

05 AUGUST 2024 | ASX: CNI

# Centuria strategic partnership with ResetData

Uniquely positioned to capture growth in the data centre sector

RESETDATA

Centuria

# Complementary and highly scalable real estate-based opportunity

## PropCo

Centuria property funds access underutilised real estate space and power, for deployment as liquid immersion cooled “Edge” Data Centres.

## OpCo

Centuria Group investment in ResetData exploits early mover advantage in rapidly growing immersion cooled data centre business enterprise.

Strong sector tailwinds as users evolve towards liquid cooling, fuelled by strong growth in AI adoption.

## 01

### Strategic investment

- 50% stake in ResetData Pty Limited (ResetData), a digital infrastructure and cloud services provider<sup>1</sup>
- Consideration of up to \$21.0 million, subject to performance based earnout milestones<sup>2</sup>
- Call option from end of year five to acquire remaining 50%

## 02

### Alignment to growth

- Early mover into liquid immersion cooled (LIC) Edge Data Centres, integrating dual PropCo and OpCo strategy
- Complementary real estate-based opportunity that is highly scalable and differentiates Centuria’s funds management platform
- Edge Data Centres fit within existing office floorplates while generating significantly higher rental income per square metre compared to typical office occupants
- High ongoing data centre demand driven by explosive growth of Artificial Intelligence (AI)
- The global cloud service market is expected to exceed US\$2.2 trillion by 2032 (17.1% CAGR), with Australian cloud services expected to reach more than A\$23.2 billion in 2024 (+19.3% compared to 2023)<sup>3</sup>

## 03

### Funding

- The investment in ResetData will be funded with Centuria’s existing debt headroom
- The investment is expected to be earnings neutral in FY25 and accretive from FY26 onwards

1. Binding agreement executed, expected to close in August 2024

2. \$6.25 million will be paid upfront, \$10 million will be invested as working capital as required and the remaining \$4.75 million will be paid subject to ResetData meeting earnings hurdles in FY25 and FY26

3. Precedence Research

# Early mover entry to Edge Data Centre opportunity

A “two-pronged” approach to addressing a significant opportunity

## Centuria DC (PropCo)

- Higher rent from underutilised real estate space
- Liquid immersion cooled Edge Data Centres for tenants and surrounding enterprises
- Reduced latency for optimal generative AI
- Opportunities across Centuria’s office, industrial verticals and wider real estate platform
- Delivering one of Australia’s first Enterprise AI Inferencing liquid immersion cooling data centres
- Potential carbon footprint and energy savings to flow to asset ratings

## ResetData (OpCo)

- Sophisticated operators, established as a cloud services provider
- Unique partnerships with Dell, Nvidia, Submer and Unicom Engineering to provide Original Equipment Manufacturer (OEM) capabilities for liquid cooling
- ResetData provides full cloud computing services to clients, ranging from physical servers, storage solutions, networks and virtualisation, to databases and Infrastructure as a Service (IaaS)
- Provides digital infrastructure services via liquid immersion cooling data servers
- Reduced carbon footprint alternative to traditional air-cooled data centres, coupled with significant energy savings

Attract tenants | Retain tenants | New revenue and rental streams | Improved property valuations

# Liquid Immersion Cooled (LIC) Edge Data Centre opportunity



## New business vertical

Complementing Centuria's real estate funds management platform. Low cost and viable alternative to traditional offsite data warehousing solutions.



## Generate new revenue streams

Offering high density data storage and processing to our tenants with low latency that was previously unviable in commercial office space.



## Energy efficiency and ESG

Less energy consumption than air cooling servers and a reduced carbon footprint. Increases retention of tenant data sovereignty.



## Compelling themes

Accessing strong tailwinds from data storage, artificial intelligence and global electrification with real estate applications.



