

ASX Release

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2023 AGM - Chairman's Statement

Ladies and gentlemen,

Welcome to NEXTDC's 13th Annual General Meeting. It's a gathering that gives us the opportunity to share details about the continued success of the business.

The Company's **vision** is "to help enterprises harness the digital age, improving our society through the advancement of technology". NEXTDC's **purpose** is "to be the leading customer-centric data centre services company, delivering solutions that power, secure and connect enterprise and Government customers to the world's most valuable resource – data".

The continued expansion of NEXTDC's network of data centres is driven by growth in colocation and cloud services as organisations leverage digital megatrends such as AI, robotics, 5G and the Internet of Things whilst meeting sustainability and networking demands – amongst others – to implement new ways of working to achieve success.

FY23 Highlights

I am honoured to stand before you as we reflect upon a remarkable fiscal year ending on June 30th. During the FY23 reporting period, NEXTDC has once again set new benchmarks for performance, reinforcing our position as a leader in the Australian data centre services industry, including:

- Growing revenue by 25% to \$362.4 million;
- Increasing underlying EBITDA by 15% to \$193.7 million;
- A record new sales year, saw contracted utilisation reach 122.2MW, up 47%. Subsequent to year-end, we saw a further increase in contracted utilisation to reach 145MW towards the end of August; and
- Interconnections strengthened, increasing 7% to 17,816.

The past year has been a testament to our commitment to growth, business resilience, and adaptability in a rapidly evolving marketplace. Despite the backdrop of a world facing rising geopolitical tensions, supply chain disruptions, and inflationary pressures, the demand for digital infrastructure continues to surge.

As technology adoption permeates through all areas of life, infrastructure strategy is critical to supporting sustainability goals, reduced operating costs and resilience.

The role NEXTDC plays as Australia's premier, customer-centric data centre services provider has never been more important.

Appetite for Future Growth:

In the 13 years since the Company's inception, we've established a presence in all key Australian markets with a roadmap of expansion facilities in planning and development and are now expanding overseas, starting with new strategic development projects in both Malaysia and New Zealand.

We have also continued to build our domestic platform with new projects now underway such as A1 in Adelaide, which is scheduled to open in 1H of calendar 2024, adding a total ~5MW of planned power capacity to the market in Adelaide and Darwin as well as significant, emerging edge opportunities supporting cloud services, telecommunications, and mining partners in regional Western Australia.

We are also in the process of adding new emerging edge opportunities such as PH1 in Port Hedland that will extend the availability of critical digital infrastructure to one of the most remote locations on earth.

Notably, these remote facilities will operate in a hostile environment with temperatures regularly soaring over 45 degrees, where cyclones can strike and where fine red dust is an ever-present feature. We have mitigated these risks and already have customers benefitting from our facilities.

Funded for Growth:

Our funding position has been further strengthened in FY23. We upsized our debt facilities by an incremental A\$400 million and successfully raised A\$618 million in equity through an entitlement offer, resulting in total liquidity to A\$2.3 billion as at the end of FY23, ensuring that we are well-funded to seize the growth opportunities in front of us, both domestically and internationally.

AI Changes Everything:

The emergence of generative artificial intelligence as a mainstream business tool – and the accelerating adoption of other forms of AI – has changed the game for digital infrastructure services providers. The significant growth in this technology and the data that underpins it has ushered in a new era for companies able to provide the heightened requirements for power, cooling, resilience, and security.

We are seeing practical applications for AI rapidly expanding across all industries with the major tech companies allocating billions of dollars in capital resources to meeting current and future demand for these applications. This, in turn, is placing increased pressure and demand on data centre service providers to support their customers as they scale up their infrastructure.

As a premium services provider in this area, with a track record of delivering on customer requirements, our sales pipeline continues to hit record highs. Pleasingly, and as a result, we are also seeing our service order commitments grow larger in size and longer in terms which augurs well for our long term sustained growth.

