

# REGIONAL EXPANSION AND ENTITLEMENT OFFER

11 May 2023



NEXTDC

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Refer to the section entitled "International Offer Restrictions" of this Presentation for further details.

## **Basis of Preparation**

This Presentation incorporates results on a statutory as well and non-statutory basis with financial results presented in AUD unless otherwise stated. Data used for calculating percentage movements have been based on whole actual numbers and estimates where appropriate. Please also see supplementary notes, footnotes, links and additional terms throughout the Presentation.

## **Financial Information**

The financial information in this Presentation is presented in an abbreviated form insofar as it does not include all of the Presentation and disclosures required by the Australian Accounting Standards ("AAS") and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The historical financial information for NEXTDC contained in this Presentation has been derived from the unaudited interim consolidated financial statements for the half year ended 31 December 2022, as lodged with ASX on 28 February 2023.

This Presentation also contains pro-forma historical financial information to show the impact of the Entitlement Offer. The pro-forma information has not been audited or reviewed by NEXTDC's auditors. The pro-forma financial information provided in this Presentation is for illustrative purposes only and is not represented as being indicative of NEXTDC's (nor anyone else's) views on its future financial condition and/or performance. The pro-forma financial information has been prepared on the basis set out in this Presentation. Investors should note that the pro-forma financial information has not been prepared in accordance with, and does not purport to comply with, Article 11 of Regulation S-X under the U.S. Securities Act.

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# SUMMARY





# SUMMARY



## NEXTDC is today launching a fully underwritten ~A\$618 million pro-rata accelerated non-renounceable entitlement offer (“Entitlement Offer”)

- 1 for 8 Entitlement Offer
- A\$10.80 per New Share (“Offer Price”)
  - 7.5% discount to the TERP<sup>1</sup> of A\$11.67



## Net proceeds of the Entitlement Offer will predominantly fund expansion in the APAC region – Malaysia, New Zealand

- New data centre developments in Kuala Lumpur (KL1) and Auckland (AK1)
- Funding will also be used to accelerate fit out at S3 following the increase in contracted utilisation at that site



## Updated FY23 Guidance<sup>2</sup>

- 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

Note: Refer to Appendix D for Glossary of key terms.

1. 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.

2. Refer to NEXTDC’s ASX Announcement dated 28 February 2023 for the previous guidance provided to the market.

# NEXTDC INVESTMENT HIGHLIGHTS



## Compelling industry fundamentals underpin significant long-term growth for NEXTDC

- Growth in data traffic and consumption expected to support the increasing demand for data storage



## Proven business model and substantial experience delivering and operating greenfield data centre projects in Australia

- A leading digital infrastructure platform, with best-in-class facilities and diverse customer ecosystems
- Supports expansion into complementary, adjacent geographic markets



## Recurring revenue model with exposure to long-term contracts

- NEXTDC delivers critical infrastructure to a range of cloud service providers and a diversified tail of enterprise customers with high levels of retention
- Services delivered across a portfolio of data centres, providing diversification in terms of region, customer mix and contract tenor



# NEXTDC INVESTMENT HIGHLIGHTS (CONT.)



## Strong track record in delivering growth in contracted utilisation, revenue, and EBITDA

- Contracted utilisation has increased 35.9MW (43%) to 120MW since 31 December 2022<sup>1</sup>
- Contracted utilisation and EBITDA have grown at a 5-year CAGR to 30 June 2022 of 21% and 28% respectively



## Highly disciplined approach to capital investment

- Investment in data centre development and fit out is customer led
- Entry into Malaysia and New Zealand represents NEXTDC's first significant investment outside of Australia and into the high-growth APAC market



## Robust balance sheet, supported by substantial liquidity to fund future expansion and growth

- Pro-forma tangible asset backing of ~A\$3.8 billion<sup>2</sup>
- Pro-forma liquidity of ~A\$2.6 billion<sup>2</sup>