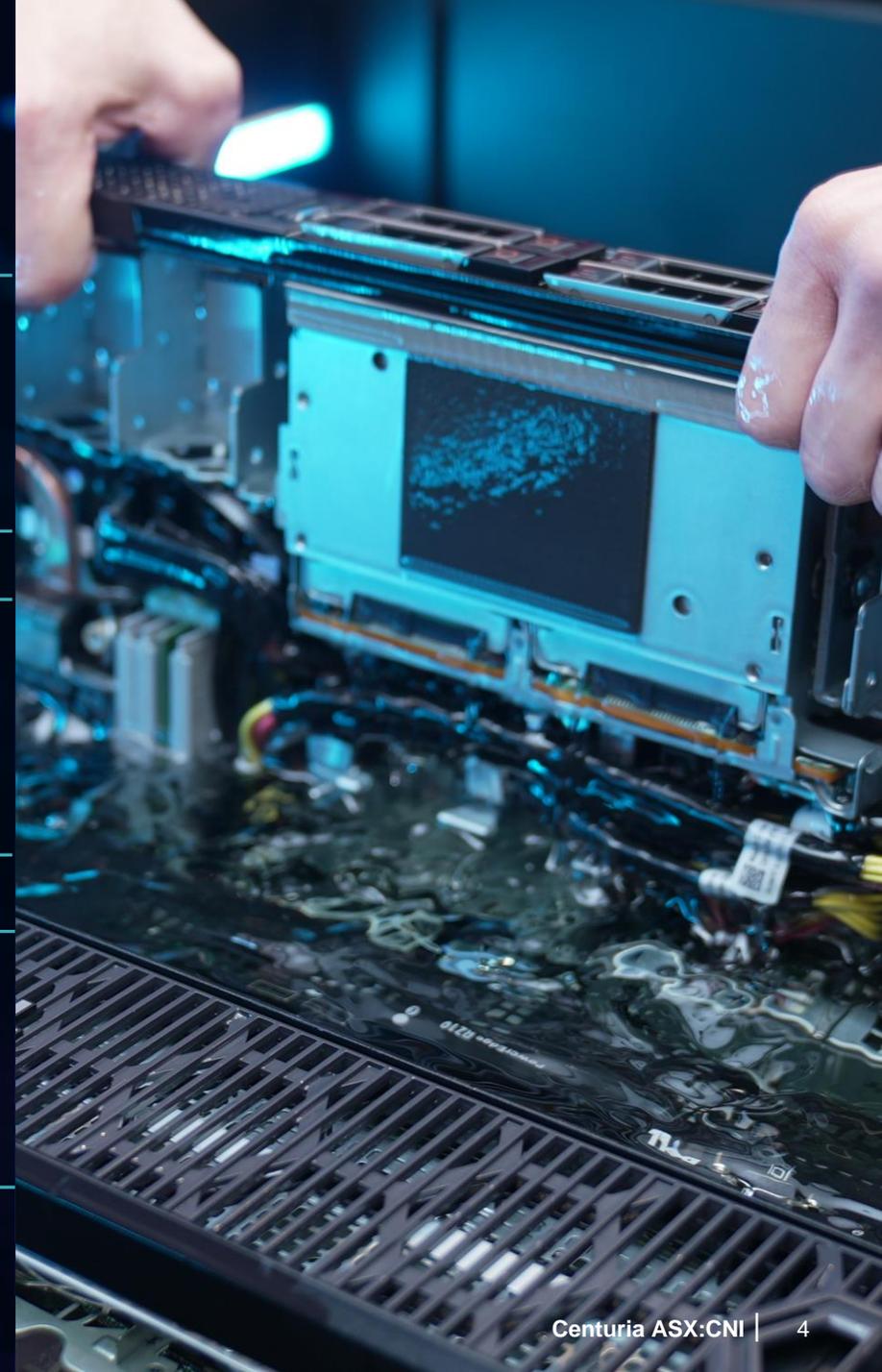
## Real estate applications

Edge Data Centres fit within existing office floorplates while generating significantly higher rental income per square metre compared to typical office occupants.



## Unique offering

Partnering with a pioneer in next generation, sustainable cloud service technology to unlock value across Centuria's platform.





# Centuria's approach to Data Centre sector

At the forefront of delivering integrated liquid immersion cooling data centres to Australia's enterprises

# Significant opportunities across Centuria's platform

5

real estate sectors: office, industrial, retail, healthcare, agriculture

400

Properties including 70 office properties<sup>1,2</sup>

2,449

Tenants<sup>1,2</sup>

c.4.1m

Sqm of lettable area<sup>1,2</sup>

## Centuria and ResetData are uniquely positioned to deliver liquid immersion cooled Edge Data Centres



Edge Data Centres can be installed in underutilised real estate spaces with available power.



Facilitating co-located data centre solutions with evolutionary and disruptive technology.



Suitable for underutilised commercial office spaces, retro-fitting industrial and alternate properties across Centuria's platform.



Provide users with reduced latency, cloud servicing. Support growing AI inferencing, gaming demand and Internet of Things.



