

18 March 2024

Cleansing Notice – fully paid ordinary shares issued under pro-rata accelerated renounceable entitlement offer

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Sovereign Cloud Holdings Limited ACN 622 728 189 (ASX: SOV) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**Corporations Act**).

On 18 March 2024, the Company announced an accelerated renounceable pro-rata entitlement offer of new fully paid ordinary shares (**New Shares**) in the Company to eligible existing shareholders as at 21 March 2024 at a price of A\$0.03 per New Share to raise up to A\$30 million (**Entitlement Offer**), comprising an accelerated institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

The Company gives notice under and in accordance with section 708AA(2)(f) of the Corporations Act that:

- a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Corporations Act;
- b) as at the date of this notice, the Company has complied with:
 - i) the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
 - ii) sections 674 and 674A of the Corporations Act;
- c) as at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708AA(8) and 708AA(9) of the Corporations Act; and
- d) the potential effect the Entitlement Offer will have on the control of the Company and the consequences of that effect will depend on a number of factors, including the extent to which eligible shareholders take up their entitlements and any additional New Shares under the shortfall facility for the Entitlement Offer and the allocation of any shortfall under the Entitlement Offer.

NEXTDC Ventures Holdings No. 1 Pty Ltd ACN 655 243 057 (**NEXTDC**) (which currently holds 33.6% of the issued capital of the Company), has committed to take up 100% of its entitlement under the Institutional Entitlement Offer and to sub-underwrite part of the Retail Entitlement Offer. In addition, the Company has received binding commitments from certain of its directors to take up their entitlements either in full or in part or to sub-underwrite the Offer. Together, the take-up and sub-underwriting commitments represent approximately 52% of total New Shares offered under the Entitlement Offer and the equivalent of \$17.2 million based on the offer price.

Given the structure of the Entitlement Offer being an pro rata accelerated renounceable entitlement offer together with the Company having received binding take up and sub-underwriting commitments representing approximately 52% of total New Shares offered under the Entitlement Offer and with the Entitlement Offer being underwritten by Ord Minnett Limited to an amount of \$25 million, the issue of New Shares under the Entitlement Offer is not expected to have a material effect on the control of the Company and therefore no subsequent consequences for the Company. However, if NEXTDC are required to subscribe for shares under their sub-underwriting commitment, their shareholding in the Company could increase to a maximum of 36.3% following the Entitlement Offer.

The Entitlement Offer is being conducted to fund the cash consideration for its proposed acquisitions of three cyber businesses, paying transaction costs and to provide working capital, as further described in the investor presentation released to ASX today. Shortly following completion of the Entitlement Offer, subject to satisfaction of the applicable conditions precedent, the Company will also issue an aggregate of \$8.85 million in New Shares to the vendors of the businesses, which will dilute all existing shareholders.

Authorisation: This cleansing notice was authorised by the board of directors of the Company.

Further information, please contact:

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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.