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

2. Refer to slide 17 for breakdown of pro-forma liquidity.

# REGIONAL EXPANSION



# EXPANDING REGIONAL DATA CENTRE PRESENCE



- With a rapidly growing portfolio of data centres and development projects across the APAC region, our continued expansion reflects our commitment to meeting the growing demand for high-quality, reliable, and secure data centre services across the region
- NEXTDC's latest expansion into Malaysia and New Zealand represents an exciting new chapter for our digital infrastructure platform. By establishing a presence in these new markets, we are opening up new opportunities to serve customers and meet the needs of businesses operating in these regions

# KL1 KUALA LUMPUR

## TECHNICAL SPECIFICATIONS

Land area	~42,000sqm
Total target IT capacity	~18,250sqm
Total Power Planned	65MW <sup>1</sup>
Target PUE	1.35
Design & construction standard	UI Tier IV Design and Construct UI Tier IV Constructed Facility UI Tier IV Gold for Operational Sustainability
Initial capital expenditure	~A\$250 million <sup>2</sup>
Practical completion	1H FY26

- KL1 will be 100% owned by NEXTDC
- Located ~10km from Kuala Lumpur CBD
- Access to supporting infrastructure

1. Initial capital expenditure for Phase 1 of KL1 is projected to deliver IT capacity of 7.5MW.  
2. Amount includes the new commercial property site acquisition cost of ~A\$53 million (recently settled in 2H FY23).





# AK1 AUCKLAND

## TECHNICAL SPECIFICATIONS

Land area	~2,900sqm
Total target IT capacity	~3,000sqm
Total Power Planned	10MW <sup>+1,2</sup>
Target PUE	1.35
Design & construction standard	UI Tier IV Design and Construct UI Tier IV Constructed Facility UI Tier IV Gold for Operational Sustainability
Initial capital expenditure	~A\$140 million <sup>3</sup>
Practical completion	1H FY26

- New Zealand represents a complementary adjacent market with a similar customer set to Australia
- AK1 is 100% owned by NEXTDC
- Located in the Auckland CBD
- Access to supporting infrastructure

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

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

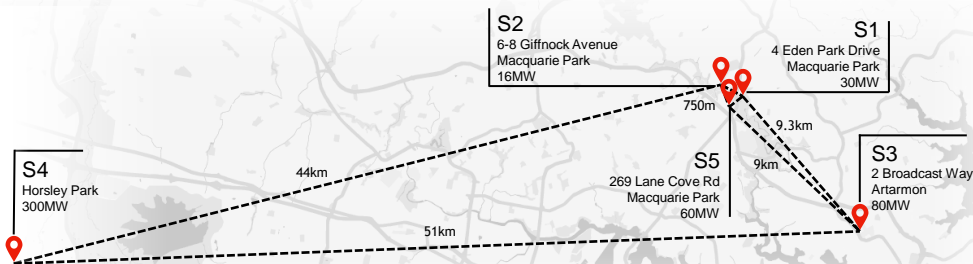
3. Amount excludes the new commercial property site acquisition cost of ~A\$21 million (settled in 1H FY23).



# SYDNEY MARKET UPDATE

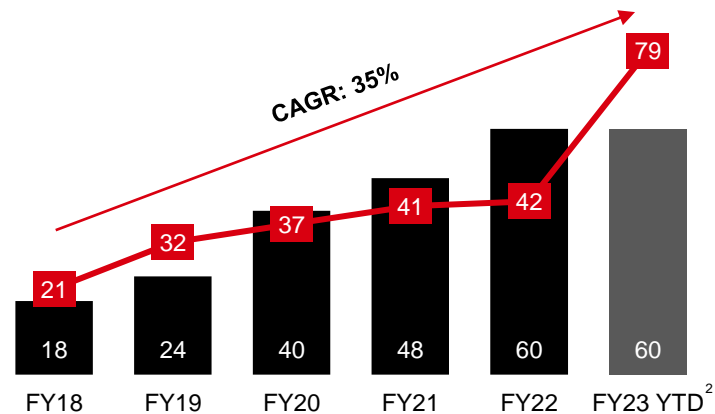
## Step change in contracted utilisation requires an acceleration of S3 fit out

