

Investment in KAO DATA

Infratil Investor Presentation
5 October 2021



Infratil

Transaction Summary

Investment in London data centre platform Kao Data, with initial commitment of £120-130 million by Infratil

Transaction summary

- Infratil has agreed to invest £120-130 million growth capital in London data centre business Kao Data alongside existing owners Legal & General Group and Goldacre, two strong UK-based investors
- Kao Data develops and operates technically advanced, highly sustainable colocation data centres. Kao Data has developed a 15 acre data centre campus in Harlow, London, with space and power for four data centres. Kao has built one data centre on that campus, and construction of a second data centre will commence by the end of the financial year ending 31 March 2022 (FY22)
- Kao Data has also signed a conditional agreement to acquire two UK prime location data centres from a large financial services business with significant expansion capacity. Subject to conditions precedent, completion is expected by the end of FY22
- On a combined basis, the portfolio will have 12.3MW of installed ICT capacity post completion of the above conditional acquisition, with capacity to expand to c. 55MW on these existing sites
- The Kao Data investment represents a compelling strategic growth opportunity for Infratil shareholders:
 - ✓ Strong management team with experience at leading global data centre and connectivity businesses
 - ✓ Differentiated Harlow facility with market leading technical specifications, and significant growth potential
 - ✓ Transformational expansion to a multi-site business with the signed acquisition of two data centres in UK prime locations, with significant expansion capacity
 - ✓ Weighted average remaining client contract life of over 9 years (excluding renewal options)
 - ✓ Further value accretive growth potential through pipeline of development opportunities beyond the existing sites (50MW+)
 - ✓ Strong local partners Legal & General and Goldacre to originate, execute and fund those further development opportunities, jointly targeting a £500m multi-site platform in the medium term

Timing and Governance

- Infratil has become an initial 20% shareholder and will reach its target 40% shareholding as Kao completes its acquisition of two data centres by the end of FY22. Legal & General Group and Goldacre will each hold c. 30%
- Infratil's governance rights over key strategic and financial decisions are consistent with a 40% stake immediately

Funding

- Infratil's equity investment is funded through cash on balance sheet
- As at 30 September 2021, Infratil has \$1.1 billion in cash and undrawn bank facilities of \$695 million. This follows the recent completion of the Tilt Renewables sale

Investment Thesis

Rare platform investment opportunity in an attractive UK data centre market with a company that has a desirable mix of proven capability and growth potential

This is an idea that matters



- Digital connectivity and data storage are 'ideas that matter'
- The pandemic has reinforced the positive tailwinds around the exponential growth in data usage and need for connectivity
- Data centres are high margin, long-dated assets with strong defensive characteristics
- Rare platform investment opportunity in attractive Broader London data centre market
- Significant value add from Infratil as experienced strategic partner to help accelerate growth

Differentiated core offering



- Existing Harlow based campus with significant growth capacity to c. 35MW across four buildings
- Located within the "Innovation Corridor" between London and Cambridge with c. 88MW of local demand among research, academic, AI and life sciences companies
- Technically advanced and highly energy efficient facility with abundant fibre connectivity. This supports demanding use cases such as High Performance Computing/AI, as well as enterprise colocation
- Since its 2018 launch, Kao Data has secured contracts with leading companies including Nvidia, European Bioinformatics Institute and financial services companies

Sizeable platform growth opportunities



- One of few successful independent new entrants in the broader London market in the past 10 years
- Strong operational team with senior experience from leading data centre operators serving as an important credential for demanding customer procurement processes
- Recently signed acquisition of two UK prime location data centres (completion expected by end of FY22) with further growth capacity
- Attractive well-connected local partners in Legal & General Group and Goldacre
- Sizeable pipeline of further London/UK development and M&A growth opportunities representing 50MW+ potential capacity