Liquid immersion cooling technology facilitates high density and efficient data centre solutions for tenants and nearby enterprises.



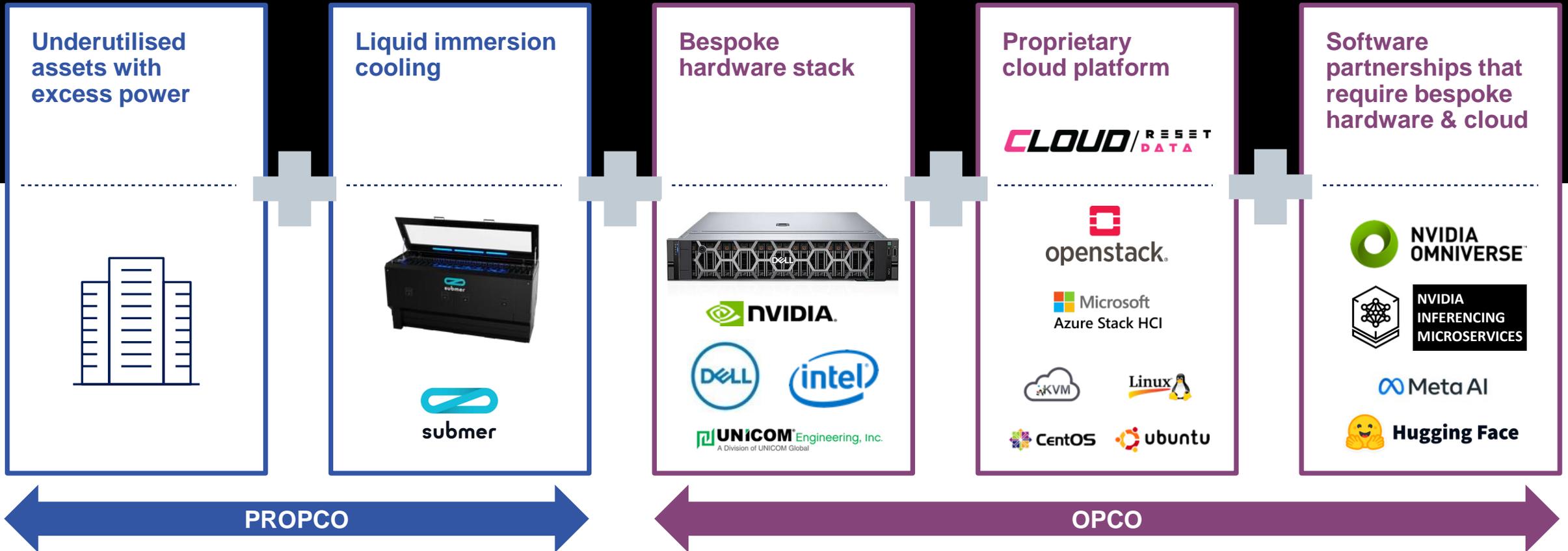
Edge Data Centres provide significant opportunities to attract new tenants, retain existing tenants, generate new rent and revenue streams, potential for improved property valuations.

1. As at 30 June 2024. Aggregated across funds managed by Centuria and not representative of any single fund or property

2. Excludes land, Development assets, US syndicates, Centuria Bass Credit, assets exchanged yet to be settled

# Centuria's LIC Edge Data Centre ecosystem

Unique value chain to deliver a network of LIC Edge Data Centres



# Building Australia's Edge infrastructure network

Using underutilised assets in strategic locations

## Site

- Identify underutilised assets with excess power
- Deliver edge data centres using liquid immersion cooling
- Sustainability benefits



## Ecosystem

- Work with our ecosystem partners on providing the end customer solutions
- Leverage the customer ecosystem
- Matching the needs of the customer to the capability of the property



## Customer

- Deliver services across the value chain
  - Infrastructure
  - Hosting
  - Cloud
  - Artificial Intelligence
  - Machine Learning

# Edge Data Centres are highly efficient

Immersion cooling technology affords high density

CAPACITY PER POD:

**140kw**

POD SIZE:

**2.4sqm**



NUMBER OF PODS:

**7**

CAPACITY:

**c.1.0MW**

REQUIRED AREA:

**c.60sqm<sup>1</sup>**



1. Required area inclusive of estimated circulation space

# Delivering one of Australia's first enterprise AI Inferencing and ultra-high density liquid cooled data centre

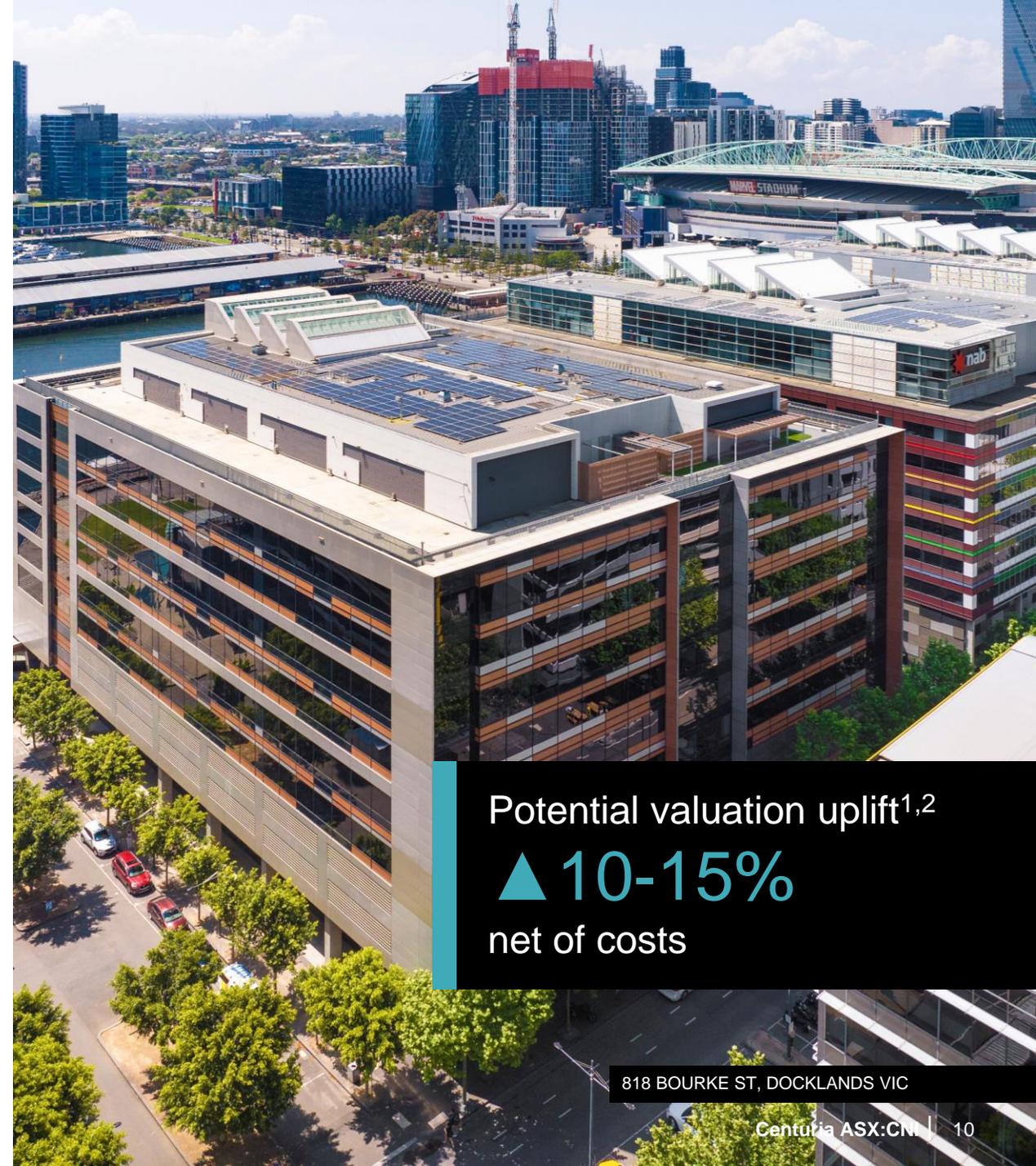
818 Bourke St, Docklands VIC<sup>1,2</sup>

- ResetData has entered a 10-year lease for a data centre of up to 1.5 megawatts at 818 Bourke Street, Docklands VIC
- Repurposing existing infrastructure left by a previous tenant, with the aim of tripling the existing capacity
- Aiming to conform to Uptime Institute Tier-III levels of availability
- Efficient cooling for high density server loads
- Benefits of reducing thermal resistance between the servers and cooling medium, which allows for more effective heat transfer

