NEXTDC

2025 COMPETITIVE STRATEGY LEADER

Transforming Innovation Into High-Growth Performance and Competitiveness

RECOGNIZED FOR BEST PRACTICES IN THE AUSTRALIAN DATA CENTER SERVICES INDUSTRY

FROST & SULLIVAN

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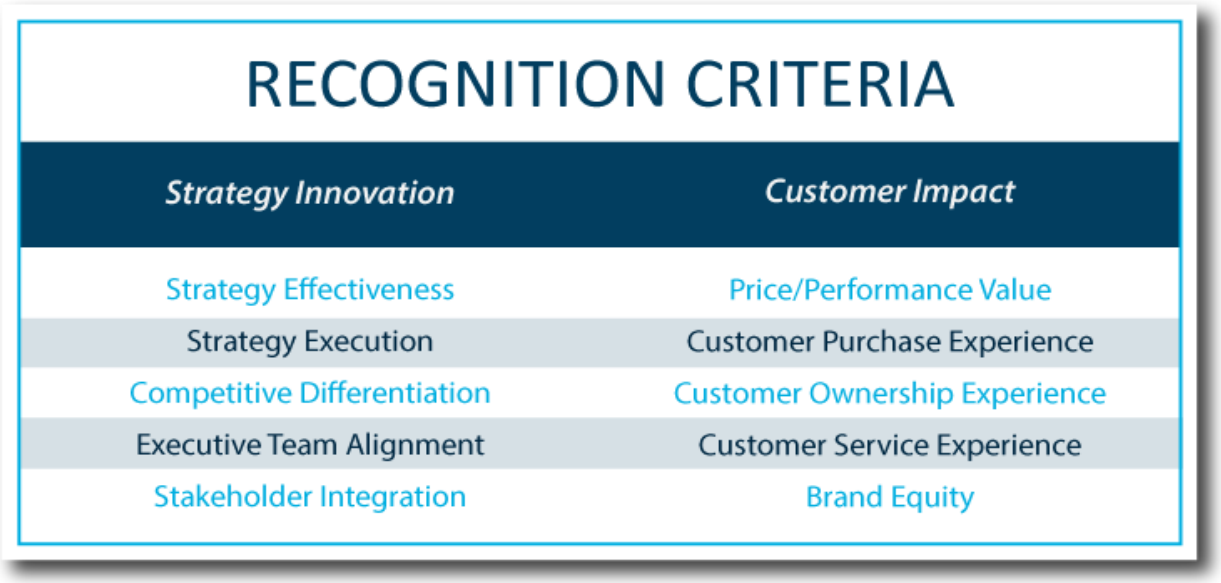
Best Practices Criteria for World-class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each recognition category before determining the final recognition recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. NEXTDC excels in many of the criteria in the data center services space.



RECOGNITION CRITERIA

Strategy Innovation	*Customer Impact*
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Australia's Data Center Services Revolution

Australia's data center services market is expanding at unprecedented pace. The rise of artificial intelligence (AI), growing cloud services demand, and the need for sovereign digital infrastructure has made the country a key hub in the Asia–Pacific region. Global giants such as Amazon, Google, and Microsoft continue to scale their presence while private equity-backed operators are also entering the market to capitalize on the region's digital infrastructure opportunities. This has made Australia a strategic location for the broader Asia-Pacific digital ecosystem, attracting investment to both metropolitan and emerging regional centers to support distributed computing.

But this growth is also reshaping Australia's energy infrastructure. Data centers are projected to account for 15% of electricity consumption among large industrial users and 5% of the total electricity demand in the National Electricity Market (NEM) by 2033–34.[1] As overall electricity demand is set to double by 2050, the country faces the challenge of transitioning away from coal, with 90% of coal-fired power plants due for decommissioning by 2034-35. This necessitates the installation of 6 GW of new renewable energy capacity annually, underscoring the link between data center expansion and the national energy transition. Beyond energy, the sector faces challenges in water resource management, rising construction costs, and environmental, social, and governance (ESG) scrutiny. Investors, regulators, and customers are

[1]Australian Energy Market Operator (AEMO), "2024 Integrated System Plan (ISP)," https://aemo.com.au/energy-systems/major-publications/integrated-system-plan-isp/2024-integrated-system-plan-isp.

increasingly focused on sustainability, particularly the energy, water, and e-waste demand of data centers. At the same time, evolving cybersecurity regulations and data sovereignty policies present operational and compliance challenges.

