



4 January 2022

CDC Data Centres 31 December 2021 Valuation

Infratil advises that an independent valuation of CDC Data Centres (“CDC”) as at 31 December 2021 indicates a ~15% increase in the value of Infratil’s investment in CDC since 30 June 2021, the date at which the previous independent valuation was undertaken.

Infratil’s 48.0% investment in CDC is now valued at between A\$2,669 million to A\$2,862 million, with a mid-point of A\$2,762 million, up from A\$2,301 million to A\$2,457 million at 30 June 2021. Based on the NZD/AUD exchange rate on 31 December 2021, the NZD valuation of Infratil’s investment in CDC is NZ\$2,833 million to NZ\$3,037 million (with a mid-point of NZ\$2,932 million).

The valuation increase reflects the pipeline of development and strong customer interest in CDC’s services. CDC currently has four data centres, totalling 104MW, under construction in three geographies (Auckland, Canberra and Sydney). Most recently, CDC announced an expansion to Melbourne that will add an additional 150MW of capacity to the existing development pipeline. Construction of the first phase of the Melbourne development is expected to commence shortly and the independent valuer has included this in its valuation appraisal on the basis of a conservative uptake of capacity. This, along with CDC’s track record and customer demand, is providing strong confidence in the medium-term growth outlook.

The independent valuer has also reduced the blended discount rate range from 9.83% to 10.23% in the June 2021 valuation to 9.65% to 10.05% for the December 2021 valuation, which reflects the reduced risk associated with the New Zealand data centres nearing the end of construction and a positive shift in the independent valuer’s overall assessment of sector risk.

There is no material change to CDC’s FY22 guidance.

Impact on Estimated FY2022 International Portfolio Annual Incentive Fee

On 12 November 2021, as part of its interim results for the six months to 30 September 2021, Infratil provided an estimate of its FY2022 International Portfolio Annual Incentive Fee accrual. Based on the 31 December 2021 independent valuation of CDC, Infratil advises that the FY2022 International Portfolio Annual Incentive Fee is now estimated as \$70.0 million, an increase of \$60.0 million since the 30 September 2021 accrual.

The assessment of the International Portfolio Annual Incentive Fee in relation to Longroad Energy and RetireAustralia has not been updated since the 30 September 2021 estimate.

Infratil notes that the actual International Portfolio Annual Incentive Fee as at 31 March 2022 will be determined based on independent valuations of each of the relevant investments. If an International Portfolio Annual Incentive Fee is ultimately determined to be payable at 31 March 2022, the fee will be payable in three equal tranches over the period to 31 March 2024, with the payment of the latter two tranches only being payable if the total valuation of the relevant investments as at 31 March 2023 and 31 March 2024 respectively, is no less than the total valuations determined as at 31 March 2022.

Any enquiries should be directed to:

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