Market Approach

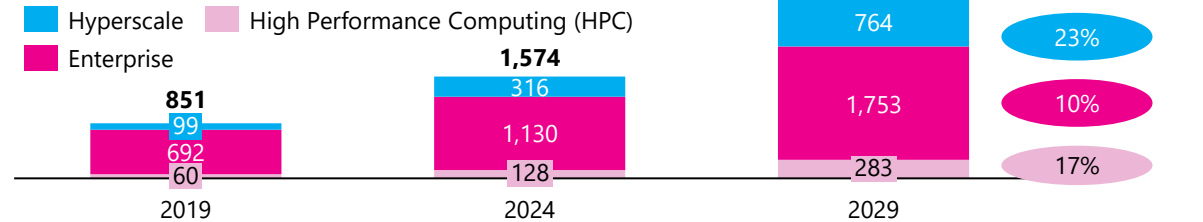
Kao Data has a focused strategy within an attractive London data centre market

London data centre market

Kao Data's strategy

London: Largest data centre market in Europe / Annual uptake >80MW

UK market demand (MW)



- **Strong demand growth outlook**, high utilisation rates expected to increase further in the next 10 years due to ongoing high demand growth despite announced new market supply.
 - **Land and power constraints**, London prime market becoming more land and power constrained
 - **Large and diverse market**, four largest players are 40-50% of total supply, long tail of mid-sized and smaller players
 - **Sustainability credentials becoming an increased focus of clients**, with an industry trend towards companies measuring emissions along its supply chain
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- **Build an ecosystem of high-performance colocation clients** representing the most innovative, research driven and high growth organisations from the local area and Broader London/UK incl. research, academic, AI and life sciences companies
 - **Use best-in-class performance and sustainability credentials to expand into broader enterprise colocation markets** (e.g., financial services)
 - **Enhance strength of offering through multi-site**, providing diverse data centre alternatives, including additional prime locations and offer redundancy solutions to existing and future clients

Multi-site Footprint

Acquisition of two additional data centres represents an opportunity to broaden its client offering and export its strong operational track record at the Harlow campus

Harlow campus

Situated in high growth innovation corridor

- Freehold site located in Harlow, less than 20 miles from central London in "innovation corridor" between London and Cambridge

Market leading technology and Sustainability

- Engineered to cater for high density use cases such as High Performance Computing and AI
- Designed to be highly energy efficient (<1.2 Power Usage Effectiveness, or PUE), positioning it as one of the most efficient (and therefore low cost) facilities
- Powered by 100% renewable energy
- Removal of fossil fuels from back up generators, replaced with HVO (Hydrotreated Vegetable Oil), reduces CO₂ emissions by 90%

Case study: Nvidia's Cambridge-1 supercomputer

- UK's most powerful supercomputer
- Hosted within Kao Data's Harlow campus and launched in July 2021
- With a range of life sciences and research organisations as founding partners (e.g. Astra Zeneca, GSK), Cambridge-1 will accelerate UK healthcare research into areas such as drug discovery and genome sequencing



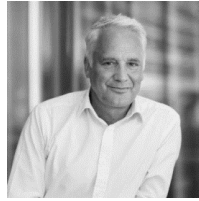
Acquisition of two UK prime location data centres

Strategic benefits

- **Becoming a multi-site platform** through this acquisition has major benefits from an investor and client perspective – offering clients' redundancy and increasing Kao Data's addressable market to include those who favour prime UK locations and/or have multi-site as a key purchasing criteria
- **Long term lease with large financial services business** reflects current industry trend of the financial services sector evaluating their strategy with regard to insourcing vs outsourcing data centre services. Being entrusted with this critical infrastructure is a significant endorsement of Kao Data

Highly Qualified Management Team

Strong experience across data centres and connectivity



Lee Myall, CEO

- Joined in 2020
- Senior VP at Interoute, a leading European fibre networks and cloud services platform, for over 14 years - where he pioneered its IaaS/cloud computing business units
- Most recently was CCO at Epsilon, a provider of cloud centric connectivity provider that directly connects enterprises with cloud platforms



Matthew Harris, CFO

- Has led the finance function since inception, including reporting and investment analysis
- Previously Managing Director at Goldacre, investment manager of the current shareholder Noé Group
- A chartered accountant with previous experience including Financial Controller roles



Paul Finch, COO

- Joined in 2016
- Senior Director roles at Digital Realty and CBRE with responsibilities spanning EMEA and APAC
- Recognised global authority in data centre cooling, sitting on global technical committees (ASHRAE, TechUK)



Gerard Thibault, CTO

- Joined in 2017
- VP of Design at Digital Realty (EMEA) for 11 years, where he undertook the design and implementation of over 150MW of data centre space across 24 sites
- Director role at CBRE for 6 years, focused on data centre building consulting



Spencer Lamb, VP Sales & Marketing

- Joined in 2020
- 15 years data centre experience, having previously worked at Infinity SDC and Verne Global in sales and business development roles
- Track record of delivering Contract Value across all customer verticals (hyperscale, telco, financial services, enterprise etc.)