## 818 Bourke St suitability

- Existing infrastructure for critical services to build on
- Access to power
- Access to fibre in the existing infrastructure left from previous tenant
- Introduces new rental sources to the building
- Minimises leasing downtime

1. Subject to electricity provider's finalisation of gross power availability to the building and conditional on local planning approval  
2. Indicative valuation uplift based on internal assumptions for electricity availability and planning approval. The valuation of the building remains subject to unforeseen circumstances and material changes in operating and market conditions



Potential valuation uplift<sup>1,2</sup>

▲ 10-15%

net of costs

818 BOURKE ST, DOCKLANDS VIC



# ResetData

At the forefront of delivering integrated liquid immersion cooling data centres to Australia's enterprises

## About

ResetData is a pioneer of next-generation, sustainable cloud service technology

## Advantage

Tailored solutions for any size of business, in any sector, in all geographies

## Services

AI aaS, Cloud GPU, Virtual Machines, Bare Metal Servers

## ResetData Executive Team



**Marcel Zalloua**  
Joint CEO



**Bass Salah**  
Joint CEO

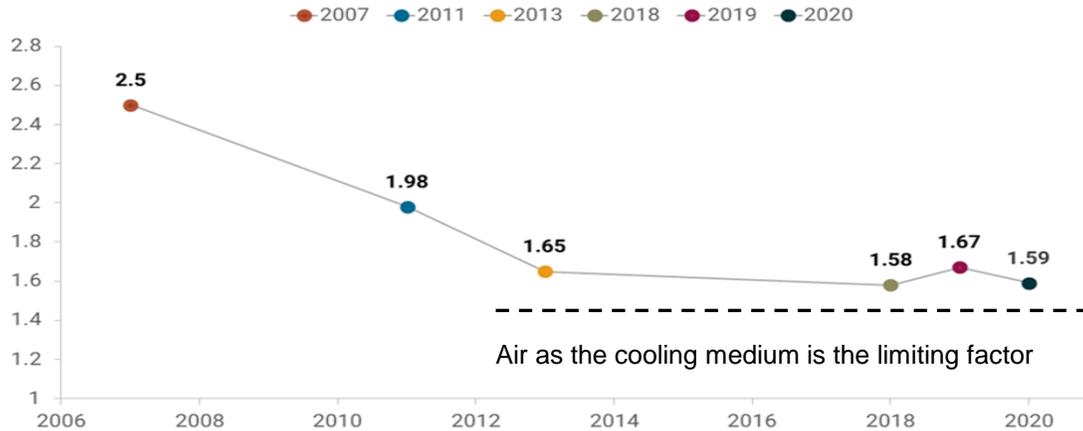


**Karl Kloppenborg**  
CTO

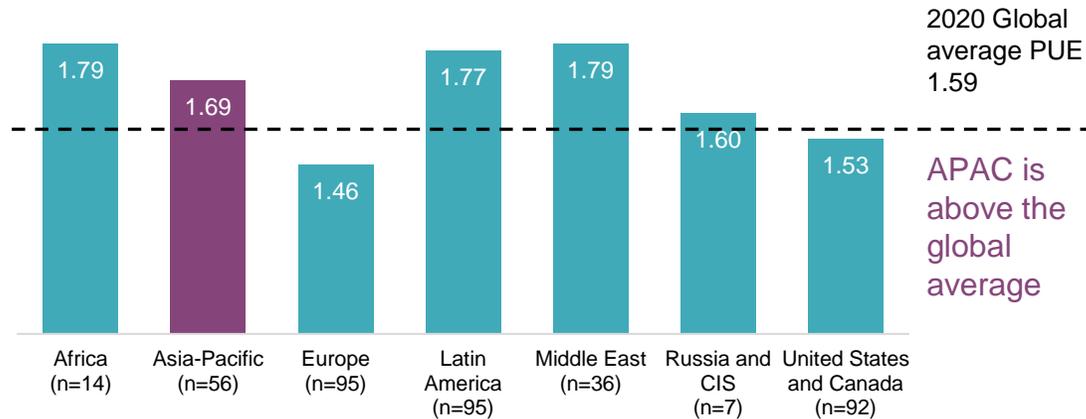


**Martin Williams**  
Head of Sales

# Traditional data centre energy efficiency gains have flattened out<sup>1</sup>



## Global power usage effectiveness (PUE) for largest data centres<sup>2,3</sup>



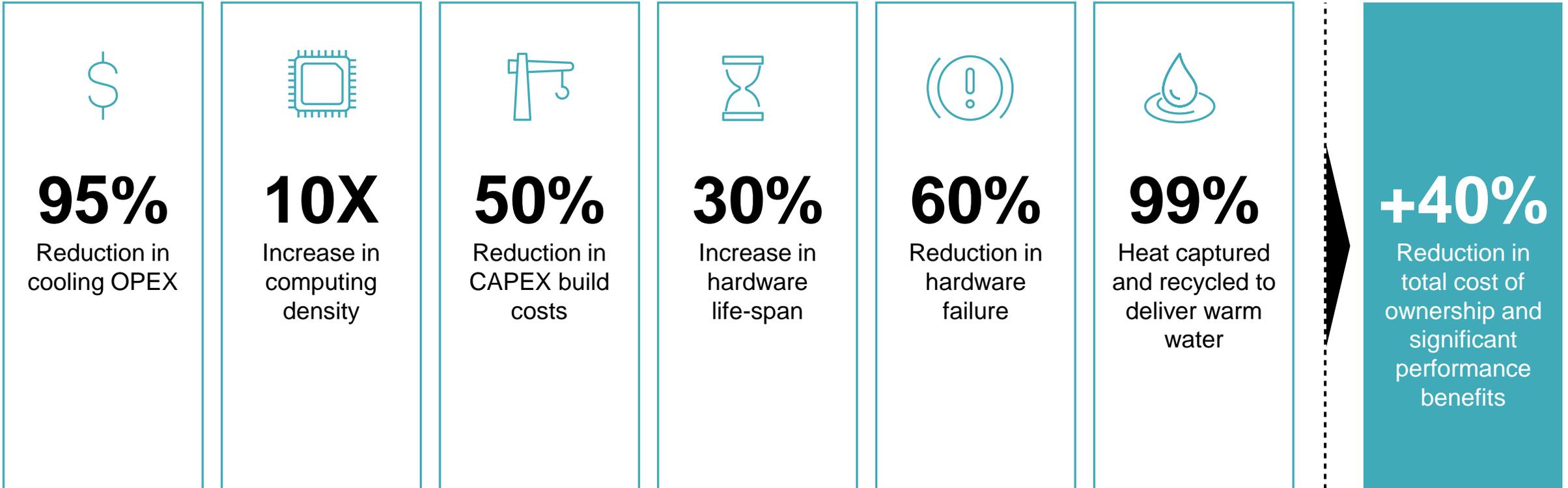
1. Source: Reported data centre PUE figures in global Uptime Institute surveys from 2007 to 2020  