We have spent 13 years building a premium brand based on unparalleled design and engineering, and operational expertise in delivering a quality and flexible service that caters for the needs of our customers.

NEXTDC is perfectly placed to support this NEXT Frontier, as our Tier certified platforms, and go-to-market strategy aligns precisely with these developments.

We have proven over many years, in servicing some of the world's largest technology companies, that our approach to innovation allows us to both deliver a 100% uptime guarantee whilst also being

an industry leader in the way we design and operate our data centres to minimise their environmental impact.

Contracted Utilisation Jumps:

Perhaps the most telling performance metric for NEXTDC in FY23 was sheer volume of the many new and long-standing customers that demonstrated their commitments to us, including many who renewed their existing operational footprints in current and new locations.

In FY23, we achieved a record increase in contracted utilisation, rising by 39.2MW (a significant 47% jump) to reach 122.2MW. Following year end, we also announced a further increase in the level of contracted utilisation, up a further 23.2MW or 19% to 145.4MW.

Sydney (S3) and Melbourne (M2 and M3) are in particularly high demand, with wins across Enterprise, Government and hyperscale customers including cloud services, financial services, mining, media and entertainment and energy providers. These new contracts not only secure future cash flow but have also stimulated an acceleration in planning for new developments in Sydney (S4 and S5) and Melbourne (M4).

Growing the Team and Capabilities:

We continue to expand our team, focusing on safety management, security, sustainability, customer service, global operations, and facilities management.

In Kuala Lumpur, we have now assembled a local team to lead our expansion into Asia. As always, we remain committed to talent acquisition as well as the training and development of our existing employees. We recognise that our human capital is at the heart of our expansion and central to our success.

Equity Raising, Strongly Supported:

During Q4 of FY23, the Company launched a very successful A\$618 million Entitlement Offer to help fund NEXTDC's international expansion and accelerated fit-out of new contracted hyperscale commitments at S3 Sydney. We are very pleased with the confidence shown by our shareholders in taking up their entitlements.

With one additional share available for every eight shares held, the rate of take-up amongst institutional investors was 99%, with a further 87% of retail shares also taken up by existing shareholders. All shares not taken up by institutional and retail investors were duly secured by sub-underwriters, all of whom were also existing shareholders in NEXTDC. Thank you for the trust you have placed in us.

Meanwhile, our commitment to good governance, sustainability, and community engagement is there for you to review via our Environmental, Social, and Governance (ESG) Report and Corporate Governance Statement (CGS), available for download from the NEXTDC website.

Certified as Sovereign:

Regulatory compliance remains a focal point, particularly in our expansion into Asia. Achieving Malaysia Digital status was critical to getting started on KL1 and complements the DTA Certified Strategic status we achieved via the Australian Government for all of our domestic facilities. We continue to maintain certifications for our existing fleet including Uptime Institute Tier certifications, key ISO standards, relevant industry security standards plus sustainability credentials including Climate Active and TRUE Waste management, all of which highlight our commitment to data security, sovereignty and ethical practices.

**Supporting Sustainable Digital Growth:**

Our commitment to operating efficiency is evident through our facilities' NABERS 5-star energy ratings and our efforts to maintain the lowest possible Power Utilisation Effectiveness (PUE) metrics, which provide tangible evidence of our environmental credentials, the efficiency of our infrastructure and our work to minimise the energy usage of our customers and our business.

In addition, we actively strive to achieve new industry benchmarks for sustainable data centre design and sustainability best practise across energy and water usage and waste management.

In closing, I want to express my gratitude to our dedicated staff, management team, and board for their unwavering support and contributions to the Company's success. At NEXTDC, we are thrilled about the opportunities that lie ahead. For our shareholders, we are confident that the best is yet to come.

Thank you for your trust and support.

Authorised for release by the Board of NEXTDC Limited.

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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 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 *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 *where the cloud lives*®.

To learn more, visit www.nextdc.com