NEXTDC

ASX Release

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M3 Melbourne Power Delay and Revised FY27 Guidance

NEXTDC Limited (ASX: NXT) ("**NEXTDC**" or the "**Company**") revises its net revenue, earnings and capital expenditure guidance for the financial year ending 30 June 2027 ("**FY27**"), together with an update on its liquidity position at 30 September 2026.

The revision primarily reflects delays to electricity network works by Jemena Electricity Networks (Vic) Ltd ("**Jemena**"), which defer the next increase in grid supply to NEXTDC's M3 Melbourne data centre ("**M3**") and, with it, the delivery and billing of contracted capacity. Jemena has advised NEXTDC that it has suspended parts of those works because of community and stakeholder opposition.

Summary[1]

- **M3 Melbourne power:** delays to Jemena's electricity network works mean the next increase in grid supply to M3 is now expected in FY28, deferring the delivery and billing of contracted capacity. The Victorian Government's planning decision on M3 Stages 6 and 7 is now expected only after the Victorian State election on 28 November 2026
- **FY27 net revenue[2] guidance revised, excluding the affected M3 contracts:** A$475 million to A$500 million, down from A$615 million to A$640 million[3]
- **FY27 Underlying EBITDA[4] guidance revised, excluding the affected M3 contracts:** A$245 million to A$265 million, down from A$385 million to A$410 million[3]
- **FY27 capital expenditure guidance revised:** A$4,500 million to A$5,000 million, down from A$5,250 million to A$5,750 million[5]
- **Liquidity:** A$8,675 million of liquidity at 30 September 2026[6]
- **Covenants and maturities:** in compliance with financial covenants; earliest scheduled debt maturity is December 2029, with a potential Convertible Notes holder put option on 17 September 2029[7]

The Company's revised FY27 net revenue and Underlying EBITDA guidance excludes the revenue and attributable EBITDA of the affected customer contracts at M3 Melbourne, including capacity already billing and any potential service level credits.

NEXTDC remains in compliance with its financial covenants and will refocus its capital expenditure on near term contracted customer capacity, eliminating all material discretionary capital expenditure. It has begun a detailed

[1] Refer to further detail below under "Trading update"
[2] Comprises total revenue less direct costs
[3] The revised net revenue and Underlying EBITDA guidance excludes the revenue and attributable EBITDA of the affected customer contracts at M3 Melbourne, including capacity already billing and any potential service level credits. The guidance of 27 August 2026 included those contracts. Service level credits payable on those contracts could reduce Underlying EBITDA below the revised guidance
[4] FY27 Underlying EBITDA excludes non-recurring items, costs of assessing acquisition opportunities, the Growth Incentive Plan announced on 24 February 2025 and costs of international markets other than Malaysia, which is no longer an early-stage market following the commissioning of KL1 Kuala Lumpur in May 2026. FY27 guidance is also given before any fair value movement on investment property
[5] FY27 guidance was provided on 27 August 2026 on a constant currency basis and did not include capitalised interest in capital expenditure guidance. The revised capital expenditure guidance includes approximately A$230 million of capitalised interest
[6] Liquidity comprises cash of A$1,275 million, undrawn senior debt facilities of A$6,700 million and the A$700 million Hybrid Securities B Delayed Draw Series, which is committed, subject to customary conditions, and may be drawn until 15 April 2027, each at 30 September 2026. Liquidity is non-IFRS financial information and has not been subject to audit or review
[7] Being the A$1,500 million Facility A revolving loan facility, which matures on 3 December 2029. Holders of the Convertible Notes may require NEXTDC to redeem them on 17 September 2029 at their principal amount plus accrued interest

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review of its capital expenditure program and will announce the outcome by its Annual General Meeting on 20 November 2026. The Board will also evaluate capital recycling opportunities, including the potential sale of selected development sites that are not required in the near term.

NEXTDC Chief Executive Officer and Managing Director, Craig Scroggie, said:

"Jemena has suspended parts of the network works required for the next increase in grid supply to M3 Melbourne. Jemena has attributed the suspension to community and stakeholder opposition to the works and to the absence of local council consent pending further consultation. On Jemena's current indicative estimate, we expect that increase during FY28.

"We have taken the affected M3 contracts out of FY27 guidance until we can reliably estimate their contribution. The August guidance included approximately A$140 million of each of net revenue and Underlying EBITDA from those contracts. The timing and scale of their contribution remain uncertain.

"The capacity remains under contract, subject to the customer's rights, and construction of the data halls is continuing. We are working with our customer on a revised power ramp and with Jemena to bring power forward.

"With M3 revenue deferred, we have paused projects not backed by customer contracts and put that capital behind the capacity our customers have already contracted. We have approximately A$8.7 billion of liquidity at 30 September 2026 and we are in compliance with our covenants."

