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ASX Release

2 April 2020

Capital Raising to Pursue Growth Initiatives

NEXTDC Limited (ASX: NXT) (“**NEXTDC**” or “the **Company**”) is undertaking an equity raising, consisting of a fully underwritten \$672 million institutional placement of new shares (the “**Placement**”) and a non-underwritten Share Purchase Plan (“**SPP**”) (“**Capital Raising**”).

The Capital Raising will support NEXTDC’s growth agenda, including the proposed development of a new data centre in Sydney (“**S3**”) together with balance sheet flexibility required to accelerate and expand a range of growth initiatives in line with recent and expected material customer contract wins.

Use of Proceeds

Capital Raising to raise approximately \$672 million¹ to fund:

- \$350m S3 initial investment (including 12MW of upfront capacity);
- \$307m growth driven initiatives, including capacity requirements and development opportunities; and
- \$15m transaction costs.

New data centre facility in Sydney (S3)

NSW has reached contracted utilisation of approximately 70%, with further contract wins expected in the near term.

Given the strong demand that NEXTDC is experiencing, the Company today announced its decision to commence development of the first tower of S3, its third data centre in Sydney. The S3 data centre is located in Gore Hill (10km from the Sydney CBD, 7km and 8km from S1 and S2 respectively). S3’s initial IT load is expected to be 12MW (“**Phase 1**”), with the initial investment expected to be approximately \$350 million, excluding the cost of land, which was paid for towards the end of FY18. Practical completion for Phase 1 is expected in 1H FY22 and the facility will have a target total capacity of 80MW.

Speaking of the strong market demand in Sydney, NEXTDC CEO, Mr Scroggie said:

“Based on the strong level of orders already received for S2 and our growing confidence in the forward sales pipeline, NEXTDC is confident that the projected demand in Sydney, together with our return expectations, warrants the next phase of investment in Sydney’s third generation of data centres.”

Growth driven initiatives

NEXTDC has recently experienced a step-up in demand for its premium data centre services particularly from its hyperscale cloud computing customers. As a result, NEXTDC continues to evaluate a range of growth initiatives, which are at an advanced stage, including additional data hall capacity at its existing data centres and new data centre site acquisitions and development.

Mr Scroggie noted:

“NEXTDC continues to see significant demand for its data centre services during a turbulent market environment due to COVID-19. We have decided to prudently equity fund near-term growth opportunities in this period of market volatility to continue to support customer demand and ensure there is no loss in the momentum of the Company’s development.”

1. Excludes any funds raised through the non-underwritten SPP

Capital Raising

NEXTDC today launched a fully underwritten institutional placement to raise approximately \$672 million as well as offering eligible shareholders in Australia and New Zealand the ability to subscribe for up to \$30,000 of new shares each under a non-underwritten, uncapped SPP.

The Placement is fully underwritten by the Joint Lead Managers and bookrunners, Citigroup Global Markets Australia Pty Limited (“**Citi**”) and Royal Bank of Canada (“**RBC**”).

Citi and RBC will conduct the Placement at \$7.80 per share (the “**Placement Price**”), which represents a 9.4% discount to 5-day VWAP² and 15.0% discount to the last close³.

The SPP issue price will be the lower of the Placement Price or the 5-day VWAP up to and including the Closing Date of the SPP.

NEXTDC’s CEO and Managing Director Craig Scroggie and all eligible Non-Executive Directors have committed to take up their full entitlement of \$30,000 worth of shares under the SPP.

Key dates

The Placement is to be conducted on Thursday, 2 April 2020.

Participation in the SPP is optional and is open to eligible shareholders, being holders of NEXTDC shares at 7.00pm AEST on 1 April 2020 and whose registered address is in Australia or New Zealand.

The SPP will open on Tuesday, 14 April 2020 and close at 5:00pm AEST on Thursday, 30 April 2020.

Further information will be distributed to shareholders shortly and available via the ASX platform.

FY20 Guidance

The Company re-affirms its FY20 earnings guidance announced to ASX on 19 March 2020.

- Revenue in the range of \$200 million to \$206 million;
- Underlying EBITDA in the range of \$100 million to \$105 million; and
- Capital expenditure on existing facilities between \$320m and \$340m.

ENDS

For more information:

Alex Teo

Vice President of Strategy and Investor Relations

T: +61 2 8072 4976

E: investorrelations@nextdc.com

NEXTDC Investor Centre: www.nextdc.com/our-company/investor-centre

2. 5-day Volume Weighted Average Price (VWAP) from 26 March 2020 to 1 April 2020 (inclusive) of \$8.61
3. Closing price on 1 April 2020 of \$9.18

Important Notice

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

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This release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The new shares of the Company have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the new shares may not be offered or sold, directly or indirectly, to persons 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 of the United States.

Certain statements made in this release are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company’s current expectations, estimates and projections about the industry in which the Company operates, and beliefs and assumptions. Forward looking statements can generally be identified by the use of forward looking words such as ‘anticipate’, ‘believe’, ‘expect’, ‘project’, ‘forecast’, ‘estimate’, ‘likely’, ‘intend’, ‘should’, ‘will’, ‘could’, ‘may’, ‘target’, ‘plan’ and other similar expressions within the meaning of securities laws of applicable jurisdictions, and include statements regarding outcome and effects of the capital raising. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this release. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

The forward-looking statements made in this release relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this release except as required by law or by any appropriate regulatory authority.

About NEXTDC

NEXTDC is an ASX200-listed technology company and Asia’s most innovative Data Centre-as-a-Service provider. We are building the infrastructure platform for the digital economy, delivering the critical power, security and connectivity for global cloud computing providers, enterprise and government.

NEXTDC is recognised globally for the design, construction and operation of Australia’s only network of Uptime Institute certified Tier IV facilities, and the only data centre operator in the Southern Hemisphere to achieve Tier IV Gold certification for Operational Sustainability. NEXTDC has a strong focus on sustainability and operational excellence through renewable energy sources and delivering world-class operational efficiency. Our data centres have been engineered to deliver exceptional levels of efficiency and the industry’s lowest Total Cost of Operation through NABERS 5-star energy efficiency.

NEXTDC’s corporate operations have been certified carbon neutral under the Australian Government’s Carbon Neutral Initiative, in line with *National Carbon Offset Standard (NCOS) for Organisations*.

Our Cloud Centre partner ecosystem is Australia’s most dynamic digital marketplace, comprising more than 590 carriers, cloud providers and IT service providers, enabling local and international customers to source and connect with cloud platforms, service providers and vendors to build complex hybrid cloud networks and scale their critical IT infrastructure services.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com