Despite these challenges, the outlook for Australia's data center services sector remains robust. As the number of internet-connected devices continues to rise and enterprise digital adoption accelerates, demand for data center capacity is expected to grow significantly. Meanwhile, the shift towards cloud computing, AI, and Internet of Things (IoT) applications is also driving the need for scalable, efficient, and sustainable data center infrastructure to support Australia's digital future.

NEXTDC: Powering Australia's Digital Future with Advanced Data Centers

NEXTDC's rise from establishment in 2010 to achieving recognition as a constituent of the Australian Securities Exchange 100 (ASX100) Index shows it has become a formidable force in Australia's digital infrastructure landscape. This technology-focused company has developed specialized expertise in comprehensive data center solutions, advanced connectivity services, and seamless cloud access platforms. Headquartered in Brisbane, Queensland, NEXTDC operates a sophisticated portfolio of services encompassing traditional collocation, purpose-built mission-critical environments, disaster recovery infrastructure, and business continuity solutions. The company has established itself as Australia's preeminent independent data center operator, developing and managing a nationwide network of facilities that includes both Tier III and Tier IV certified data centers, ensuring exceptional standards for operational performance, resilience, security and sustainability, the prerequisites for modern digital operations.

NEXTDC's market differentiation stems from its innovative Data-Center-as-a-service (DCaaS) model, that integrates colocation capabilities, diverse interconnection options, and access to a vibrant cloud-centric ecosystem. Significant investment in high-performance interconnectivity, including inter-capital routes, dedicated data center interconnect, and flexible cross-connects enables seamless low-latency data flows for distributed, hybrid computing. This interconnection-first strategy positions NEXTDC as a core enabler of digital transformation across the Australian economy, executed at speed and scale while maintaining sovereign control, robust security, and sustainable operations that translate into operational certainty, future readiness, and strategic advantage for customers.

Expanding at Speed and Scale: Continued Investments in Australia and Asia

NEXTDC continues to strengthen its national platform through advanced facilities and operational innovations, serving customers from dense metros to remote, under-served regions. As global hyperscalers and private equity-backed operators intensify competition in the Australian market, NEXTDC's multifaceted investment program is designed to build and operate capacity quickly and responsibly, reinforcing a sovereign, secure, and sustainable footprint that meets rising AI-era demand.

A central element of this strategy is NEXTDC's commitment to edge market development. While other providers primarily concentrate on metropolitan areas, NEXTDC has expanded its footprint across regional and remote areas to build a truly national digital infrastructure network wherever customers need it. Today, the company operates a robust portfolio of 17 data centers across Australia, with additional facilities in development, in planning and under consideration both domestically and beyond Australia's

borders, underscoring its growing Asia-Pacific regional presence. These investments are paced to deliver capacity at speed, scaled to customer need, and engineered for efficiency, resilience, and compliance.

As of 2024, the company's development pipeline is accelerating, particularly in Australia's two largest metropolitan markets, Sydney and Melbourne. In Sydney, NEXTDC is witnessing substantial growth with three new major facilities in planning: S4 in Horsley Park (300 MW), S5 in Macquarie Park (80 MW) and the S7 in Eastern Creek (550 MW. Together these developments contribute roughly 930 MW of new capacity in Sydney, supporting the country's growing demand for high-performance computing (HPC) and AI infrastructure while preserving sovereign control and rigorous security and sustainability standards.

In Melbourne, NEXTDC is similarly scaling up operations with the expansion of M2 now targeting a total planned capacity of 220 MW (including 150 MW dedicated to AI training), alongside the development of M3 (150 MW) and M4 (80 MW). Collectively, the new capacity additions across Sydney and Melbourne exceed 1.4 GW, highlighting NEXTDC's aggressive growth trajectory in Australia's most critical availability zones. This metro focus delivers critical infrastructure for customers at scale and speed, with the governance, certifications, and efficiency expected of sovereign, sustainable infrastructure.

Further reinforcing its regional footprint, NEXTDC officially opened A1 in September 2024 (Adelaide's first Tier IV certified data center). This facility provides the critical infrastructure required to accelerate digital transformation for government and enterprise customers in South Australia. In Darwin, D1 was delivered in partnership with the Northern Territory government and Vocus, aimed at enhancing northern Australia's digital and infrastructure capabilities.