M3 Melbourne power delay and Stages 6 and 7 development approval

NEXTDC's M3 Melbourne data centre is affected by delays to third-party electricity network works, in particular to the 66kV line augmentation works of Jemena, the electricity distributor that supplies power to M3. Jemena suspended parts of those works in September 2026 and has since formally notified NEXTDC that it does not expect to recommence them before February 2027. Jemena has attributed the suspension to safety concerns and lack of access to work sites arising from community and stakeholder opposition to the works and to the local council, as the relevant road authority, not giving its consent while further community consultation takes place. Jemena is consulting the community and other stakeholders and seeking the approvals required to recommence the works safely. NEXTDC supports that consultation. Whilst NEXTDC already engages with the community around M3, including through dedicated community engagement staff and newsletters on works and activities at the site, it intends to continue and build on that through a community engagement plan for the construction and operation of M3, overseen by the Board.

Grid supply at M3 is expected to increase in stages. The first increase depends on Jemena's works. Based on Jemena's current indicative estimate, NEXTDC expects that increase during FY28, with delivery and billing of the contracted capacity that depends on it to follow shortly thereafter.

Later increases in grid supply at M3 depend on upstream transmission projects to install new transformers at the Brooklyn Terminal Station. NEXTDC now expects the first of these projects to be completed later than previously expected. The Brooklyn Terminal Station upstream projects do not separately affect the revised FY27 net revenue and Underlying EBITDA guidance, but they affect the timing of capacity expected to convert to billing after FY28.

Construction of the M3 data halls is continuing within the existing buildings. However, the Victorian Government's planning decision on a planning permit for M3 Stages 6 and 7 (application PA2604231) is taking longer than NEXTDC expected. The application was lodged in February 2026 under the Victorian Government's Development Facilitation Program, which is available to eligible data centre projects, and is for the planned expansion of NEXTDC's approved and partly operational M3 campus. The Victorian Government is due to become subject to

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caretaker conventions from 3 November 2026 pending the State election on 28 November 2026, and NEXTDC does not now expect that decision until 2027. Assuming the permit is granted, the later decision, together with the later grid supply, delays delivery of the final stages of capacity at M3.

NEXTDC has a good relationship with the affected customer and will continue to engage constructively with it. NEXTDC intends to work closely with the customer and with Jemena to bring forward the delivery of power to M3 and to minimise the impact of the delays. NEXTDC is also assessing the potential implications of the delays under the affected customer contracts. Those contracts provide for service level credits where capacity is delivered late or is not fully powered and, in some circumstances, give the customer rights to terminate. As part of that assessment, NEXTDC is considering whether relief is available to it under the force majeure and other relevant provisions of those contracts. The capacity deferred by the delays to Jemena's works remains under contract, subject to the customer's rights.

NEXTDC will provide further updates, including at its Annual General Meeting on 20 November 2026.

Trading update

FY27 net revenue and Underlying EBITDA

NEXTDC now expects FY27:

- Net revenue of A$475 million to A$500 million, down from its previous guidance of A$615 million to A$640 million.
- Underlying EBITDA of A$245 million to A$265 million, down from its previous guidance of A$385 million to A$410 million.

The revised net revenue and Underlying EBITDA guidance excludes the revenue and attributable EBITDA of the affected customer contracts at M3 Melbourne, including capacity already billing and any potential service level credits. Capacity already billing is excluded because, while parts of Jemena's works are suspended, existing grid supply at M3 cannot be relied on to support the full contracted power ramp in data halls already delivered. NEXTDC is working with the affected customer on a revised power ramp. The guidance of 27 August 2026 included approximately A$140 million of each of net revenue and Underlying EBITDA from those contracts, and their exclusion is the main reason for the reductions in net revenue and Underlying EBITDA guidance. In all other respects, the revised net revenue and Underlying EBITDA guidance is given on the same basis as the guidance of 27 August 2026: on a constant currency basis, with Underlying EBITDA excluding the items described in footnote 4. NEXTDC's actual FY27 results will include the contribution of the affected customer contracts. Service level credits payable on those contracts could reduce Underlying EBITDA below the revised guidance.

NEXTDC cannot yet reliably estimate the FY27 contribution of the affected customer contracts at M3 Melbourne, which depends on its discussions with the affected customer, the customer's assessment of its rights and obligations under those contracts, whether relief is available to NEXTDC under their force majeure and other relevant provisions and the accounting for any service level credits. NEXTDC will update the market when it can reliably estimate that contribution. Changes in the expected timing and cost of completing M3 Melbourne are also likely to affect the fair value of NEXTDC's investment properties. NEXTDC has not yet quantified that effect and will reflect it in its results for the half year ending 31 December 2026. The revised FY27 guidance is given before any fair value movement on investment property.

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FY27 capital expenditure

NEXTDC now expects FY27:

- Capital expenditure of A$4,500 million to A$5,000 million, a reduction of A$750 million, or 13% to 14%, from its previous guidance of A$5,250 million to A$5,750 million[8].

NEXTDC has begun a detailed review of its capital expenditure program. The Board has committed to announcing the outcome of that review by NEXTDC's Annual General Meeting on 20 November 2026. NEXTDC's revised FY27 capital expenditure guidance of A$4,500 million to A$5,000 million reflects a focus solely on delivering new contracted customer capacity expected to be delivered in the next 12 to 18 months or development works largely advanced to near completion.

