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ASX Release

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2026 AGM – Chairman and CEO's Address

Chairman's Address

Whether you are here in the auditorium at the Hilton Hotel or joining online from around Australia and beyond – Welcome. Today marks my 13th and final AGM as Chairman of NEXTDC.

We appreciate that the recent update about the delay at M3 and revision to our FY27 guidance on 21 October 2026 is of great interest to shareholders. We know you are disappointed and have questions.

The Board and management will address these events in detail today.

I want to open my remarks by affirming that NEXTDC's long-term investment case remains intact. Demand for high-quality digital infrastructure continues to grow as the demand for compute expands significantly.

NEXTDC has what it takes to meet that demand: strategically valuable assets, strong customer demand and a significant contracted pipeline. The recent M3 issues have also made one thing clear: our approach to execution risk must change.

As a result, we've reset our FY27 guidance in October with an upgrade to net revenue and Underlying EBITDA guidance announced this morning. We reviewed our capital program and reaffirmed our capital expenditure guidance this morning.

Growth remains important, but it must be pursued with strict financial and operational rigour. NEXTDC is focused on converting contracted demand into earnings and cash flow, with a focus on delivering risk-adjusted shareholder returns. That is how we will restore confidence and deliver the long-term opportunity ahead.

So, before we move to the formal business of today's meeting, I want to address three areas. First, why NEXTDC is well positioned to capture the long-term opportunity ahead. Second, the recent acquisition of a 9.9% interest in NEXTDC by Goodman Group and Digital Realty and the Board's focus on maximising value for all shareholders. And third, our plan to deliver value, including our response to M3 and the actions we are taking to strengthen that project.

i) The NEXTDC Opportunity

We acknowledge there's growing community opposition to data centres in Australia and worldwide. I want to point out that NEXTDC only builds data centres on land zoned as industrial. Given community sensitivities we do not intend to pursue new development opportunities that are near residential properties.

Despite the recent power delay at M3, the underlying opportunity for NEXTDC remains significant. We have a portfolio of world-class infrastructure and have delivered our best ever contracting year during FY26 with a Forward Order Book of approximately 565MW.

We have a significant development pipeline of over 5GW across Australia and our international markets, giving NEXTDC considerable long-term growth optionality. Cloud growth, digitisation and AI are driving sustained demand for data centre infrastructure.

Our focus is firmly on delivery – converting our contracted capacity into revenue and operating cash flow, while continuing to serve and deepen our customer relationships. We also have substantial balance sheet strength, which I will come to shortly.

So, the investment case remains intact: strategically valuable assets, strong customer demand and a significant contracted pipeline.

ii) FY26 Highlights

NEXTDC achieved a number of significant milestones and experienced a strong period of growth in fiscal 2026. This was the largest contracting year in NEXTDC's history.

Net revenue and Underlying EBITDA both exceeded the top end of the FY26 guidance range. Billing utilisation increased materially as contracted capacity began converting into revenue.

NEXTDC ended the year with a record increase in contracted utilisation, the Forward Order Book at record levels, as well as a strengthened balance sheet. These results demonstrate the underlying demand for the platform and the scale of the opportunity ahead.

Before I turn to our plan, I want to address the recent purchase of 9.9% of NEXTDC shares by Ackland Investments No.1, a vehicle owned equally by Goodman Group and Digital Realty. For those who are not aware, Goodman Group and Digital Realty are competitors of NEXTDC.

We believe that the acquisition of shares by competitors of NEXTDC is proof of the strategic value and importance of NEXTDC's assets in a market where built and contracted infrastructure is extremely attractive and valuable.

In their statement released to the ASX on 9 November 2026, Goodman and Digital Realty said that neither party has "*any present intention of submitting a control proposal, or making a takeover offer for NEXTDC,"* although each reserves its right to do so should circumstances change. The Board has not received any formal proposal from Goodman, Digital Realty or Ackland, and is not in possession of any takeover proposal at this time.

Any bona fide proposal from any credible parties will be considered by the Board on its merits and in the best interests of all NEXTDC shareholders.

We will keep the market informed in line with our continuous disclosure obligations. There is no action required from NEXTDC shareholders on this matter.

