

## NextDC 2024 AGM Report

<b>ASX code</b>	NXT
<b>Meeting date</b>	Friday, 22 November 2024
<b>Type of meeting</b>	Hybrid
<b>Monitor</b>	Mike Sackett assisted by Alison Prentice.
<b>Pre AGM-meeting</b>	With Chairman Doug Flynn; Stuart Davis Chair of Remuneration & Nomination Committee and Simon Guzowski, Vice President Investor Relations.

### Meeting Statistics

<b>Number of holdings represented by ASA</b>	58
<b>Number of shares represented by ASA</b>	408,407
<b>Value of shares represented by ASA</b>	\$6.7 million
<b>Total number attending meeting</b>	157 (56 in-person and 101 online)
<b>Market capitalisation</b>	\$10.7 billion
<b>ASA open proxies voted</b>	ASA voted in favour of all resolutions

The AGM was a curious mix of the exciting and the boring. The remuneration report was carried with 94.5% of votes in favour. The other four resolutions were also carried comfortably.

In his address, the CEO observed that “in the past 12 months alone, we have contracted more new business than in the entire previous decade” – surely an extraordinary achievement. Mostly the CEO commented on the global dynamism of the data centre industry, principally spurred on by the burgeoning growth of AI. There were no significant announcements regarding NextDC itself.

One issue NextDC has faced recently has been retention of key staff. This is complicated in the data centre industry by the significant presence of private equity players who face far fewer disclosure requirements than do public companies, such as NextDC.

ASA thanked the company for organising a hybrid meeting. We noted that NextDC had achieved a Total Shareholder Return of 30% over the past year and a remarkable 25% per annum over the past decade. We asked what changes had been made to the company’s organisation/staffing structure to implement plans to expand into SE Asia and NZ, which were first announced in May 2023. We were assured these were in hand. Specific challenges faced overseas included the country-specific legislative environment and sensitivity over cyber-security.

Data centre operation is a power-hungry business. It has recently been announced that major companies in the USA are considering deploying their own nuclear power plants to support data centre operations. The CEO shared his view that all energy solutions should be on the table. In

response to ASA's question regarding the company's deteriorating Power Utilisation Effectiveness in FY24, we were told that this reflected the recent addition of new data centres operating at a fraction of their eventual capacity. As they fill up, so PUE should improve.

On the resolution to re-elect Doug Flynn as Chairman, ASA requested that he make a few remarks to illustrate the qualities he brought to the board. He did this eloquently and convincingly, citing his considerable business experience in SE Asia.

Inevitably questions were asked from the floor as to when NextDC would become profitable and start paying a dividend. It was apparent from the responses the company was still in the relatively early stages of the investment curve. Profits and dividends should come later. Increases in the share price over the past decade were an indication that "the market" took a favourable view of NextDC's long-term prospects.

Another question reflected ASA concerns regarding capital raisings being pro-rata and renounceable. This issue is significant given that NextDC has made two capital raisings this year, neither of which met these conditions. The Chairman replied that pro-rata, renounceable capital raisings tended to increase the discount/spread of the offer and to raise the cost to the company of raising capital.

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