



Rackspace Technology Announces Increase to Late Exchange Consideration for Exchange Offer Relating to its 3.50% First-Priority Senior Secured Notes due 2028

March 29, 2024

SAN ANTONIO, March 29, 2024 (GLOBE NEWSWIRE) -- [Rackspace Technology® \(NASDAQ: RXT\)](#) ("Rackspace" or the "Company"), a leading end-to-end hybrid, multicloud, and AI technology solutions company, today announced that its indirect subsidiary Rackspace Finance, LLC (the "New Issuer") is amending the terms of its previously announced offer (the "Amendment") to eligible holders in respect of any and all of the 3.50% First-Priority Senior Secured Notes due 2028 (the "Existing Secured Notes") issued by Rackspace's indirect subsidiary Rackspace Technology Global, Inc., to (i) (A) exchange certain of those Existing Secured Notes for new 3.50% FLSO Senior Secured Notes due 2028 (the "Exchange Notes") issued by the New Issuer and (B) have purchased for cancellation certain of those Existing Secured Notes by the New Issuer for cash (collectively, the "Exchange Offer"), and (ii) fund (the "Funding Offer" and, together with the Exchange Offer, the "Offers") new senior secured first lien first out term loans (the "New FLFO Term Loans") of the New Issuer, in each case, subject to the terms and conditions of the offering memorandum dated March 14, 2024 (as supplemented or otherwise modified from time to time, the "Offering Memorandum").

Pursuant to the Amendment, holders who validly tender (and do not validly withdraw) their Existing Secured Notes at or prior to the Expiration Time will be eligible to receive the "Late Exchange Consideration" summarized in the table below, which reflects an increase from the Late Exchange Consideration set forth in the Offering Memorandum. Pursuant to the Amendment, the Expiration Time will now be 5:00 p.m., New York City time, on April 12, 2024. The Final Settlement Date is expected to occur on April 16, 2024 (the second business day after the Expiration Time). Other than as set forth in this paragraph, all other terms and conditions of the Exchange Offer remain as set forth in the Offering Memorandum.

CUSIP Numbers ⁽¹⁾	Early Exchange Consideration for each \$1,000 Principal Amount of Existing Secured Notes Tendered on or Prior to the Early Participation Time		Late Exchange Consideration for each \$1,000 Principal Amount of Existing Secured Notes Tendered After the Early Participation Time	
	With respect to \$700 Principal Amount of Existing Secured Notes	With respect to \$300 Principal Amount of Existing Secured Notes	With respect to \$700 Principal Amount of Existing Secured Notes	With respect to \$300 Principal Amount of Existing Secured Notes
750098 AB1 U7502E ABO	\$700 of Exchange Notes ⁽²⁾	\$0.7875 in cash (the "Early Payment Amount") ⁽³⁾	\$700 of Exchange Notes ⁽²⁾	\$0.7875 in cash (the "Late Payment Amount") ⁽³⁾

- (1) No representation is made as to the correctness or accuracy of the CUSIP numbers listed in this release or printed on the Existing Secured Notes. CUSIP numbers are provided solely for convenience.
- (2) Holders of Existing Secured Notes that are accepted for exchange pursuant to the Exchange Offer will be entitled to receive accrued and unpaid interest in cash on the Existing Secured Notes exchanged for Exchange Notes up to, but excluding, March 12, 2024. Interest on the Exchange Notes will accrue from March 12, 2024, with the first interest payment occurring on August 15, 2024.
- (3) No additional payment will be made for accrued and unpaid interest on Existing Secured Notes purchased and cancelled for the Early Payment Amount or the Late Payment Amount (together with the Early Payment Amount, the "Payment Amounts"), as applicable.

Consummation of the Exchange Offer is conditioned upon the satisfaction or waiver of the conditions set forth in the Offering Memorandum.

The Exchange Offer is only being made, and the Exchange Notes are only being offered and issued to holders of Existing Secured Notes who are (x) reasonably believed to be "qualified institutional buyers" as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act") or (y) not "U.S. persons" as defined in Rule 902 under the Securities Act and in compliance with Regulation S under the Securities Act. The holders of Existing Secured Notes who are eligible to participate in the Exchange Offer pursuant to at least one of the foregoing conditions are referred to as "eligible holders."

The New Issuer is making the Offers only to eligible holders through, and pursuant to, the terms of the Offering Memorandum. The complete terms and conditions of the Offers are set forth in the Offering Memorandum. None of Rackspace, the New Issuer, the Guarantors (as defined in the Offering Memorandum), the Transaction Agent, the Fronting Lender, or any other person takes any position or makes any recommendation as to whether or not eligible holders should participate in the Offers.

Only eligible holders may receive a copy of the Offering Memorandum and participate in the Offers. We have retained Epiq to act as transaction agent for the Offers and Jefferies Capital Services, LLC to act as the fronting lender for the Funding Offer (the "Fronting Lender"). Holders of Existing Secured Notes wishing to certify that they are eligible holders in order to be eligible to receive a copy of the Offering Memorandum should complete the eligibility letter and return it to Epiq as directed therein. Holders of Existing Secured Notes may complete the eligibility letter on-line at <https://epiqworkflow.com/cases/RackspaceEL>, or obtain a PDF copy of the eligibility letter by requesting a copy from tabulation@epiqglobal.com and referencing "Rackspace" in the subject line. The eligibility letter can be returned via the online portal or by emailing a scan of both pages of the fully completed letter to Epiq at Tabulation@epiqglobal.com and referencing "Rackspace" in the subject line. Once your response has been reviewed and cleared by Epiq, you will receive the Offering Memorandum from Epiq by email.

This press release is for informational purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, any security and does not constitute an offer, solicitation or sale of any security in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Exchange

Offer is being made in reliance on the exemption from registration provided by Section 4(a)(2) of the Securities Act, has not been registered with the U.S. Securities and Exchange Commission (the "SEC") and relies on exemptions under state securities laws.

About Rackspace Technology

[Rackspace Technology](#) is a leading end-to-end hybrid, multicloud, and AI solutions company. We design, build, and operate our customers' cloud environments across all major technology platforms, irrespective of technology stack or deployment model. We partner with our customers at every stage of their cloud journey, enabling them to modernize applications, build new products, and adopt innovative technologies.

Forward-Looking Statements

The Company has made statements in this press release that are forward-looking and therefore subject to risks and uncertainties. All statements, other than statements of historical fact, included in this press release are, or could be, "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and are made in reliance on the safe harbor protections provided thereunder. These forward-looking statements include statements related to the Offers and the Company's ability to consummate the Offers within the time period expected, or at all. Any forward-looking statement made in this press release speaks only as of the date on which it is made. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise. Forward-looking statements can be identified by various words such as "expects," "intends," "will," "anticipates," "believes," "confident," "continue," "propose," "seeks," "could," "may," "should," "estimates," "forecasts," "might," "goals," "objectives," "targets," "planned," "projects," and similar expressions. These forward-looking statements are based on management's current beliefs and assumptions and on information currently available to management. The Company cautions that these statements are subject to risks and uncertainties, many of which are outside of its control, and could cause future events or results to be materially different from those stated or implied in this press release, including among others, risk factors that are described in the Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other filings with the SEC, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein.

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