- NEXTDC announced significant contract wins in April, increasing the Company's contracted utilisation by 35.9MW (43%) to 120MW since 31 December 2022<sup>1</sup>
- 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
- By accelerating the fit out of S3, NEXTDC will seek to ensure it can meet customer obligations and continues to be best positioned for future growth



## CONTRACTED UTILISATION VS BUILT CAPACITY (NSW/ACT)

■ Built capacity (MW)  
— Contracted utilisation (MW)



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

2. As at 12 April 2023.

A black and white photograph of two women in NextDC uniforms. The woman on the left is wearing a polo shirt with the NextDC logo and tagline. The woman on the right is wearing a t-shirt with a large NextDC logo. They are both smiling and looking at a laptop screen. The background is a blurred office environment.

# ENTITLEMENT OFFER DETAILS



# USE OF PROCEEDS

Sources	A\$m
Entitlement Offer	618
<b>Total Sources of Funds</b>	<b>618</b>

Uses	A\$m
Malaysia (KL1) – data centre development	250
New Zealand (AK1) – data centre development	140
Sydney (S3) – accelerated fit out	150
General corporate purposes	64
Transaction costs	14
<b>Total Uses of Funds</b>	<b>618</b>

- Net proceeds from the Entitlement Offer will be applied to the funding of new incremental growth initiatives including proposed new data centre developments of KL1 and AK1, and accelerated data hall fit out at S3
- Construction at AK1 and KL1 is expected to commence in FY24 with the sites targeting practical completion in 1H FY26
  - Advanced plans in place for both the construction and operation of the new data centres
  - Total capital expenditure for KL1 includes the new commercial property site acquisition cost of ~A\$53 million (recently settled in 2H FY23)
  - Remaining capital expenditure will be invested into the building and fit out for Phase 1 IT capacity
- Accelerated S3 fit out capital expenditure of ~A\$150 million over the next 24 months following the recently announced large customer contract wins

# PRO-FORMA BALANCE SHEET

## Pro-forma Adjustments

Balance Sheet Summary (A\$m)	31 Dec 2022 (Statutory)	Term Debt <sup>1</sup>	Entitlement Offer <sup>2</sup>	31 Dec 2022 (Pro-forma)
Cash and cash equivalents	364	91	604	1,059
Property, plant & equipment	2,630			2,630
Other assets	280			280
<b>Total assets</b>	<b>3,153</b>	<b>91</b>	<b>604</b>	<b>3,848</b>
Borrowings	1,263	100		1,363
Other liabilities	196			196
<b>Total liabilities</b>	<b>1,459</b>	<b>100</b>		<b>1,559</b>
<b>Net assets</b>	<b>1,693</b>	<b>(9)</b>	<b>604</b>	<b>2,288</b>
<b>Debt metrics summary</b>				
Gearing <sup>3</sup>	33.9%			10.7%
Leverage ratio <sup>4</sup>	4.8x			1.5x

- On a pro-forma basis, NEXTDC has a significant tangible asset backing of ~A\$3.8 billion, with PP&E of ~A\$2.6 billion, underpinned by high quality data centres in prime locations across Australia's major capital cities
- Strong balance sheet provides sufficient liquidity to fund capital expenditure, as well as capacity to take advantage of market opportunities as they arise
- On a pro-forma basis, NEXTDC has liquidity of ~A\$2.6 billion as at 31 December 2022, including:
  - ~A\$364 million cash (as at 31 December 2022)
  - ~A\$91 million in new drawn debt/cash<sup>1</sup>
  - ~A\$604 million Entitlement Offer net proceeds<sup>2</sup>
  - A\$1.5 billion in undrawn debt facilities (off-balance sheet)
- Drawn debt is 100% hedged until December 2024

1. Pro-forma adjustment for new drawn debt of A\$100 million as referenced in NEXTDC's ASX announcement of 13 January 2022, less transaction costs of ~A\$9m. Pro-forma adjustment excludes the tax effect impact of transaction costs.

