

ASX Release

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Sydney S2 – 14MW Contracted Commitments

NEXTDC Limited (**ASX: NXT**) (“**NEXTDC**” or “**the Company**”) is pleased to advise that its new Sydney S2 data centre has now increased its contracted commitments by approximately 9MW to more than 14MW (47% of total planned capacity) since 30 June 2018.

The S2 data centre remains under development and on track to open in 1H19, with critical infrastructure build out expected to continue for at least another two years.

Revenue recognition for the new contracted commitments will ramp up during FY20, with the full run rate impact expected to be recognised in FY21.

S2 capacity

At the start of S2’s construction, the site’s initial planned capacity at opening was only 6MW (phase 1).

At the Company’s FY18 results, an additional 8MW of new capacity was announced to reflect demand expectations at the time (phase 2).

Given recent positive developments in the Sydney market, NEXTDC will now bring forward an additional 8MW (phase 3). As a result, the current capacity under design and development for S2 is now 22MW of the 30MW total planned capacity. This will not change the Company’s existing FY19 capex guidance (between \$430-\$470m) as the additional capex will form part of the additional capacity to be delivered in FY20.

Commenting on the new contracted commitments at S2, Mr Craig Scroggie, Chief Executive Officer said:

“We advised the market at the time of FY18 results that the Company’s sales pipeline was very strong and the timing of large sales to the hyperscale cloud market would be unpredictable given the long run nature of the sales cycle. We’re very pleased to have now locked in material MW contracted commitments against these expectations.

The demand for our data centre services continues to accelerate and exceed our expectations, particularly in the Sydney market, yet requires discipline and patience as the nexus between the hyperscale capacity planning, site development, infrastructure deployment and revenue recognition can in practice be 2-3 years for these very large hyperscale developments. This is all part of NEXTDC’s digital infrastructure business model, which continues to build long term value through contracted capacity and tangible asset backing.”

About S2

S2 is planned to be the third Tier IV data centre constructed in the Australian market and the first Tier IV data centre in Sydney. Furthermore, S2 is also scheduled to undergo the Tier IV GOLD operational sustainability certification. NEXTDC has already delivered the first two Tier IV design and construct certified data centres in Australia, being M2 Melbourne and B2 Brisbane, with B2 having already achieved the highly acclaimed Tier IV GOLD operational sustainability certification.

S2 represents the Company’s first hyperscale high-rise data centre. As part of NEXTDC’s ongoing focus on environmental sustainability, the facility will feature independent benchmarking of cooling efficiency with a full year target PUE of 1.29 and a seasonal best target PUE of 1.15, driving new levels of efficiency and sustainability. S2 will also feature our next generation of biometric security technology with those security systems being supported by our 24/7 security and around the clock onsite technical capabilities.

Building on the second generation of development with M2 and B2, S2 reflects NEXTDC Continuous Development Methodology. In this regard, S2's highly modular design delivers just in time capacity with over 75% of the critical plant being manufactured and tested off-site, minimising deployment and commissioning times and accelerating productivity.

ENDS

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About NEXTDC

NEXTDC is an ASX200-listed technology company enabling business transformation through innovative data centre outsourcing solutions, connectivity services and infrastructure management software.

As Australia's leading independent data centre operator with a nationwide network of Tier III and IV facilities, NEXTDC provides enterprise-class colocation services to local and international organisations. With a focus on sustainability and renewable energy NEXTDC is leading the industry with award-winning engineering solutions for energy efficiency and NABERS 4.5-star certification.

NEXTDC is extending its leadership in data centre services through the innovative DCIM-as-a-Service software platform, ONEDC®, which enables customers to centrally manage their on-premise and colocated infrastructure; and advanced connectivity services that deliver a range of secure, highspeed interconnections between racks, networks and cloud services.

NEXTDC's Cloud Centre is the online marketplace for the country's largest independent network of carriers, cloud and IT service providers, enabling customers to freely source best of breed suppliers within the NEXTDC Partner community.

NEXTDC is *where the cloud lives*®.

To learn more, visit www.nextdc.com