

MACQUARIE TELECOM GROUP LIMITED

ANNUAL GENERAL MEETING

TUESDAY 22 NOVEMBER 2022 at 9AM

CHAIRMAN'S ADDRESS

Ladies and Gentlemen, good morning. My name is Peter James, the Chairman of Macquarie Telecom Group Limited ('the Company'), and I would like to extend a warm welcome to shareholders at the Annual General Meeting for 2022.

INTRODUCTION OF THE BOARD

I would like to introduce our Board of Directors:

Adelle Howse – Adelle joined the Board in August 2019 and is a member of the People, Remuneration and Culture Committee and the Audit and Risk Management Committee.

Bart Vogel – Bart joined the Board in July 2014 and is the Chairman of the Audit and Risk Management Committee and a member of the People, Remuneration and Culture Committee.

David Tudehope – David is co-founder and Chief Executive of Macquarie Telecom Group.

Aidan Tudehope – Aidan is co-founder of Macquarie Telecom Group and is the Managing Director of the Macquarie Government and Hosting Group.

We welcome our auditors **PricewaterhouseCoopers** represented by **Shannon Maher**.

I would also like to introduce **Michael Gold**, our **General Counsel & Company Secretary** and also **Helen Cox** our **CFO**.

BUSINESS OF MEETING

I will now take a moment to outline this morning's agenda. First you will hear an address from myself and then from David. We will then go through the highlights from the year in review. Then we will proceed to the ordinary business of the meeting. After we close the meeting we will then address the questions we have received from Shareholders about the operations of the business.

The procedural items for this meeting are set out in the Notice of Meeting dated 17 October 2022, a copy of which is available on the ASX platform. In accordance with the Notice of Meeting this is a physical meeting of shareholders that has been supplemented by a webcast of the meeting via the Microsoft Teams platform. Shareholders who pre-registered for the webcast have been sent a link to watch the proceedings of the meeting remotely,

but are not counted as attendees and cannot vote on the resolutions except by proxies received by 9.00am on Sunday.

The Company asked that Shareholders submit any questions in advance of the meeting. We will accept questions from shareholders in attendance today, and to the extent practical to the proceedings of the meeting, we will review any questions submitted online, which can be done via the chat function on the online platform, or by emailing AGM@macquarietelecomgroup.com.

All of the materials that we are going through today have been uploaded onto the ASX platform.

ORDINARY BUSINESS

We will consider four items of ordinary business:

1. The receipt of the financial statements and accompanying reports for the period ended 30 June 2022;
2. The adoption of the remuneration report for the year ended 30 June 2022;
3. The re-election of Bart Vogel as a Non-Executive Director.
4. The re-election of Adelle Howse as a Non-Executive Director.

OTHER BUSINESS

There has been no notice of other business validly given by any member under the *Corporations Act 2001*.

NOTICE OF MEETING

The notice of meeting was sent to all members. I will take the notice of meeting as taken as read.

MINUTES OF THE PREVIOUS GENERAL MEETING

The minutes of the previous general meeting of members of the Company, which was the Annual General Meeting held on 26 November 2021, have been approved by the Board and signed by the Chair. The original minutes are tabled and are available for inspection by any member wishing to see them.

And now to the Chairman's Address:

This is my ninth AGM as Chairman and I am pleased to report on the eighth successive year of strong performance and EBITDA growth of Macquarie Telecom Group.

Key Business Highlights

Our continued focus on providing an outstanding customer experience has driven an increase in revenue of 8.5% to \$309.3 million and EBITDA by 19.8% to \$88.4 million compared to the previous financial year.

Macquarie Telecom Group delivered a net profit after tax from continuing operations of \$8.5 million, reflecting the increase in depreciation & amortisation flowing from the significantly higher levels of capital expenditure over recent years.

Group financial performance

Over the last three years the Group has achieved a Revenue CAGR of 7.8% and an EBITDA CAGR of 16.4%.

Since FY21 the Hosting segment has been split into the Cloud Services & Government and Data Centre segments. The Cloud Services & Government segment contributed \$157.2 million in revenue, an increase of 20% compared to the prior year, and EBITDA of \$42.3 million, an increase of 16%. The segment continues to leverage investment in our hybrid IT and cyber security strategies to deliver solid customer growth.

The Data Centre segment contributed \$49.5 million in revenue, an increase of 28% compared to prior year, and EBITDA of \$27.1 million, an increase of 43%. The segment achieved major milestones during the year with the completion of significant fit out and commissioning work for a hyperscale customer. This significant investment in infrastructure will ensure our Data Centre business is well placed to benefit from rising demand as more organisations move to the cloud.

The Telecom segment remains an important contributor to the Group's service offering, delivering \$127.3 million in revenue and EBITDA of \$18.9 million. This result ensured that there was EBITDA growth in every segment of the business in FY22. To support further business development in the Telecom business, our focus on SD-WAN technology will facilitate new revenue growth opportunities, and our great customer experience remains compelling in customer acquisition.

Balance sheet and cash flow

EBITDA performance for the year resulted in operational cash flows of \$98 million. The Company finished the year with a robust balance sheet position, having \$3 million in cash and cash equivalents and \$64 million available in its working-capital facility.

We invested heavily in our data centre developments during the year, as well as across all four business units. Investment for future growth saw total capital expenditure of \$98 million in FY22.

As previously announced, during this significant capital-intensive growth investment phase, the Company has ceased paying dividends.

Outlook

EBITDA will continue to grow in FY23. Due to investments being made in Data Centres and Cloud Services & Government the EBITDA growth will be in the second half of the fiscal year.

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 FY23 to realise this opportunity.

Macquarie Data Centres is continuing with its development pipeline in Macquarie Park, and we hope to have more to say about that later in the financial year.

Telecom is focussing on new initiatives to improve operational efficiencies and continued growth of our successful SDWAN business.

In conclusion, ladies and gentlemen, the Company has had an outstanding 2022 fiscal year and we enter the new financial year confident we will continue to leverage our investments to drive further shareholder value and ongoing returns.

I would like to thank the Board and Management team for their significant contribution and also the many dedicated and hardworking employees of Macquarie Telecom.

I will now hand over to David Tudehope, Chief Executive of Macquarie Telecom Group.