Investment Partners

Existing shareholders selected Infratil as preferred strategic partner with proven experience to grow sizeable data centre platform



Background	<ul style="list-style-type: none"> • Invested in Kao Data in 2019 • One of the UK's leading financial services groups and a major global investor • Experienced investment team within the company's principal investment group 	<ul style="list-style-type: none"> • Noé Group, a family office investment house with 40 years of investing experience, purchased the Harlow site in 2012 • Goldacre is an investment manager that is part of the Noé Group that has been the driving force behind developing Kao Data from the start
Expertise and Reach	<ul style="list-style-type: none"> • L&G has 50 years experience investing in real assets, with strong relationships with local councils through its housing investments • Able to leverage its significant network of relationships with UK and international corporates and financial services companies 	<ul style="list-style-type: none"> • Successful track-record in real estate development and investment, amongst others • Significant market expertise with site sourcing, financing and acquisition for real estate, data centre and alternative land use purposes
Scale	<ul style="list-style-type: none"> • Market cap of c.£15.5 billion • Over £1.3 trillion of assets under management • Manage over £22 billion in real estate investments • Access to £80 billion+ of annuity capital offering low cost project funding 	<ul style="list-style-type: none"> • £2.5 billion of assets under management • Key markets include UK, Europe, Israel and India

Joint intention among Infratil and the other shareholders to deliver a >£500m data centre platform

Growth opportunity

Attractive risk/return envelope

Value accretive expansion opportunities

Existing platform: Key metrics	Current ¹			Target capacity (existing sites)		
	12.3MW Installed capacity	1 data centre on Harlow campus	2 UK prime location data centres (signed, subject to completion)	c. 55MW Installed capacity	4 data centres on Harlow campus	2 UK prime location data centres
	Contracted run-rate rental revenue of £13.3m (pro forma incl. acquisition of two data centres). Close to zero net debt			Breakeven EBITDA expected within two years (FY22 forecast EBITDA loss of less than £5m).		
	Targeting attractive mid-teen IRR based on building out and filling up the existing sites only . Over £250m of growth capital expenditure across the sites					
Additional growth potential	<ul style="list-style-type: none">• Other value accretive development pipeline growth opportunities at various stages of progression represent sizeable further investment opportunity (50MW+)• Legal & General Group and Goldacre bring unique networks and reach in originating further proprietary development and acquisition opportunities• Scaling up and de-risking a sizeable data centre platform can attract a significant valuation premium in the market					

1. Pro forma for acquisition of two UK prime location data centres

A Global Digital Platform



Infratil

Global demand for digital infrastructure is accelerating

Infratil has exposed shareholders early to this emerging trend



KAO DATA

- Invested in 2021
- Multi-site data centre platform in the UK, with 12.3MW of installed capacity across three sites (pending acquisition completion)
- Opportunity to grow total installed capacity to c. 55MW under expansion plans

CLEARVISION VENTURES

- Invested in 2016
- US\$50 million commitment to California based Clearvision Ventures
- Focused on gaining exposure to, and gaining insights from start-up ventures of relevance to Infratil's core sectors



- Invested in 2016
- Largest privately owned and operated data centre business in Australasia
- Operating nine data centres, powered by 133MW, across three campuses in Sydney and Canberra
- During 2022 growth to in excess of 200MW across four campuses and 13 data centres



- Invested in 2019
- One of New Zealand's leading digital services and connectivity companies with more than 3 million connections
- Extensive network of mobile towers, spectrum, IoT networks and fibre assets

Investable Ideas



Data Centres



Integrated Telco



Mobile Towers



Fixed Networks



Subsea Cables



Satellites



Small Cell Networks

"Ideas That Matter"



Infratil