entity	
	31 December 2024 $'000	31 December 2023 $'000
Deferred income tax		
Decrease / (increase) in deferred tax assets less deferred tax credited to equity	**5,421**	7,162
Increase / (decrease) in deferred tax liabilities less deferred tax credited to equity	**-**	(753)
Sub-total	**5,421**	6,409
Income tax (benefit)/expense is attributable to:		
Profit/(loss) from continuing operations	**5,421**	6,409
	5,421	6,409

(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

	Consolidated entity	
		Restated#
	31 December 2024 $'000	31 December 2023 $'000
Profit/(loss) from continuing operations before income tax expense	**(37,247)**	(15,098)
Tax at the Australian tax rate of 30.0%	**(11,174)**	(4,529)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share based payments	**(1,089)**	213
Derecognition of temporary differences on current year tax losses	**4,947**	4,810
Derecognition/(re-recognition) of temporary differences	**12,351**	5,771
Permanent differences (excluding prior period adjustments and share based payments)	**386**	144
Income tax expense/(benefit)	**5,421**	6,409

Comparative information has been restated to reflect the prior period error as detailed in note 1 (b).

(c) Amounts recognised directly in equity

	Consolidated entity	
	31 December 2024 $'000	31 December 2023 $'000
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Deferred tax credited/(debited) directly to equity	**(5,421)**	(6,409)

5 Income tax expense (continued)

(d) Tax losses

	Consolidated entity	
	31 December 2024 $'000	31 December 2023 $'000
Unused tax losses for which no deferred tax asset has been recognised	**122,706**	97,295
Potential tax benefit @ 30.0%	**36,812**	29,189

6 Property, plant and equipment

During the period NEXTDC invested approximately $1 billion in the development of S3 Sydney, S4 Sydney, S7 Sydney, M2 Melbourne, M3 Melbourne, A1 Adelaide, D1 Darwin, and KL1 Kuala Lumpur as well as other expansion and improvement activities across our data centres.

7 Investments in associate

The carrying amount of equity-accounted investments has changed as follows in the six months to 31 December 2024:

	Consolidated entity	
	31 December 2024 $'000	30 June 2024 $'000
Beginning of the period	12,137	6,271
Additions	-	12,458
Share of loss	(1,813)	(6,592)
Impairment charge	(3,237)	-
End of the period	7,087	12,137

NEXTDC's 31.96% stake in AUCyber Limited (ASX: CYB) (formerly Sovereign Cloud Holdings Limited (ASX:SOV)) was tested for impairment at the reporting date. An impairment charge of $3.2m was recorded to write-down the investment to its fair value at reporting date. The investment was disposed of on 31 January 2025. Refer to note 11 for additional details.

8 Borrowings

In December 2024, NEXTDC entered into a new $2.9 billion syndicated debt agreement under a new common terms platform to refinance its existing debt facilities. The new Facilities are summarised as follows:

• $1,500 million - Facility A Revolving Loan Facility ($1,100 million undrawn)
• $400 million - Facility B Term (fully drawn)
• $1,000 million - Facility C Revolving Loan Facility (undrawn)

Facility A has a maturity date of 3 December 2029, while Facilities B and C have a maturity date of 3 December 2031.

The Company incurred transaction costs of $22.3 million in establishing the new Facilities, which will be amortised over the terms of the facilities.

NEXTDC is exposed to interest rate volatility due to the variable rate on its Syndicated Debt Facilities. To mitigate the interest rate risk associated with this floating element, NEXTDC has entered into a series of interest rate swaps under which the $800 million of drawn debt has its base rate fixed until 3 December 2025. A further series of swaps under the same $800 million of drawn debt commence 3 December 2025 and results in the base rate being fixed until 3 December 2027.

A derivative asset, derivative liability and associated cash flow hedge reserve has been taken up at 31 December 2024 to account for these transactions.

The Syndicated Debt Facilities are secured by the Group's assets.

9 Contributed equity

(i) Ordinary shares

During the period, the Company conducted a capital raising, including a share placement and related share purchase plan, raising approximately $678.2 million. The Company issued 32,069,971 ordinary shares to institutional investors under the share placement at $17.15 per share, raising approximately $550.0 million. Then an additional 7,534,101 ordinary shares were issued to retail investors under the share purchase plan at $17.01 per share, raising approximately $128.2 million. The Company incurred transaction costs of $10.5 million related to these share issuances.

(ii) Conversion of right to shares

As part of NEXTDC's Equity Incentive Plan, which is offered to employees to create alignment with the Group's strategic objectives, 305,479 ordinary shares were issued on 24 October 2024. These shares were issued following the vesting of deferred STI share rights and performance rights.

10 Contingencies

The Group had no contingent liabilities at 31 December 2024 (30 June 2024: nil).

11 Events occurring after the reporting period

Since the end of the reporting period, no matters have arisen which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years, except as disclosed below:

• On 31 January 2025, NEXTDC disposed of its 31.96% holding in AUCyber Limited (ASX: CYB) (formerly Sovereign Cloud Holdings (ASX: SOV)) for proceeds of $7.1 million.

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 6 to 17 are in accordance with the *Corporations Act 2001*, including:

- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
- (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date and

(b) there are reasonable grounds to believe that NEXTDC Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Craig Scroggie
Managing Director and Chief Executive Officer

24 February 2025

Independent auditor's review report to the members of NEXTDC Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of NEXTDC Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of NEXTDC Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers

PricewaterhouseCoopers

Brett Entwistle
Partner

Sydney
24 February 2025