Beyond the metropolitan areas, NEXTDC is advancing strategic national and global footprint and connectivity. This includes SC1 on the Sunshine Coast, where the company is partnering with Google and Sunshine Coast Council to develop a new landing point for the Tabua trans-Pacific subsea cable. Already a land-base for the JGA-S subsea cable, currently the fastest data route from Australia to North America, the second landing station will connect Australia, the United States, and Fiji, providing a significant boost to international connectivity and helping to unlock a tech-enabled future for regional Australia.

With NEXTDC extending its ambitions beyond Australian borders, it will launch its first Malaysian data center by the end of 2025 and is also pursuing new projects in Japan, Thailand, and New Zealand. KL1 Kuala Lumpur will be Malaysia's first Tier IV colocation data center and has already secured its first 10MW hyperscale order. These international developments are part of its broader strategy to establish a sovereign, AI-optimized cloud infrastructure network across the Asia-Pacific, enabling global digital transformation, supporting customer regional growth requirements with agility and flexibility while reinforcing its long-term vision of scalable, high-performance infrastructure throughout the region.

Frost & Sullivan believes that NEXTDC's nationwide approach and APAC regional ambition serve multiple strategic objectives. These include supporting customer growth, delivering comprehensive market coverage, optimizing support for distributed workloads, and strengthening disaster recovery capabilities through geographic redundancy. By developing a balanced and forward-looking infrastructure portfolio, NEXTDC is enabling a more resilient and inclusive digital economic roadmap for Australia and the broader region.

Focus on Building AI Readiness and Technology

NEXTDC has made deliberate investments in strategic locations to position itself at the forefront of Australia's AI infrastructure development. The company is implementing a forward-thinking strategy focused on advanced capabilities that can support the intensive computational demands of AI and HPC workloads.

A cornerstone of NEXTDC's AI readiness is its innovative approach to managing the significant thermal challenges associated with high-density computing. The company has pioneered advanced cooling systems within its newest data halls and hyperscale expansion projects, including both closed-loop and open-loop liquid cooling, with early integration of water infrastructure specifically tailored for HPC environments. This cooling infrastructure provides critical flexibility, with facilities supporting air, liquid and hybrid cooling approaches that allow customers to adapt solutions to their specific workload profiles, local weather patterns and diverse technical requirements.

NEXTDC's infrastructure is engineered to support exceptionally high-power densities that are critical for next-generation AI computing. Its current facilities accommodate HPC rack power configurations starting at 130 kilowatts (kW) today and scaling up to 600 kW with a roadmap for rack densities up to 1000 kW as GPU technology evolves. This significantly surpasses typical industry practice, where many colocations and hyperscale environments still cap density between 30 kW and 100 kW. Higher density allows customers to consolidate more compute in less space, reduce latency within clusters, and accelerate training cycles. These are crucial advantages in competitive AI development.

Sustainability Initiatives and Customer-centric Focus

For NEXTDC, sustainability is not a compliance task; it's a strategic differentiator. The Company has established itself as a sustainability leader in Australia's data center services industry, implementing comprehensive programs to address growing environmental concerns while aligning with changing consumer expectations around corporate responsibility. The company has achieved 100% carbon-neutral operations and maintains an ambitious roadmap to sourcing 100% renewable energy by 2030. Multiple facilities have achieved 5-star certification under the National Australian Built Environment Rating System (NABERS), demonstrating tangible progress against measurable standards.

Beyond carbon and energy considerations, NEXTDC has developed sophisticated approaches to water conservation. The company employs advanced water recycling systems that incorporate efficient cooling technologies specifically designed to minimize consumption while supporting high-performance operations. These technologies are complemented by sustainable water management practices implemented systematically across all facilities, demonstrating NEXTDC's holistic approach to environmental stewardship, thereby ensuring growth does not come at the expense of local resources. The company's sustainability initiatives are integrated with a broader customer-centric philosophy that emphasizes delivering value-driven, sustainable solutions.

Enterprises are under increasing pressure from boards, investors, and regulators to show credible progress on ESG. By colocating in NEXTDC facilities, customers benefit from an infrastructure platform that pairs top-tier performance with demonstrable sustainability credentials. In effect, NEXTDC's

sustainability achievements compound customer ESG outcomes, reducing operational risk and signaling leadership to the market.

