

9 June 2023

**URGENT - EMAIL  
ACKNOWLEDGEMENT REQUIRED  
BY  
5PM (SYDNEY TIME), 16 JUNE 2023**

**Not for Release to US wire services or Distribution in the United States**

Dear Sir/Madam

## **1 for 1 pro rata non-renounceable entitlement offer**

### **Important instructions to nominees and/or custodians acting for beneficial shareholders in Sovereign Cloud Holdings Limited ACN 622 728 189**

If you are not the correct person in your organisation to receive this letter, kindly forward it to the most appropriate person.

#### **Introduction**

On 1 June 2023, Sovereign Cloud Holdings Limited ACN 622 728 189 ("**SOV**" or the "**Company**") announced a non-renounceable pro-rata entitlement offer ("**Entitlement Offer**") of fully paid ordinary shares ("**New Shares**") at an offer price of A\$0.05 ("**Offer Price**") which will raise approximately A\$8.49 million. Under the Entitlement Offer, eligible existing shareholders are entitled to subscribe for 1 New Share for every 1 existing ordinary share ("**Shares**") held at 7.00pm (Sydney time) on 6 June 2023 ("**Record Date**").

The Entitlement Offer is, to the extent not covered by the major shareholder commitments, underwritten by Peter Maloney (CEO & Managing Director of the Company), NEXTDC Ventures Holdings No. 1 Pty Ltd (an entity controlled by NEXTDC Limited) and Badger 31 Pty Ltd (an entity controlled by Catherine Reid, a current director and chair of the Company) (together, the "**Underwriters**").

The Entitlement Offer is being made under an Offer Booklet released to the ASX on 1 June 2023. The Company is not issuing a prospectus, as the Entitlement Offer is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84).

The Offer Booklet, as well as the personalised Entitlement and Acceptance Form, was despatched to Eligible Shareholders on 9 June 2023.

Capitalised terms used but not defined in this letter have the same meaning given to them in the Offer Booklet.

#### **Eligibility Criteria for the Entitlement Offer**

The Entitlement Offer is being made to "**Eligible Shareholders**" being persons who:

- were registered as a holder of Shares as at the Record Date, being 7.00pm (Sydney time) on 6 June 2023; and
- as at the Record Date, have a registered address on the Company's Share register that is in Australia, New Zealand, the Philippines or the United Kingdom, or are a Shareholder that the Company has otherwise determined is eligible to participate;

- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Any underlying beneficial holders of Shares who are not Eligible Shareholders are ineligible to apply for New Shares under the Entitlement Offer. You must not provide those persons with the Disclosure Materials (as defined below), submit personalised Entitlement and Acceptance Forms on their behalf or apply for New Shares on their behalf.

The Company reserves the right to reject any application that they believe comes from a person who is not an Eligible Shareholder or on behalf of a beneficial holder of Shares who is not an Eligible Shareholder.

## Entitlement Offer

As a nominee, trustee or custodian for shareholders in the Company ("**nominee**") you will receive the Offer Booklet and other documentation in relation to the Entitlement Offer ("**Disclosure Materials**"), including a personalised Entitlement and Acceptance Form. The personalised Entitlement and Acceptance Form will indicate an Entitlement based upon the number of Shares you hold in aggregate under your nominee account name as at 7.00pm (Sydney time) on the Record Date.

You must not send copies of the Disclosure Materials, the personalised Entitlement and Acceptance Form or any other material relating to the Entitlement Offer to any of beneficial holder of Shares (or any other person) resident in countries other than Australia, New Zealand, the Philippines or the United Kingdom. In particular, the Disclosure Materials and the personalised Entitlement and Acceptance Form are not for distribution into the United States. Accordingly, you must not distribute, in whole or in part, the Disclosure Materials or any other documents relating to the Entitlement Offer to any person in the United States or to any person that is acting for the account or benefit of a person in the United States (including, for the avoidance of doubt, any "U.S. Person" as defined in Regulation S under the U.S. Securities Act). The Disclosure Materials and the personalised Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities to any person in the United States or in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The New Shares have not been, and will not be registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, to persons in the United States or persons that are acting for the account or benefit of a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States. The New Shares in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

Nominees will be entitled to apply for New Shares in the Entitlement Offer on behalf of underlying beneficial holders of Shares who are Eligible Shareholders.

Any underlying beneficial holders of Shares who are not Eligible Shareholders are ineligible to apply for New Shares under the Entitlement Offer and you must not submit a personalised Entitlement and Acceptance Form or apply for New Shares on their behalf. For the avoidance of doubt, you are responsible for determining whether an underlying beneficial holder of Shares for whom you act as nominee is an Eligible Shareholder. The Company will not advise as to, and is not responsible for determining, whether any such person qualifies as an Eligible Shareholder.

