macquarie
TELECOM GROUP

Annual General Meeting.

2021

Peter James - Chairman

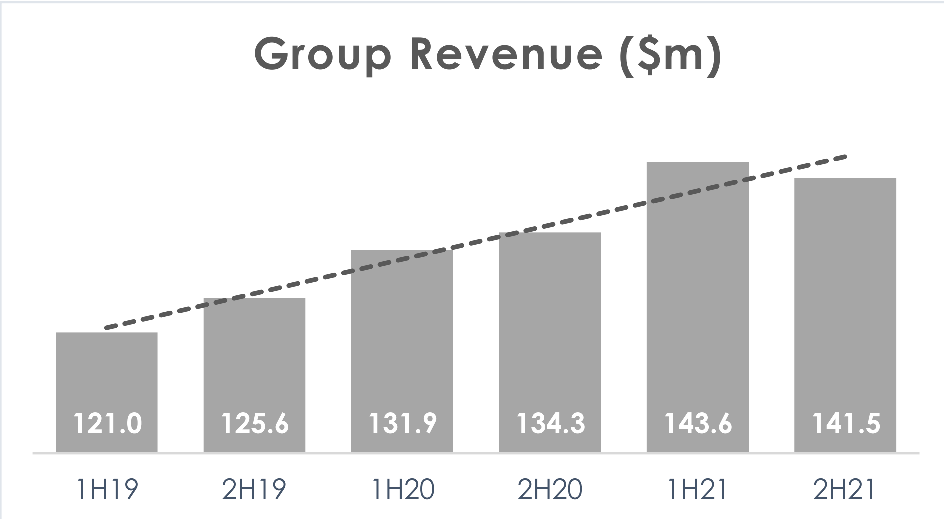
Key Business Highlights.

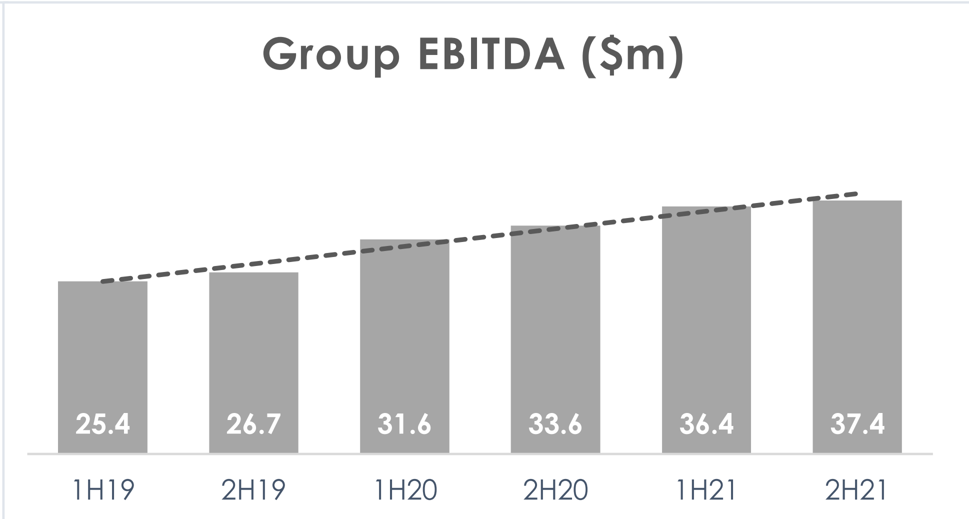
Revenue	EBITDA	NPAT	EPS
$285.1m	$73.8m	$12.5m	58.6 ps

- Seven consecutive years of EBITDA growth.
- EBITDA CAGR of 15.6% over the last 3 years.
- Macquarie Data Centres has sold 10MW of IT Load to a Leading Corporation.
- IC3 East build reached practical completion in March 21 on budget.
- Intellicentre 5 (IC5) in Canberra was completed on time and on budget and officially unveiled by the Minister of Defence in June 2021.

- Remaining undrawn debt facility of $58m to fund the continued IC3 data centre capacity expansion.
- Telecom continue to migrate services to the nbn network in line with its plan and expects to complete this by late 2021

Group Financial Performance.





- Over the last 3 years:
  - Revenue CAGR of 6.9%
  - EBITDA CAGR of 15.6%
- EBITDA margin 25.9% in FY21

Outlook.

- The Company's EBITDA will continue to grow in FY22. Due to investments being made in Data Centres and Cloud Services & Government the EBITDA growth will be in 2H FY22.
- We will continue to develop public cloud capability to enhance the current hybrid cloud offering.
- We see strong demand for cyber security in our Government and Cloud Services businesses and will be making significant investments in FY22 to realise this opportunity.
- Macquarie Data Centres is investing in new staffing and technology ahead of revenue from our leading corporation contract win. Billing is due to start in 2H FY22.
- Telecom revenue and EBITDA will continue to be affected by COVID lockdowns, which reduce the office based higher margin voice usage and access lines. This is partially offset by demand for new technologies including SDWAN.
- We are focused on maintaining industry leading Net Promoter Score greater than +70 across all business segments.

Outlook.

- Depreciation and amortisation for FY22 is expected to be $71 to $74 million, driven by significant ramp up in IC3 expenditure in FY21. Telecom depreciation will remain broadly flat at $17 to $18 million in FY22 and Hosting will increase from $31.2 million in FY21 to $53 to $56 million in FY22 (of which $34 to $36 million is Data Centres).
- The Company plans to make further investment in growth and customer growth capex during FY22. Total capex is expected to be between $121 to $133 million consisting of:
  - Growth Capex - $80 to $86 million (including $68 to $71 million for IC3 East)
  - Customer Growth - $25 to $28 million
  - Maintenance Capex - $16 to $19 million
- Telecom capex will remain broadly flat at $16 to $17 million in FY22 with Hosting capex at $97 to $108 million.