Services Aligned to Customer Requirements

NEXTDC has developed a comprehensive service offering that includes customized Remote Hands IT support, intelligent network solutions, and data center infrastructure protection designed to empower clients as they grow their businesses. The company's mission-critical operational spaces (MCX) provide bespoke solutions for essential service teams requiring exceptional resilience, connectivity and security to manage core functions remotely with confidence.

NEXTDC works closely with its clients to develop infrastructure solutions that are tailored to their current needs with inherent flexibility for anticipating and adapting to change and disruption. This is especially important for organizations operating in demanding areas like AI, digital transformation, and critical operations, where standard infrastructure may no longer be adequate. To support this, NEXTDC offers two easy-to-use self-service portals: AXON and ONEDC.

Accessible at up to 100Gbps, AXON helps businesses connect directly and securely to NEXTDC's entire data center fleet, and rich ecosystem of over 750 cloud platforms, digital services, and carrier networks. This virtual elastic connectivity platform offers advanced features like elastic bandwidth and secure routing. ONEDC is NEXTDC's Data Center Infrastructure Management platform. It gives customers real-time access to data and tools to manage their data center footprint more effectively. Together, these platforms give clients greater control, visibility, and flexibility across their infrastructure.

By providing this robust infrastructure foundation, NEXTDC enables clients to accelerate their digital transformation initiatives without diverting focus to underlying infrastructure concerns, offering a reliable and flexible data center platform for innovation within a secure, compliant environment. Frost & Sullivan acknowledges that NEXTDC's strategic expansions across multiple locations in Australia, alignment to changing customer needs with increasing AI adoption, and focus on sustainability give it a strong competitive advantage in the country.

Strengthening Alliance Partnerships

NEXTDC's AI capabilities are further amplified through strategic partnerships with technology leaders and cloud providers, which are crucial to delivering validated, scalable, and innovative AI infrastructure solutions. A flagship partnership with NVIDIA, a global leader in GPU technology, exemplifies this approach. As a certified NVIDIA partner, NEXTDC offers validated GPU reference architecture optimized for advanced AI and machine learning workloads. This collaboration provides the high density compute essential for AI training and inference, while advancing a GPU-as-a-service "neocloud" that gives customers scalable GPU resources on demand without the need for capital-intensive hardware investments. By lowering barriers to entry, this flexible approach accelerates AI adoption in Australia's rapidly growing market.

Beyond NVIDIA, NEXTDC also collaborates with neocloud providers focused on AI workloads, further strengthening its AI ecosystem. These alliances facilitate the integration of cloud-native AI services with customized infrastructure solutions, allowing customers to deploy tailored AI training and inference

environments that meet their specific performance and security requirements. In addition to its infrastructure advancements, NEXTDC is also investing in the future of AI through applied research and internal innovation. The company is actively funding PhD-level research in areas such as self-healing networks, AI-driven automation, and predictive maintenance. These research initiatives aim to develop next-generation networking technologies that can autonomously detect, respond to, and recover from system anomalies, thereby significantly improving data center reliability and uptime. In collaboration with La Trobe University, NEXTDC also supports data center research in telemetry analytics, digital twin modeling, and AI-based operational optimization.

Internally, NEXTDC is leveraging AI to enhance its own operational efficiency. Big data analysis is helping to optimize energy consumption, improve network performance, and bolster the overall resilience of its infrastructure. By applying AI across its operations and supporting academic research in key AI-related fields, NEXTDC demonstrates a comprehensive commitment to integrating AI not only as a service for customers but also as a strategic tool for continual operational and administrative improvement. This approach positions the company at the forefront of operational excellence in the AI infrastructure space.

NEXTDC's connectivity solutions are designed to meet both global and local requirements, enabling seamless international expansion while retaining the flexibility necessary to address specific market requirements. This balanced approach supports Australian businesses regardless of their geographic scope and operational scale and extends NEXTDC's value proposition beyond basic colocation services, positioning the company as a true enabler of digital transformation through its network-centric data center strategy.

Continued Focus on Security

Security remains central to NEXTDC's operational philosophy, with comprehensive measures ensuring unmatched reliability for customers. All NEXTDC facilities feature advanced physical security features, including sophisticated multi-layered access controls, extensive video surveillance networks, and professional on-site security teams, supported by robust cybersecurity strategies that mitigate evolving digital risks and safeguard customer data hosted within NEXTDC facilities.