2. Pro-forma adjustment for the proceeds of the Entitlement Offer of ~A\$618 million, less transaction costs of ~A\$14m. Pro-forma adjustment excludes the tax effect impact of transaction costs.

3. Net Debt/(Net Debt + Equity). Net Debt consists of borrowings, less derivative financial instruments (A\$30 million), less cash and cash equivalents.

4. Net Debt/LTM EBITDA. Net Debt divided by Last Twelve-Month Underlying EBITDA to 31 December 2022 of A\$181.5 million.

# ENTITLEMENT OFFER SUMMARY

Offer Size & Structure	<ul style="list-style-type: none"><li>▪ 1 for 8 pro-rata accelerated non-renounceable entitlement offer to raise ~A\$618 million</li><li>▪ ~57.2 million New Shares to be issued under the Entitlement Offer, equivalent to 12.5% of Existing Shares on issue</li></ul>
Offer Price	<ul style="list-style-type: none"><li>▪ Offer Price of A\$10.80 per New Share representing a discount of:<ul style="list-style-type: none"><li>– 7.5% to the TERP<sup>1</sup> of A\$11.67</li></ul></li></ul>
Institutional Entitlement Offer <sup>2</sup>	<ul style="list-style-type: none"><li>▪ Institutional Entitlements not taken up and those of Ineligible Institutional Shareholders will be sold at the Offer Price</li></ul>
Retail Entitlement Offer	<ul style="list-style-type: none"><li>▪ Retail Entitlement Offer will open on 18 May 2023 and close at 5.00pm (Sydney time) on 31 May 2023</li><li>▪ Eligible Retail Shareholders in Australia and New Zealand may:<ul style="list-style-type: none"><li>– Elect to take up all or part of their entitlements prior to 5.00pm (Sydney time) on 31 May 2023</li><li>– Do nothing and let their retail entitlements lapse</li></ul></li><li>▪ Eligible Retail Shareholders may also apply for additional New Shares up to a maximum of 100% of their existing Entitlements<ul style="list-style-type: none"><li>– NEXTDC retains the flexibility to scale back Applications for additional New Shares at its discretion</li></ul></li><li>▪ Retail shareholders should read the Retail Offer Booklet which contains the information on the Retail Entitlement Offer and process to apply for New Shares</li></ul>
Underwriting	<ul style="list-style-type: none"><li>▪ Entitlement Offer is fully underwritten by the Joint Lead Managers and Bookrunners</li></ul>
Ranking	<ul style="list-style-type: none"><li>▪ New Shares issued under the Entitlement Offer will rank equally with existing fully paid ordinary NEXTDC shares from the date of issue</li></ul>
Director Participation	<ul style="list-style-type: none"><li>▪ 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</li></ul>

Note: Refer to Appendix D for Glossary of key terms.

1. The Theoretical Ex-Rights Price 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.

2. NEXTDC has determined to extend the Institutional Entitlement Offer to Eligible Institutional Shareholders registered in selected jurisdictions subject to the "International Offer Restrictions" set out in Appendix C of this Presentation.

# ENTITLEMENT OFFER TIMETABLE

Event	Date <sup>1</sup>
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

Note: Refer to Appendix D for Glossary of key terms.

1. 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.

# APPENDIX A

## KEY RISKS



# KEY RISKS

This section discusses some of the key risks associated with an investment in NEXTDC, together with risks relating to participation in the Entitlement Offer, 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.

# KEY RISKS (CONT.)

## Development of Data Centres

NEXTDC is involved in the development of data centres. Generally, development projects, including KL1 and AK1, have a number of key risks including: (i) the risk that suitable sites or required planning consents, 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) there is 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 KL1 or AK1, 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 data centre developments in Kuala Lumpur, Malaysia and Auckland, New Zealand. 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 may require navigating complex local business customs and practices, which can increase operational risks for companies like NEXTDC. Malaysia'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 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.