Accordingly, any application made on the respective personalised Entitlement and Acceptance Forms by you on behalf of underlying beneficial holders of Shares for whom you act as nominee (that is, Entitlement Offer applications), must only be for those underlying beneficial holders of Shares who are Eligible Shareholders as set out above. Return of the Entitlement and Acceptance Form shall be taken by the Company to constitute a representation by you on behalf of yourself and each beneficial holder for whom you are acting that there has been no breach of any such laws or the representations, warranties, agreements and restrictions set out in this letter and the Disclosure Materials. Consistent with the

representations and warranties contained in the Entitlement and Acceptance Form, you must not submit an application or otherwise accept the Entitlement Offer on behalf of a person in the United States or who is acting for the account or benefit of a person in the United States (including, for the avoidance of doubt, any "U.S. Person" as defined in Regulation S under the U.S. Securities Act). Failure to comply with these restrictions contained in this letter may result in violations of applicable securities laws. Eligible shareholders who are nominees, trustees or custodians are therefore advised to seek independent legal advice as to how to proceed in this regard. The Company does not provide such legal advice.

## What you are required to do

Please acknowledge receipt of this letter, your understanding of and compliance with these procedures by signing where indicated below and sending a copy of this letter to the Company's share registry, Link Market Services Limited, by no later than 5pm (Sydney time) on 16 June 2023.

Any application made on the respective personalised Entitlement and Acceptance Forms by you on behalf of an underlying beneficial holders of Shares must be in accordance with the Disclosure Materials.

If you submit an application on a personalised Entitlement and Acceptance Form on behalf an underlying beneficial holder of Shares who is an Eligible Shareholder, you are required to also complete a Nominee/Custodian Certificate which should detail the beneficial owner's name and number of New Shares sought for each such person on whose behalf you are applying. A copy of the Nominee/Custodian Certificate may be obtained by contacting from the Company's share registry, Link Market Services Limited at [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au). In calculating each Eligible Shareholder's Entitlement, where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number of New Shares.

To submit an application, please follow these steps:

- Attach copies of the completed Nominee/Custodian Certificate with any application submitted on the personalised Entitlement and Acceptance Form. These should then be submitted as a batch to the Company's share registry, Link Market Services Limited, at [capitalmarkets@linkmarketservices.com.au](mailto:capitalmarkets@linkmarketservices.com.au).

The completed Nominee/Custodian Certificate provided by Link Market Services Limited, with any application submitted on the personalised Entitlement and Acceptance Form, must be submitted by no later than 5pm (Sydney time) 23 June 2023 ("**Closing Date**").

**Note that applications received from a nominee account without a completed Nominee/Custodian Certificate WILL NOT BE PROCESSED.**

- Completed Nominee/Custodian Certificate can be emailed to Orient Capital at [projects@orientcap.com](mailto:projects@orientcap.com).

A valid application and payment must be received on or before the Closing Date.

It is important to note that information on the Nominee/Custodian Certificate will be kept confidential and will only be used by the Company to compare with our records of nominee accounts as at the Record Date for the Entitlement Offer.

**We acknowledge receipt of the letter dated 9 June 2023 titled "Important instructions to nominees and/or custodians acting for beneficial shareholders in Sovereign Cloud Holdings Limited", and confirm our understanding of, and compliance with, the procedures contemplated by that letter:**

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Signature

Name of Nominee:

**Important Notice to Nominees:** You must not send copies of this letter or any material in relation to the Entitlement Offer to any of your clients (or any other person) in the United States and on whose behalf you are the registered owner of Shares. Failure to comply with these restrictions may result in violations of applicable securities laws.

You should seek independent tax advice in relation to Entitlement Offer and your participation. You may also wish to refer to the tax disclosures contained in the Offer Booklet which will provide further information on potential taxation implications for certain categories of Australian shareholders.

**Note:** The information in this letter is general information only, does not constitute a securities recommendation or financial product advice, and has been prepared without taking account of the investment objectives, financial situation or needs of any particular investor. You should read the Disclosure Materials including the Investor Presentation, which includes risk factors, and consider whether any investment is appropriate having regard to your (or your client's) objectives, financial situation or needs before acting on the information.

Copies of the Offer Booklet will be made available when the New Shares are offered under the Entitlement Offer, including from the Company's website or from its share registry. Eligible Shareholders who wish to acquire New Shares should complete, or otherwise apply in accordance with, the personalised Entitlement and Acceptance Form that will accompany the Offer Booklet and should consider the Offer Booklet in full in deciding whether or not to acquire New Shares.

The Offer Booklet and the Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended ("**Securities Act**"), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States. The New Shares in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act. There is no intention to register any portion of the Entitlement Offer or to conduct a public offering in the United States. None of this letter, the Offer Booklet, the Entitlement and Acceptance Form and any other information related to the Entitlement offer may be distributed into the United States.

Where a person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary complies with applicable foreign laws. The Company is not able to advise on foreign laws.