NEXTDC’s security posture is reinforced through rigorous adherence to international standards and industry compliance frameworks. NEXTDC maintains ISO/IEC 27001 certification, SOC 2 compliance, and PCI-DSS certification across its operations, validating its practices and ensuring customer trust. NEXTDC is also verified as a Certified Strategic Hosting Provider under the Australian Government’s Hosting Certification Framework meaning all NEXTDC facilities meet the Commonwealth’s highest security and compliance standards. Full sovereign control is maintained through Australian-owned infrastructure and local teams overseeing compliance and transparency.

By prioritizing security across both physical and digital domains, NEXTDC provides customers with the confidence essential for hosting mission-critical applications and sensitive data.

Conclusion

NEXTDC has emerged as a strategic leader in Australia's data center services industry, redefining what digital infrastructure means for Australia. By delivering future ready digital infrastructure at speed and scale while embedding security, sovereignty, and sustainability into the core of its operating model, the company has created a platform trusted by hyperscale customers, governments, enterprises, and innovators alike.

Its ability to balance the metro and regional development gives it a competitive edge, enabling it to support both centralized and distributed digital workloads across the country. By securing early AI infrastructure capabilities, including partnerships with NVIDIA, liquid cooling technology providers, and cutting-edge GPU hardware innovators, NEXTDC is positioning itself ahead of market demand, reinforcing its reputation as a future-ready infrastructure partner.

The company's commitment to sustainability, robust connectivity, and security integration further differentiates its value proposition, making it a trusted platform for high-performance, mission-critical digital operations. At a time when organizations are rapidly transitioning to cloud-native environments and advanced AI applications, NEXTDC's unique mix of geographic scale, technical depth, and ecosystem partnerships provides an unmatched strategic advantage in a growth market. Through visionary leadership and disciplined execution, NEXTDC has not only solidified its dominance in the Australian data center services landscape but also built the foundation to lead in the broader Asia-Pacific region as digital transformation accelerates. It provides more than data center services. It delivers certainty in an uncertain world, adaptability in the face of change, and strategic advantage in a competitive era.

With its strong overall performance, NEXTDC earns Frost & Sullivan's 2025 Australian Competitive Strategy Leadership Recognition in the data center services industry.

What You Need to Know about Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Recognition is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Recognition Analysis

For the Competitive Strategy Leadership Recognition, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes best practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services offer the best ROI and superior value compared to similar market offerings

Customer Purchase Experience: Purchase experience with minimal friction and high transparency assures customers that they are buying the optimal solution to address both their needs and constraints

Customer Ownership Excellence: Products and solutions evolve continuously in sync with the customers' own growth journeys, engendering pride of ownership and enhanced customer experience

Customer Service Experience: Customer service is readily accessible and stress-free, and delivered with high quality, high availability, and fast response time

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty, which is regularly measured and confirmed through a high Net Promoter Score®

Best Practices Recognition Analytics Methodology

Inspire the World to Support True Leaders

This long-term process spans 12 months, beginning with the prioritization of the sector. It involves a rigorous approach that includes comprehensive scanning and analytics to identify key best practice trends. A dedicated team of analysts, advisors, coaches, and experts collaborates closely, ensuring thorough review and input. The goal is to maximize the company's long-term value by leveraging unique perspectives to support each Best Practice Recognition and identify meaningful transformation and impact.

		VALUE IMPACT	
STEP		WHAT	WHY
1	**Opportunity Universe**	Identify Sectors with the Greatest Impact on the Global Economy	Value to Economic Development
2	**Transformational Model**	Analyze Strategic Imperatives That Drive Transformation	Understand and Create a Winning Strategy
3	**Ecosystem**	Map Critical Value Chains	Comprehensive Community that Shapes the Sector
4	**Growth Generator**	Data Foundation That Provides Decision Support System	Spark Opportunities and Accelerate Decision-making
5	**Growth Opportunities**	Identify Opportunities Generated by Companies	Drive the Transformation of the Industry
6	**Frost Radar**	Benchmark Companies on Future Growth Potential	Identify Most Powerful Companies to Action
7	**Best Practices**	Identify Companies Achieving Best Practices in All Critical Perspectives	Inspire the World
8	**Companies to Action**	Tell Your Story to the World (BICEP*)	Ecosystem Community Supporting Future Success

*Board of Directors, Investors, Customers, Employees, Partners

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Generator™

Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.

Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- Megatrend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)