# KEY RISKS (CONT.)

## 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 10 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.

## Lease Risk

NEXTDC leases certain of its properties from third parties. Any breach or termination of these 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 and have a material adverse impact on NEXTDC's financial and operating performance.

## 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.

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.

# KEY RISKS (CONT.)

## 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, the loss of such staff may have a negative impact on NEXTDC's business and operations.

## Disruption or 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 entitled 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.

# KEY RISKS (CONT.)

## 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.

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.

# KEY RISKS (CONT.)

## Future Acquisitions and Investments

NEXTDC will continue to evaluate a range of growth driven initiatives in the future, which may include the acquisition of new data centre sites or business acquisitions or investments. There can be no assurances that NEXTDC will identify suitable future acquisition or investment opportunities or be able to complete such acquisition or investment opportunities on commercially acceptable terms. Where an acquisition is undertaken, there are also 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 and/or contribute capital in the future.

NEXTDC will seek to obtain customary warranties and indemnities from vendors of the acquired businesses or the investment (where possible). However, NEXTDC may not be able to obtain, or may not obtain, all appropriate warranties or indemnities. Further, NEXTDC's failure to detect material due diligence issues connected to the 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 taxation laws. Failure by NEXTDC to comply with those laws, regulations and industry compliance 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 compliance 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 or regulations 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.

# KEY RISKS (CONT.)

## 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 regarding 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 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 proposed expansion into Malaysia and New Zealand, NEXTDC's revenues, expenses and capital costs will increasingly be incurred in foreign currencies (e.g., MYR, NZ\$ and US\$), 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.

# KEY RISKS (CONT.)

## 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 Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement. If certain conditions are not satisfied or certain events occur, the Joint Lead Managers may terminate the Underwriting Agreement (for further information, see slide 31). 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 Entitlement Offer, 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 2001* (Cth) or any other applicable law.

## Non-Participation in the Entitlement Offer

As the Entitlement Offer is non-renounceable, entitlement rights under the Entitlement Offer cannot be traded on ASX or otherwise transferred. If NEXTDC shareholders are ineligible to participate, choose not to participate in the Entitlement Offer, or do not take up their full entitlements to acquire shares under the Entitlement Offer, their percentage shareholding will be diluted, and they will not have an opportunity to realise value for their renounced entitlements.

# KEY RISKS (CONT.)

## 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 is expected 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.



# APPENDIX B

## SUMMARY OF THE UNDERWRITING AGREEMENT



# 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 this Entitlement Offer (“**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 Entitlement Offer without the Joint Lead Managers' consent;
- NEXTDC withdraws the Entitlement Offer;
- 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 Entitlement Offer 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 Entitlement Offer, 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 to be issued under the Institutional Entitlement Offer or the settlement date for the New Shares to be issued under the Retail Entitlement Offer, it has not been withdrawn before such dates, 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 (which, for the avoidance of doubt, does not include a trading halt requested to facilitate the Entitlement Offer);
- 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 to be issued under the Institutional Entitlement Offer or New Shares to be issued under the Retail Entitlement Offer by 9.30am on the relevant settlement dates for such shares;
- 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 2001;

# SUMMARY OF UNDERWRITING AGREEMENT (CONT.)

- 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 Entitlement Offer;
- 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 Entitlement Offer, 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. These events include, but are not limited to, where:

- an obligation arises on NEXTDC to give ASX a notice in accordance with section 708AA(12)(a) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) or a notice in accordance with section 708AA(11) of the Corporations Act;
- 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 Entitlement Offer;
- 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 this Entitlement Offer 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;
- 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);

# SUMMARY OF UNDERWRITING AGREEMENT (CONT.)

- 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; 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 this Entitlement Offer.

# APPENDIX C

## INTERNATIONAL OFFER RESTRICTIONS



# INTERNATIONAL OFFER RESTRICTIONS

This document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document 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**

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.

## **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.

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

This document 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 document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document 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 document, 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.

The Company 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.

# INTERNATIONAL OFFER RESTRICTIONS (CONT.)

Any financial information contained in this document 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 document 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 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 document, 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.