 2. Source: Uptime Institute Global Survey of IT and Data Center Managers 2020, n=313. \*All figures rounded  
 3. Figure closer to 1.00 denotes greater effectiveness

# Traditional data centres are resource and capital intensive



**Air cooled data centres are no longer fit for purpose in meeting emerging demand**

# Liquid immersion cooling supports low cost and viable alternatives to traditional offsite data warehousing solutions



# Immersion cooling provides significant reduced carbon footprint opportunity

Liquid immersion cooling reduces water usage<sup>1</sup>

Liquid immersion cooling reduces electricity costs<sup>1</sup>

Liquid immersion cooling creates power efficiencies

An air-cooling system will use

**12,929**

Giga-litres of wastewater per annum



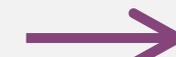
Annual Carbon Cost of air cooling is

**\$432** per kW



Incoming power<sup>2</sup>

**1.6MW**



Compute Power

**1.0MW**

Compared to immersion at

**ZERO**

Giga-litres of wastewater per annum



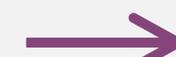
Compared to immersion at

**\$297** per kW



Incoming power<sup>2</sup>

**1.1MW**



Compute Power

**1.0MW**

1. ADP Consulting – Air vs. Immersion Cooling – refer to slide 19 for further notes and assumptions

2. IT server power 1.6 PUE for air cooling vs. 1.1 PUE for liquid immersion cooling

# Data Centres and AI are commanding a global focus



Nvidia CEO Jensen Huang predicts data centre spend will double to \$2 trillion.<sup>1</sup>

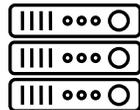


SIGGRAPH Special Address: NVIDIA CEO Brings Generative AI to LA Show<sup>3</sup>

“The generative AI era is upon us, the iPhone moment if you will.”