The Board's priority is maximising value for all shareholders as NEXTDC delivers the plan I am about to describe.

iii) Our Plan to Deliver Value: Five Pillars

The Board and Executive Team are focused on five priorities to deliver near-term results and long-term value for our shareholders:

1. Executing the M3 program
2. Delivering projects and cash flow
3. Capital discipline
4. Maintaining balance sheet strength; and
5. Renewing the Board and strengthening governance

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The five pillars are focused on strengthening our governance to build sustainable shareholder value and regain market confidence.

Progress on these initiatives will be reported at the first half results in February 2027.

iv) Executing the M3 Program

Construction continues at M3 on the approved development of contracted customer capacity. The previously announced delay relates to the timing of the next increase in power supply to M3.

The Board is working closely with Jemena to progress the M3 program – I have been in direct contact with the Chairman of Jemena, about a path forward. We are proactively supporting Jemena's consultation and approval process, as we appropriately can.

As the NEXTDC and Jemena teams progress a path forward, the Board is maintaining clear oversight of M3, including direct Board sponsorship of the community engagement program.

My fellow Board members, Debbie Page and Eileen Doyle, have been appointed as Board sponsors for this process, and we are adding a permanent Community Engagement Manager for M3.

Since the M3 update, the Non-Executive Directors have voluntarily reduced their fees by 10%, and we withdrew Resolution 5, which sought an increase in the fee pool. Craig has agreed to forgo his FY27 short- and long-term incentives, so Resolution 7 has also been withdrawn.

A Community Consultative Committee is being established to provide an ongoing forum for residents and stakeholders, which Craig will tell you more about shortly. The objective is to improve the M3 timeline while working towards a power solution and building a stronger, more constructive relationship with the community.

The Board is also evaluating options for a community benefit framework as part of a broader engagement plan for how NEXTDC supports communities everywhere we operate, beyond M3.

v) Capital Discipline, Delivering Projects and Cash Flow

Our priority over the next two years is clear: complete the capacity we have already contracted, hand it over to customers and convert that capacity into billing revenue and cash flow.

Our record-level Forward Order Book provides substantial visibility over future growth as that contracted capacity progressively comes online.

The focus is therefore increasingly on execution and conversion – completing construction, securing the required power and infrastructure, achieving customer acceptance and commencing billing.

As contracted capacity transitions into billing, we expect to see the benefits flow through to higher revenue, EBITDA and operating cash flow, supporting a more mature and cash-generative business.

We have undertaken a detailed review of our capital expenditures, and our revised capital program reinforces this priority.

Our review has confirmed FY27 capital expenditure guidance of A$4,500m to A$5,000m, a like-for-like reduction of A$980m, or 17% to 19%, from the initial FY27 guidance provided on 27 August 2026. The majority of the FY27 capital expenditure is focused on existing contracts at S4, M2, M3 and KL1.

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As announced, uncontracted development projects and new land acquisitions are on hold. They will be considered only when supported by customer contracts at returns above our cost of capital, where key delivery dependencies such as power and planning are sufficiently advanced in consultation with relevant government and community stakeholders, and where incremental funding is in place.

We continue to take a disciplined approach to capital allocation, with a focus on capturing value for shareholders.

vi) Balance Sheet Strength

The Board is committed to maintaining balance sheet strength. NEXTDC has substantial liquidity and is in compliance with its financial covenants as of the last test date. We also expect to comply at the next test date on 31 December 2026.

Our asset base exceeds A$10bn, including A$5.8bn of property, plant & equipment as well as A$3.2bn of investment properties. We continue to explore capital recycling opportunities, including a joint venture structure for our S4 Sydney campus.

Current funding supports execution of our contracted capacity, and we will continue to be very disciplined about capital deployment. We do not expect to raise capital from shareholders at this time to deliver our current contracted customer capacity.

vii) Board Renewal: A Phased Approach

An orderly board renewal process is underway. As we announced last month, I will retire from the NEXTDC Board after a short handover once the new Chairman is appointed.

We expect to appoint a new Chairman and an additional independent director in the first calendar quarter of 2027, subject to identifying suitable candidates.

Stuart Davis is standing for re-election to support continuity during this process, then he intends to step down once the new directors are in place. For the director search, we're targeting relevant capabilities in data centres, energy, infrastructure development and capital management.

