

20 March 2024

AUCloud completes the Institutional Entitlement Offer component of its pro rata accelerated renounceable entitlement offer

Sovereign Cloud Holdings Ltd (ASX:SOV) (**SOV** or the **Company**) is pleased to announce the successful completion of the institutional component of its 2.95 for 1 pro-rata accelerated renounceable entitlement offer that was announced on 18 March 2024 (**Offer**).

Institutional Entitlement Offer

The Institutional component of the Entitlement Offer (**Institutional Entitlement Offer**) raised gross proceeds of approximately \$21.0 million at \$0.03 (**Offer Price**) per new SOV fully paid ordinary share (**New Shares**):

- the existing eligible institutional shareholders take up was approximately 53%; and
- entitlements not taken up by eligible institutional shareholders and entitlements of ineligible institutional shareholders were sold in the Institutional shortfall bookbuild (**Institutional Bookbuild**) at \$0.03 per New Share.

Institutional Shareholders who renounced their entitlements under the Institutional Entitlement Offer will not receive any value for their renounced entitlements sold through the Institutional Bookbuild as the price achieved under the Institutional Bookbuild was also equal to the Offer Price.

Settlement of the Institutional Entitlement Offer will take place on 27 March 2024, with approximately 560 million New Shares issued under the Institutional Entitlement Offer to commence trading on 28 March 2024¹. New Shares to be issued under the Institutional Entitlement Offer will rank equally with the Company's existing shares from the date of issue.

As a result of additional demand received the Lead Manager and Underwriter, Ord Minnett Limited has agreed to increase the underwritten component of the Offer from \$25.0 million to \$26.6 million.

Director and substantial shareholder commitments

Directors and their related entities and NEXTDC committed to acquire up to \$15.9 million of New Shares as part of their entitlements and/or under the sub-underwriting arrangements in relation to the retail component of the Entitlement Offer (**Retail Entitlement Offer**). After completion of the Institutional Entitlement Offer there is a remaining \$5.6 million of sub-underwriting commitments for the Retail Entitlement Offer.

Retail Entitlement Offer

The Retail Entitlement is now expected to raise a minimum of approximately \$5.6 million and a maximum of approximately \$9.0 million.

The Retail Entitlement Offer is available to all Eligible Shareholders who hold shares as at 7.00pm on Thursday, 21 March 2024 (**Record Date**) with a registered address in Australia and New Zealand (**Eligible Shareholders**). Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

Eligible Retail Shareholders will be offered the opportunity to participate in the Offer on the same terms as eligible institutional shareholders and may elect to take up their Entitlement in full or part. Entitlements under the Retail Entitlement Offer are renounceable but not able to be traded on ASX.

¹ NEXTDC has agreed to take up 100% of its entitlement, representing \$10.1 million. However, in order to ensure that its shareholding does not increase in breach of Chapter 6 of the Corporations Act 2001, a portion of NEXTDC's entitlement will settle on the settlement date for the Retail Entitlement Offer and the balance of NEXTDC's entitlement and any Retail Shortfall Shares allocated to NEXTDC will settle following completion of the Acquisitions.

ASX Announcement (SOV)



Eligible Retail Shareholders may also apply for an uncapped number of additional new shares in excess of their entitlement, at the Offer Price. 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. The Company retains the flexibility to scale back applications for additional New Shares at its discretion.

Entitlements not taken up by Eligible Retail Shareholders and Entitlements of Ineligible Shareholders will be offered under a bookbuild to institutional investors, to be conducted after the close of the Retail Entitlement Offer.

If the price at which the entitlements of renouncing shareholders or Ineligible Shareholders are sold under the bookbuild exceeds the Offer Price, that premium amount will be paid on a pro-rata basis to Ineligible Shareholders and renouncing shareholders.

Ineligible Shareholders or Eligible Shareholders who renounce their Entitlements will have their percentage shareholding in the Company diluted as a result of the Offer.

Further details about the Retail Entitlement Offer will be set out in a retail offer booklet (**Offer Booklet**). Eligible retail shareholders will be sent a copy of the Offer Booklet and personalised entitlement and acceptance form on 25 March 2024.

The Retail Entitlement Offer opens at 9:00am on 25 March 2024 and will close at 5.00pm (Sydney time) on 10 April 2024 (unless extended).

The Company's ordinary shares are expected to resume trading from market open today on an ex-entitlement basis.

Key Dates²

Event	Date
Announcement of Acquisition and Offer and trading halt	Monday, 18 March 2024
Trading halt lifted and announcement of outcome of the Institutional Entitlement Offer	Wednesday, 20 March 2024
Record date under the Offer	Thursday, 21 March 2024
Retail Entitlement Offer Period Opens and Offer Booklet despatched	Monday, 25 March 2024
Settlement of Institutional Entitlement Offer	Wednesday, 27 March 2024
New Shares allotted under the Institutional Entitlement Offer	Thursday, 28 March 2024
Retail Entitlement Offer closes ³	Wednesday, 10 April 2024
Settlement of Retail Entitlement Offer	Wednesday, 17 April 2024
Allotment of securities issued under the Retail Entitlement Offer	Thursday, 18 April 2024
Extraordinary General Meeting	Wednesday, 24 April 2024
Target date for completion of the Acquisitions	Tuesday, 30 April 2024

If you have any questions, you should contact your stockbroker, solicitor, accountant, financial adviser or other

² All dates are indicative only and subject to change. The Company and the Sole Lead Manager reserve the right to withdraw or vary the timetable subject to the ASX Listing Rules.

³ Eligible Shareholders who wish to take up all or a part of their Entitlement must complete and return their personalised Entitlement and Acceptance Form with the requisite Application Monies or pay their Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form so that they are received by the Company's Share Registry by no later than 5.00pm (Sydney time) on 10 April 2024.

professional adviser.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the **US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. AUCloud does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

This ASX announcement was authorised for release by AUCloud's Board of Directors.

ASX Announcement (SOV)



Further information, please contact:

Michelle Crouch
Company Secretary
P: +61 417 123 292
E: mcrouch@aucloud.com.au

About AUCloud

AUCloud is an Australian owned and operated Cyber Security Managed Security Service Provider (MSSP) and Sovereign Cloud Service (IaaS) specialist that supports Australian Governments, Critical National Industries (CNIs) with the latest sovereign cloud infrastructure, backup and cyber security threat defence and response services. AUCloud solutions enable customers to benefit from sovereign data protection with the scale, automation, elasticity and lower costs typically associated with global cloud offerings.

AUCloud's Sovereign Cloud Service (IaaS) and Cyber Security Solutions are underpinned by a range of security certifications, including "Certified Strategic" on Digital Transformation Agency's Hosting Certification Framework (HCF), assessed to the PROTECTED controls of the Australian Signals Directorate's (ASD) Information Security Manual (ISM) through to the Australian Cyber Security Centre's Cloud Assessment and Authorisation Framework (CAAF), inclusive of the Information Security Registered Assessors Program (IRAP) certification and ISO 27001. This provides AUCloud's customers with confidence that their data is secure and that services are delivered to the highest standards.