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David Tudehope – Chief Executive

Business design.

Business Areas	macquarie TELECOM	macquarie CLOUD SERVICES	macquarie GOVERNMENT	macquarie DATA CENTRES
Percentage of Revenue and EBITDA in FY21	47% Revenue; 25% EBITDA	46% Revenue	49% EBITDA	7% Revenue; 26% EBITDA
What we do	For business customers, we are the full service provider of data, voice, mobile & colocation services. We are the telecom that does everything refreshingly different. We are where the Macquarie story started.	For business customers, we are the specialists in hybrid IT. We integrate colocation, cloud & dedicated servers. Different applications need different types of hosting. We manage it.	We are the Australian specialists in cyber security, secure cloud & colocation for Federal Government. We deliver services to 42% of Federal Government agencies.	We are developers & operators of data centres for wholesale customers including underpinning our three internal BUs' colocation services.
Value proposition	Customer Service, Price, Choice, Flexibility, Control	Customer Service, Specialised and Compliant Hosting.	Customer Service, Security Operations Centre (SOC), Cyber Security, Sovereign Certified Data Centres in Canberra	Customer Service, Commercial and Design Flexibility, Physically Secure for Federal Government, Highly Certified, Local and Data Sovereignty, Proven track record
Competitors	OPTUS, TPG, VOCUS	NEXTDC, INHOUSE, amazon web services, rackspace technology	verizon, INHOUSE, DXC.technology	NEXTDC, EQUINIX, GLOBAL SWITCH, AIRTRUNK
People / Skill	Generalist for Voice & Mobiles Technical Consultant for Data & Colo to Business	Cloud Specialists: Custom and Compliant	Cyber Security and Hosting Specialist to Government	Australian Data Centre Specialists

Macquarie Telecom

- Strong cross sell of Cloud Services solutions into Telecom's customers
- #1 in Asia Pacific for SD WAN with over 5,000 sites activated
- nbn is now available to 99% of our customers premises
- Resumption of COVID lockdowns has affected office based higher margin voice usage and access lines

Macquarie Cloud Services

- Continues to grow successfully leveraging the Hybrid IT megatrend of colocation private cloud and public cloud
- Achieved Azure Expert MSP status and Windows Server and SQL server migration to Microsoft Azure specialisation
- GloTel Innovation award for 'Managed Azure' and the world first development of SD WAN into Azure

Business Highlights Summary.

Macquarie Government

- Continues to grow cyber security with strong demand
- 42% of Australian Government agencies are customers
- Certified Sovereign cloud for classified / protected workloads
- Upgrades to our Government Secure Internet Gateway across all our data centre campuses with the commencement of ATO cyber security services in 1H FY21

Macquarie Data Centres

- IC3 East on budget with practical completion in March 2021
- 10 MW of IT Load sold to a Leading Corporation (new customer). Remaining floor at IC3 is available for our 3 business units and wholesale customers
- IC5 was completed in December, on time and on budget and officially unveiled by the Minister of Defence on 18 June 2021
- State Significant Development Application process for IC3 Super West submitted to bring total Macquarie Park Campus total IT load to 50MW

Data Centre Portfolio.

Intellicentre 1
Sydney CBD

Intellicentre 2
Macquarie Park

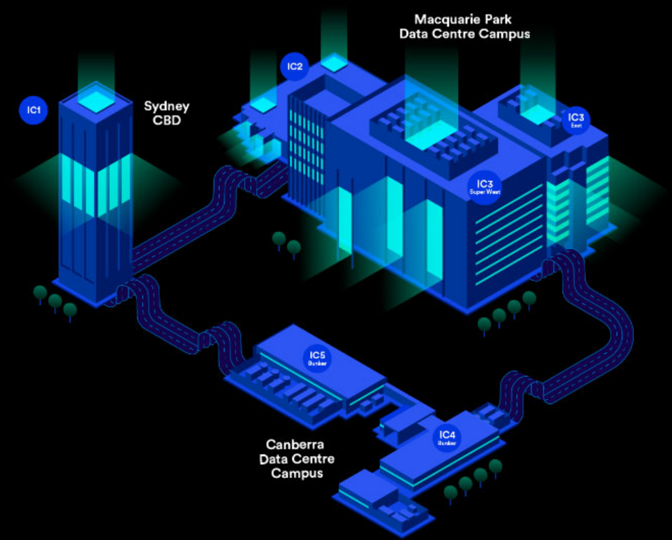
Intellicentre 3 East
Macquarie Park

Intellicentre 4 Bunker,
Canberra

Intellicentre 5 South
Bunker, Canberra

Macquarie Data Centres' projected total IT load is **54MW** comprising of:

- Macquarie Park Data Centre Campus 50MW: IC2, IC3 East and IC3 Super West; and
- Macquarie Canberra Data Centre Campus and IC1 in Sydney CBD combined 4MW.



Macquarie Park Data Centre Campus.

Located in the Sydney North Zone.

IC3 East (Phase 1) successfully delivered on budget in 2H FY21.

In November last year MDC announced the win of a long-term contract with a leading corporation for approximately 10MW of IT Load at IC3 East.

Fit out works in relation to that contract are now complete and final stages of commissioning are underway.

IC3 Super West

IC3 Super West is a new data centre with 32 MW of IT Load which takes the Macquarie Park Data Centre Campus to 50MW IT Load over time.

State Significant Development Application process is expected to shorten the planning cycle - likely to run until early CY22. Construction and funding remains subject to final Board approvals.

Flexibly designed to meet the needs of corporate, government, wholesale and hyperscale customers. Mechanical, electrical and plant is deployed over time.