Michael Dell: AI to drive data center demand up 100x over next 10 years.<sup>2</sup>



US data centre electricity consumption is expected to grow from 4 per cent to 6 per cent of total demand by 2026, while the AI industry is forecast to expand “exponentially” and consume at least 10 times its 2023 demand by 2026, said the IEA.<sup>4</sup>

1. Nvidia CEO Jensen Huang predicts data center spend will double to \$2 trillion - DCD (datacenterdynamics.com)  
2. <https://www.datacenterdynamics.com/en/news/michael-dell-ai-to-drive-data-center-demand-up-100-fold-over-next-10-years/>  
3. <https://blogs.nvidia.com/blog/siggraph-2023-special-address/>  
4. <https://www.afr.com/technology/booming-ai-demand-threatens-global-electricity-supply-20240418-p5fkvp#:~:text=US%20data%20centre%20electricity%20consumption,by%202026%2C%20said%20the%20IEA.>



# Australia cannot deliver data centres fast enough to meet future demands

## Demand side<sup>1</sup>



## Supply side<sup>1</sup>



- Australian Data Centre demand is expanding while supply is moderating
- Emergence of AI will significantly compound the existing demand/supply dynamic
- Constraints include up front capital, land, utilities, planning
- Significant opportunities across an addressable market

1. <https://www.mordorintelligence.com/industry-reports/australia-data-center-market>

# Artificial intelligence's growth presents additional challenges to the current data centre infrastructure landscape



## Evolution of Subscription as a Service (SaaS)

- Businesses will train their own Gen AI tools and limit the cost of customised software solutions
- “The democratisation of software” i.e. the value is being driven to zero
- AI has arrived and is now disrupting traditional SaaS



## Limited by existing Infrastructure as a service (IaaS)

- Businesses will require technology infrastructure to run new GEN AI models on dedicated Graphical Processing Units (GPUs)
- Existing infrastructure is dislocated and unable to meet data latency demands
- Existing infrastructure is limited by access to water and electricity and impacted by heat and data density limitations



## Centuria property funds access underutilised real estate space and power for deployment as liquid immersion cooled Edge Data Centres

### Centuria Real Estate Platform

- 400 properties<sup>1,2</sup>
- 2,449 tenants<sup>1,2</sup>
- c.4.1m sqm of lettable area<sup>1,2</sup>

1. As at 30 June 2024. Aggregated across funds managed by Centuria and not representative of any single fund or property

2. Excludes land, Development assets, US syndicates, Centuria Bass Credit, assets exchanged yet to be settled

# Disclaimer and key assumptions

1. Findings are based on ADP Consulting Report, Revision 01 Dated 20 October 2023.
2. Whilst there is similar data in the cloud industry on the efficiency of immersion cooling, ResetData does not warrant the specific findings of this report and does not guarantee the outcomes will be replicated as these will depend on;
  - a. Location
  - b. Workloads
  - c. Development costs (location, infrastructure, inflation, land etc)
  - d. Cost of power
  - e. Carbon Costs
  - f. Cost of water
  - g. Engineering factors that may affect PUE.
3. Notwithstanding the above, there are clear and demonstrable benefits for immersion cooling. In general terms, the benefits and efficiencies increase as the densities (kW per Rack) increases.

There are two types of servers that have been assessed; non GPU and GPU servers

1. The CPU based SuperMicro Bigtwin Azure HCI (non GPU servers) consumes 1.921 kW per 2RU server. There are eight 6-pin fan headers (FAN1–FAN8) and two 4-pin fan headers (FAN9/FAN10). Fan Specs:
  - 6-pin Fan Header
  - 3A, +12V
  - 4-pin Fan Header
  - 3A, +12V
1. The GPU Based server is the SuperMicro SyS 120 with A40 gpus and is a 1RU. It consumes 1.923 kW per single RU. Fan Specs:
  - Each server has 6 fans with a
  - 4-pin Fan Header
  - 3A, +12V

We have included the power efficiency of these systems with/without fans.

We have not included a calculation on the density of the systems as this would limit the study to these two systems.

1. Refer to page 4 of ADP Consulting Report, Revision 01 Dated 20 October 2023
2. Refer to page 4 of ADP Consulting Report, Revision 01 Dated 20 October 2023
3. Based on ResetData's Microsoft HCI hybrid cloud product
4. Refer to page 5 of ADP Consulting Report, Revision 01 Dated 20 October 2023

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