This board renewal program is designed to provide minimal disruption during a critical period. The Board believes continuity and stability through this transition is in the best interests of shareholders, and we ask shareholders to support the re-elections of Mr Davis, Dr Doyle and Mrs Leftakis.

viii) Governance: Listening and Taking Action

The 2025 remuneration vote sent a clear message to the Board. Shareholders have asked for clearer accountability and greater alignment between executive rewards and returns.

We've carefully evaluated a broad range of shareholder feedback and responded - in our Annual Report and our recent responses to proxy advisers - to explain how our remuneration framework supports long-term shareholder value creation.

We believe that the GIP reflected extenuating circumstances and we acknowledge the right of shareholders to vote on similar initiatives in the future. Likewise, we have heard you on our exercise of discretion under the FY22 LTI program and the need to continue to align remuneration increases with performance.

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Our view on pay is that it should appropriately reflect the market given scarcity of talent and complexity, scale and the expansion of the business. We continue to evaluate remuneration to ensure it remains fit-for-purpose, rewards and retains critical talent and has strong pay-for-performance alignment.

It is important to note that proxies lodged before today's meeting show **72.03%** of votes against the Remuneration Report. That means the Company will record a second strike today, and Resolution 8, the conditional spill resolution, will be put to the meeting.

We strongly believe a spill meeting would be destabilising and add cost and distraction at exactly the time when the Board and management need to focus on delivering for all shareholders.

The Board recommends that you vote against Resolution 8, and I intend to vote all available undirected proxies against it.

We look forward to continuing our engagement with shareholders in FY27.

Before handing over to Craig, I want to reiterate that we are focused on delivering our commitments through measurable actions and strong oversight.

Governance actions matter, but execution is what will ultimately rebuild trust. That is why Board continuity, alongside renewal, matters through this transition.

Thank you for your support, and I will now hand over to Craig to step you through the business highlights and the NEXTDC team's plan of action.

CEO's Address

Thank you, Doug, and good morning. This is my fifteenth AGM as your CEO, and it is the hardest. I know many of you are disappointed. I understand why. I want to start with M3.

As CEO, I am accountable for delivery. Power, planning approvals, construction and community support are all part of delivery. We rely on partners for each of them, and they have their own responsibilities. That does not change mine. At M3 we needed to work more closely with our power and construction partners, and with the community. We are now doing that.

The rest of the business is performing. FY26 was a record year. We support thousands of customers every day, and our contracted forward order book, which includes the affected M3 contracts, is the largest in our history.

i) An Operating Platform to Meet Growing Demand

Demand for high-quality, secure and reliable data centre capacity is the strongest I have seen in my time as CEO.

Cloud and AI remain the structural drivers of demand, even as capital markets and technology valuations move around.

We operate 18 data centres across Australia and Malaysia, including Australia's only national network of Uptime Institute certified Tier III and IV facilities.

We have five sites in development. All uncontracted development projects are on hold while we deliver the forward order book. Demand is not our constraint. Delivery is.

We build on industrial land, close to power, network connectivity and our customers. In the past we relied on formal council and state planning processes to set the standard and own the conversation with the community. That is no longer enough.

We will now engage earlier and directly, alongside our power and construction partners.

ii) The M3 Expansion. We Are Taking Action

First, some context. M3 is not a new development. It has been under development since 2021, in an industrial precinct in West Footscray. Stages 6 and 7 are the final stages of the entire campus.

Over those years, community views on industrial areas have changed, and opposition to data centres and AI has grown, locally and globally. That is the environment we are now building in.

Let me set out what happened. Additional power for M3 requires Jemena to install new power lines. Residents and community stakeholders raised concerns about the size of new power poles. Jemena then suspended those works, citing safety concerns and a lack of access to work sites resulting from community opposition.

Those concerns deserved to be heard earlier. Jemena has recognised that its community engagement and consultation around the network upgrades was insufficient, and it is strengthening its approach.

None of that changes where accountability sits. The upgrade serves our project and our customer. Delivering that project is our job, and I am accountable for it.

On 21 October 2026 we informed the market that the delay to new grid supply would affect our ability to fully deliver some customer contracts at M3, and we revised our FY27 guidance.

