For personal use only

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

Successful completion of Placement and Institutional Entitlement Offer, raising A$16.4 million

24 November 2021

SOVEREIGN CLOUD HOLDINGS LIMITED (ASX: SOV)

Sovereign Cloud Holdings Limited ("**AUCloud**" or "**Company**") is pleased to announce the successful completion of its placement to NEXTDC Limited[1] ("**NEXTDC**") ("**Placement**") and the institutional component of its fully underwritten 4 for 11 accelerated pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") of new fully paid ordinary shares in AUCloud ("**New Shares**"). Details of the equity raising, including the retail component of the Entitlement Offer ("**Retail Entitlement Offer**"), were announced to ASX on Monday, 22 November 2021. The combined proceeds of the Placement and the Entitlement Offer (together, the "**Equity Raising**") will be approximately A$35 million, excluding estimated transaction costs.

Trading in AUCloud shares is expected to resume on ASX from market open today, Wednesday, 24 November 2021.

Placement and Institutional Entitlement Offer

The Placement raised approximately A$12.4 million at an offer price of A$0.50 per New Share ("**Offer Price**"). The institutional component of the Entitlement Offer ("**Institutional Entitlement Offer**") raised approximately A$4.0 million at the Offer Price and had a take-up rate of approximately 68% of entitlements of eligible institutional shareholders. The institutional shortfall of approximately A$1.2 million (2.5 million New Shares), was allocated under the Institutional Entitlement Offer to existing shareholders of the Company.

Approximately 24.9 million New Shares subscribed for by NEXTDC under the Placement settled on Monday, 22 November 2021 and are expected to commence trading tomorrow, Thursday 25 November 2021. Approximately 8.0 million New Shares subscribed for under the Institutional Entitlement Offer are expected to be settled on Tuesday, 30 November 2021 and commence trading on Thursday, 2 December 2021. New Shares issued under the Placement to NEXTDC have rights to participate in the Entitlement Offer, and NEXTDC has committed to take up its entitlements in the Retail Entitlement Offer.

[1] *The Placement was completed via NEXTDC's wholly-owned subsidiary, NEXTDC Ventures Holdings No.1 Pty Ltd. The investment will result in it having a 19.99% shareholding in AUCloud on completion of the Placement.*

Sovereign Cloud Holdings Ltd
ACN: 622 728 189
W: australiacloud.com.au

Unit 7, 15-21 Beaconsfield Street,
Fyshwick, Canberra ACT 2609

PO Box 1048
Fyshwick, ACT 2604

For personal use only

Retail Entitlement Offer

The Retail Entitlement Offer will raise approximately A$18.6 million at the Offer Price. The Retail Entitlement Offer is expected to open on Monday, 29 November 2021 and close on Monday, 13 December 2021.

Eligible retail shareholders with registered addresses in Australia, New Zealand and the United Kingdom on the record date of 7.00pm (AEDT) on Wednesday, 24 November 2021 ("**Record Date**") have the opportunity to invest in New Shares at the Offer Price on the terms and conditions outlined in the Retail Entitlement Offer information booklet to be sent to eligible retail shareholders on or around Monday, 29 November 2021.

Shareholders with registered addresses outside Australia, New Zealand and the United Kingdom on the Record Date are ineligible to participate in the Retail Entitlement Offer. Further details as to eligibility will be set out in the Retail Entitlement Offer information booklet.

Under the Retail Entitlement Offer, eligible retail shareholders that take up their entitlements in full may also apply for additional New Shares in excess of those entitlements under a top-up facility, subject to a 50% cap and the Company's scale back policy.

Further information on the Equity Raising

Further information on the Equity Raising is set out in the Company's investor presentation lodged with ASX on Monday, 22 November 2021.

For further information regarding the Retail Entitlement Offer, please do not hesitate to contact the offer information line on 1300 222 378 (within Australia) or +61 7 1300 222 378 (outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the offer period.

Further information, please contact:

Corporate
Phil Dawson, Managing Director
P: +61 477 181 665
E: pdawson@australiacloud.com.au

Investors
Michelle Crouch, Chief Financial Officer
P: +61 07 3222 8444
E: mcrouch@australiacloud.com.au

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

About Sovereign Cloud Holdings Limited
Sovereign Cloud Holdings Limited (operating as AUCloud) provides highly secure, standards based, sovereign cloud Infrastructure as a Service (IaaS) to Australian Government and Critical National Industry communities. This includes Federal, State and Local Governments and CNI organisations such as telecommunications, electricity, energy, financial services and similar utility providers.

Managed, operated and monitored in Australia by security cleared Australian citizens, all services and data hosted by Sovereign Cloud Holdings remains in Australia. This includes all customer data, account data, metadata, support data and derived analytics data.

For further information, please visit: AUCloud – Australian Sovereign Cloud (www.australiacloud.com.au).

IMPORTANT NOTICES

This announcement is not financial product or investment advice, a recommendation to acquire securities or accounting, legal or tax advice. It does not constitute an invitation or offer to apply for securities. It has been prepared without taking into account the objectives, financial or tax situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial and tax situation and needs and seek legal and taxation advice appropriate for their jurisdiction. AUCloud is not licensed to provide financial product advice in respect of an investment in securities.

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933, as amended ("**US Securities Act**"), and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

For personal use only