The revised capital expenditure guidance includes approximately A$500 million of reimbursable customer fitout and approximately A$230 million of capitalised interest. The previous guidance did not include capitalised interest. Before capitalised interest, the revised guidance is approximately A$4,270 million to A$4,770 million, a like for like reduction of approximately A$980 million, or 17% to 19%, from the previous guidance. The reduction primarily reflects the deferral of spend on uncontracted data centre expansion projects and on corporate technology and other projects.

To prioritise near term contracted customer capacity, NEXTDC has put all new development projects and land acquisitions on hold for the foreseeable future. The Board will also evaluate capital recycling opportunities, including the potential sale of selected development sites that are not required in the near term.

Liquidity and covenants

At 30 September 2026, NEXTDC had liquidity of A$8,675 million, comprising A$1,275 million of cash and A$7,400 million of undrawn senior debt facilities and Hybrid Securities.

NEXTDC remains in compliance with its financial covenants as at 30 June 2026, the most recent half-yearly test date, and expects to comply with them at the next test date of 31 December 2026.

NEXTDC's maintenance financial covenants, being a gearing ratio of not more than 60% and an interest cover ratio of at least 1.5 times[9], are given under the Common Terms Deed Poll ("**CTDP**"), which applies only to its senior debt facilities. The interest cover covenant allows NEXTDC to include the annualised EBITDA of new customer contracts expected to start billing within 24 months of each calculation date.

NEXTDC's ability to draw all of its A$6,700 million undrawn senior debt facilities while continuing to comply with those covenants will depend on the timing of drawdowns and on the expected billing profiles of its new customer contracts at that time. If there was a material change to expected customer billing profiles, NEXTDC's ability to draw down senior debt may be adversely affected. Delays to grid supply at M3 Melbourne could be such a change.

The Subordinated Notes, Hybrid Securities and the A$1,100 million of 1.75% Subordinated Convertible Notes due 2031 ("**Convertible Notes**") issued on 17 September 2026 sit outside those covenants and carry no maintenance

[8] See footnote 5 above

[9] Both covenants are set by the CTDP dated 3 November 2024, as amended. The gearing ratio is net senior debt divided by total assets at book value, attributable to the Australian group. Net senior debt is total debt less total cash, where total debt excludes subordinated debt such as the Subordinated Notes, Hybrid Securities and Convertible Notes. The interest cover ratio is EBITDA, as defined in the CTDP, for the 12 months to each calculation date, divided by net interest expense. Net interest expense is interest expense, including capitalised interest and recurring commitment and line fees, less interest received, and excludes interest on that subordinated debt whose terms allow its interest to be deferred or capitalised, or not to be paid in cash during an event of default in respect of senior debt

financial covenants[10]. The Subordinated Notes and Hybrid Securities include an incurrence gearing ratio of not more than 85%.

NEXTDC will continue to assess the effect of the delays to grid supply at M3 Melbourne on its debt facilities, including on its ability to draw down senior debt while continuing to comply with its financial covenants.

Investor briefing

NEXTDC will host an investor briefing on this release at 9:30am (AEDT) on Wednesday 21 October 2026. The briefing will be webcast at https://edge.media-server.com/mmc/p/pvmmxoga

Forward-looking statements

This release contains forward-looking statements, including the revised FY27 guidance and the expected timing of grid supply, capacity delivery and billing at M3. They are based on management's current expectations and assumptions, are not guarantees of future performance and are subject to known and unknown risks and uncertainties, many of which are beyond NEXTDC's control, that could cause actual results to differ materially. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecasts and actual results because events and circumstances frequently do not occur as forecast, and these differences may be material.

Investors should not place undue reliance on forward-looking statements, especially in view of current economic conditions, supply chain issues and other uncertainty and disruption. None of NEXTDC, any member of the NEXTDC group or their respective officers, employees, agents or any other person gives any warranty, representation or assurance that any event expressed or implied in any forward-looking statement will occur.

NEXTDC does not undertake to update forward-looking statements to reflect any change in its circumstances, financial condition or affairs or in the events or conditions on which such statements are based, except as required by law or the ASX Listing Rules.

Authorised for release by the Board of NEXTDC Limited.

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[10] The Subordinated Notes and Hybrid Securities are subject to an incurrence covenant under which debt or hybrid issuances, material asset disposals and equity distributions may be made only if the Adjusted Gearing Ratio, inclusive of all debt of NEXTDC and its subsidiaries (including the Hybrid Securities) and adjusted for the relevant transaction, does not exceed 85%

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About NEXTDC

NEXTDC is an ASX 100-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 is one of the first data centre operators 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. NEXTDC's corporate operations have been certified carbon neutral under the Australian Government's *Climate Active* Carbon Neutral Standard.

Our Cloud Centre partner ecosystem is Australia's most dynamic digital marketplace, comprising 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 *powering the intelligence economy*.

To learn more, visit www.nextdc.com