Approximately A$140m of each of net revenue and Underlying EBITDA associated with the affected M3 contracts sitting outside of FY27 guidance until its contribution can be reliably estimated. The affected M3 capacity remains under contract, subject to the customer's rights, and construction continues.

iii) M3 Action Plan in Progress

With Jemena, we are progressing several pathways in parallel to bring power forward:

1. alternative routes both through industrial streets and underground;
2. alternative substations;
3. upgrades to existing feeders; and
4. broader grid options.

Work on power options for M3 is well under way. Once Jemena's technical solution is finalised, Jemena will lead any community consultation and approvals process. We will fully support it.

The next milestones, including the timing Jemena has advised, are at the bottom of this slide. We continue to engage with the affected customer, supporting their daily operations and working closely with them on the technical solutions.

The planning decision for Stages 6 and 7 sits with the Victorian Government. We expect that process to resume after the Victorian state election.

I will report on progress at our half-year result in February, and earlier if there is something material to report.

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iv) Building trust within our communities

M3 has changed how we plan, build and operate alongside our neighbours. For more than 15 years we have built data centres across this country. What earned trust then is not enough now. Community expectations have moved in the age of AI, and we must move with them.

At M3, we have reviewed our community engagement, and the findings are shaping a formal M3 Community Engagement Plan. We are establishing a Community Consultative Committee, a standing forum for residents and local stakeholders to raise issues with us directly. We are also developing a Community Engagement Plan for every site in Australia and in Asia.

The Board oversees that work through its Sustainability Committee and two Board sponsors.

We have launched a dedicated M3 website and contact channels and introduced defined response times for complaints and enquiries. We are providing more regular information on construction, generators and air quality. These standards apply to everyone who works on our sites, including our builders.

Our company-wide approach is built around the five commitments on this slide: engage early and listen, plan responsibly, respect our neighbours, show our progress, and create value that lasts.

v) S4 Sydney Development in Progress

Moving on to S4 in Western Sydney, which is our largest contracted development. 250MW of the planned 365MW IT load is customer contracted, and construction is under way.

Power arrangements are in place for our contracted capacity at S4. Phase 1 is under construction and is expected to begin billing in FY28. Phase 2 is in the NSW planning process.

vi) Our Commitments in Action: Water Recycling

The Conexa / AquaNet connection at S4 is a tangible example of responsible infrastructure that benefits both the site and the wider community. We understand from Conexa that it is Australia's largest recycled water connection to a data centre.

It also relieves pressure on a wastewater system equivalent to approximately 35,000 homes.

Using water for heat rejection is highly efficient and uses less energy, meaning a better PUE. Using recycled water means minimising the impact on Sydney's potable water network.

vii) FY27 Guidance Upgrade

Now, I'd like to update you on our FY27 guidance. This is an upgrade on our 21 October guidance. It is still below our August guidance, because the M3 contracts are excluded.

Upgraded FY27 net revenue guidance is now **A$485m to A$500m**. This reflects strong sales and revenue growth, and greater confidence in the timing of customer delivery, outside the affected M3 contracts. We raised the bottom end by A$10m and the top end is unchanged at A$500m.

Revised Underlying EBITDA guidance is increased to **A$260m to A$275m**. This is 8% above FY26 Underlying EBITDA of A$248.8m at the mid-point. The change is driven by cost savings from focusing operating spend on delivering capacity to customers, together with higher expected net revenue.

Both ranges exclude the affected M3 contracts until their contribution can be reliably estimated.

Any service level credits that become payable on those contracts could reduce Underlying EBITDA below this range.

FY27 capital expenditure guidance is **reaffirmed at A$4.5 billion to A$5 billion,** following completion of our capital expenditure review.

Three final comments.

1. First, to our team. Mission-critical customers across the region rely on you every day. Thank you for your hard work and dedication.
2. Second, to our Board. Thank you for your commitment, and for the time you have given through a demanding period.
3. Third, to our shareholders. We started with one site in Brisbane. Today we operate 18. M3 is a serious setback. Solving it is our first priority, and we will see it through. We will work to earn back your trust and the trust of the community around M3. I will report to you on progress in February.

Outside M3, the business is performing, and demand is the strongest I have seen. Our job is to deliver the value in this business for our shareholders. That is what we will do.

Thank you.

NEXTDC – where the cloud lives.

Authorised for release by the Board of NEXTDC Limited.

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About NEXTDC

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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 one of the only data centre operators 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*®.

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