## Germany

This document has not been, and will not be, registered with or approved by any securities regulator in Germany or elsewhere in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in Germany 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 Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

**WARNING:** This document 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 document 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).



# INTERNATIONAL OFFER RESTRICTIONS (CONT.)

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 document 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 document, you should obtain independent professional advice.

## 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 document 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.

# INTERNATIONAL OFFER RESTRICTIONS (CONT.)

## Norway

This document 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 document 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 document 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 document 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 document 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 this document immediately. You may not forward or circulate this document 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 document 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 document 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 document 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 document is personal to the recipient and not for general circulation in Switzerland.

# INTERNATIONAL OFFER RESTRICTIONS (CONT.)

## United Arab Emirates

This document 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 document 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 document 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).

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Neither this document 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.

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# APPENDIX D

## GLOSSARY



# GLOSSARY

<b>Application</b>	The arranging for payment of the relevant Application Monies through Bpay® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies
<b>Application Monies</b>	Aggregate amount payable for the New Shares applied for through BPAY® or in a duly completed Entitlement and Acceptance Form
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange ACN 008 624 691 and the securities exchange operated by it
<b>AUD / A\$</b>	Australian Dollars
<b>CAGR</b>	Compound Annual Growth Rate
<b>CBD</b>	Central Business District
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>EBITDA</b>	Earnings Before Interest, Tax, Depreciation, and Amortisation
<b>Eligible Institutional Shareholder</b>	In accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date 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)
<b>Eligible Retail Shareholder</b>	Shareholder on the Record Date who: (a) is registered as a holder of existing NEXTDC shares; (b) has a registered address in Australia or New Zealand or is a Shareholder that NEXTDC has otherwise determined is eligible to participate; (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
<b>Entitlement</b>	The right to subscribe for 1 New Share for every 8 Existing Shares held by eligible Shareholders on the Record Date, pursuant to the Entitlement Offer
<b>Entitlement and Acceptance Form</b>	Entitlement and acceptance form accompanying the Retail Offer Booklet

<b>Entitlement Offer</b>	The Institutional Entitlement Offer and the Retail Entitlement Offer
<b>Ineligible Institutional Shareholder</b>	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
<b>Institutional Entitlement Offer</b>	The pro-rata accelerated non-renounceable entitlement offer to Eligible Institutional Shareholders
<b>Joint Lead Managers</b>	The underwriters, joint lead managers and bookrunners to the Entitlement Offer
<b>MW</b>	Megawatts
<b>New Shares</b>	Shares to be allotted and issued under the Entitlement Offer, including (as the context requires) the shortfall from the Entitlement Offer issued under the Top Up Facility or to the Joint Lead Managers or sub-underwriters
<b>NEXTDC</b>	NEXTDC Limited ACN 143 582 521
<b>Offer Price</b>	A\$10.80 per New Share
<b>PP&amp;E</b>	Property, Plant & Equipment
<b>PUE</b>	Power Usage Effectiveness
<b>Record Date</b>	7.00pm (Sydney time) on Monday, 15 May 2023
<b>Retail Entitlement Offer</b>	The pro-rata non-renounceable offer to Eligible Retail Shareholders to subscribe for 1 New Share for every 8 Existing Shares of which the Shareholder is the registered holder on the Record Date, at an Offer Price of A\$10.80 per New Share pursuant to the Retail Offer Booklet
<b>Retail Offer Booklet</b>	Booklet containing further details about the Retail Entitlement Offer, which NEXTDC expects to lodge with the ASX on 18 May 2023
<b>Share</b>	A fully paid ordinary share in the capital of NEXTDC
<b>Shareholder</b>	A holder of Shares
<b>TERP</b>	The theoretical price at which NEXTDC shares should trade immediately following the ex-date for the Entitlement Offer
<b>Underwriting Agreement</b>	The underwriting agreement dated Thursday, 11 May 2023 between NEXTDC and the Joint Lead Managers



# NEXTDC INVESTOR RELATIONS



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