

NEXTDC Recognized as the

2021

Company of the Year

Australia Data Center Services Industry
Excellence in Best Practices



N E X T D C

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award 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.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

A Seamless Data Center Network for Addressing Unmet Customer Needs

As information technology (IT) infrastructure evolves toward cloud environments, IT architecture is becoming more decentralized and distributed. Therefore, there is a considerable need for integrated data center infrastructure. Furthermore, enterprises consider deploying Big Data analytics, artificial intelligence, and the Internet of Things to bolster business processes and create new products and services. These technologies require high infrastructure availability, seamless connectivity to multiple cloud services, and strong security standards.

NEXTDC was founded in 2010 with headquarters in Brisbane, Australia, where it operates 11 data centers with facilities in Brisbane, Canberra, Melbourne, Perth, and Sydney. NEXTDC focuses on next-generation cutting-edge data center design, engineering, and operations that result in best-of-breed facilities with industry-leading availability, resilience, energy efficiency, operational excellence, and security. In particular, AXON, NEXTDC's virtual connectivity platform, is a key differentiator in the market.

AXON

AXON offers direct and dynamic access to public and private cloud providers across every site due to having the largest locally available ecosystem of more than 660 digital services platforms and partners. NEXTDC addresses a critical market need for multi-cloud support due to increasingly distributed hybrid environments. Thus, the company has invested in expanding its AXON infrastructure deployments, with

points of presence available in most third-party data centers. This presence enables its customers to connect their clouds and digital services while seamlessly unifying their locations into their interconnected hybrid architecture. As a result, NEXTDC delivers complete visibility to business spends and networking size, allowing customers to achieve cost efficiency and increased versatility.

NEXTDC's Data Centers: Generating Strong Brand Name with Effectual Leadership Focus

P2, NEXTDC's Data Center Facility in Perth

NEXTDC's P2 data center facility in Perth adopts a continuous build methodology to enhance customer value. P2 is the primary hub in the central business district, which combines the new Perth data center capability and the new high-speed cable submarine networks that connect Perth to South East Asia and Sydney. P2 is an important digital interconnection hub that allows seamless access to leading

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communications networks, cloud, and IT providers in Perth. NEXTDC strategically positioned its P2 Perth data center facility in the city's heart to act as the vital technology hub for West Australian companies. NEXTDC's Perth data centers, which have more than 70 global carrier networks and more than 660 cloud and IT service providers operating within the NEXTDC partner ecosystem, provide direct access to Perth's hosted public clouds and highly accessible connectivity to Asia and the east coast.

S2, NEXTDC's Data Center Facility in Sydney

NEXTDC's S2 data center facility in Sydney delivers unparalleled reliability and interconnectivity. S2 provides 30 megawatts (MW) of power, a spectrum of interconnectivity options, and an eight-kilowatt rack average to support the highest levels of high-density compute requirements and help businesses scale up as they grow. With more than 660 cloud networks and IT service providers available and ongoing facility upgrades, S2 handles high-density workloads.

M2, NEXTDC's Data Center Facility in Tullamarine

NEXTDC's M2 was among the first data centers in Australia to achieve Uptime Tier IV certification, with a critical capacity of 60 MW. The M2 data center, situated strategically in Tullamarine, Melbourne, Australia, near primary telecommunications and transport networks, offers the latest innovation and design excellence in engineering and the achievement of Tier IV Certification by the Uptime Institute. The only data center in Victoria and second in Australia, M2 has obtained the Tier IV Gold Operational Sustainability Certification from Uptime Institute, which demonstrates excellent operational risk management and behavior management, safeguards IT infrastructure, and lowers business risks.

In addition, NEXTDC standards include Uptime Institute Tier III and Tier IV Design, Built Environment, Gold Operations (data center resilience), as well as International Organization for Standardization (ISO), 20001 (quality assurance), ISO 27001 (physical security), ISO 14001 (environmental management systems), and ISO 45001 (occupational health and safety). NEXTDC's brand name is synonymous with

technology excellence, innovation, and, most importantly, customers focus. Its product positioning has played a crucial role in its brand equity; it has created a sense of excitement among its customers who engage with future technologies to enhance their overall user experience. In addition, it has gained a reputation for delivering services and solutions of the highest standard that explicitly addresses customers' unmet needs. Frost & Sullivan applauds NEXTDC's dedication to becoming Australia's most trusted and premier data center provider by demonstrating a laser-like focus on enhancing its strategic advantage.

NEXTDC's Carbon Footprint Reduction Initiatives Deliver Operational Efficiency

Frost & Sullivan believes that NEXTDC's multi-dimensional approach to best practices implementation will enhance its position in the market. NEXTDC's carbon offset program, NEXTneutral, launched in 2021. NEXTneutral enables customers and partners to leverage NEXTDC's carbon offset partnerships. NEXTDC is a carbon-neutral company that operates under the Australian Government's Climate Active Program, and NEXTneutral has also been certified as a Climate Active colocation solution. According to the company, the NEXTneutral fund has established a portfolio of selected ecological projects, such as regenerating rainforests and wetlands affected by trade expansion and funding indigenous and traditional sustainable land management practices (e.g., cool fire burning). NEXTDC is dedicated to sustainable engineering and understands the critical role that carbon offsets play in neutralizing the harmful effects of carbon emissions created by extensive energy use (within data centers). Furthermore, NEXTneutral illustrates that Big Data can have no ecological impact, simplifying the difficult task for organizations to achieve zero-net emissions and carbon neutrality from within any of NEXTDC's facilities.

The company partnered with Qantas to procure carbon credits through Qantas Future Planet, allowing NEXTDC to become 100% carbon neutral. In addition, its accreditation under the National Carbon Offset Standard and partnership with Qantas will benefit customers and partners as it develops the world's first carbon-free colocation service.

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The company has also sponsored Ph.D. students at Melbourne's Latrobe University to conduct research to help track and reduce data center services' carbon footprint. Compared to the Australian Power Usage Effectiveness (PUE) industry average of 1.7, NEXTDC's innovatively designed, built, and managed facilities achieve a PUE average of 1.3 nationally. Frost & Sullivan firmly believes that NEXTDC's customer-focused innovation and technology excellence will further elevate its position in the Australian market.

The constant enhancement and growth of operating and construction efficiencies within its data centers underpin NEXTDC's superior process design. As a result, in 2020, NEXTDC added significant new clients to the ecosystem, including global hyper-scale public cloud infrastructure providers, financial and insurance services institutions, and clients from the media and entertainment segment.

NEXTDC is committed to being a trusted data center provider. The company employs a relentless focus on customer value enhancement by breaking new grounds and setting new industry benchmarks and standards around power, connectivity, security, and overall operations. As a result, NEXTDC is the only data center solutions provider in Australia to achieve a NABERS 5-star energy efficiency rating.

NEXTDC invests in its employees by offering various learning and growth opportunities, such as external training programs and certificates, internal training programs, seminars, online self-paced training, and on-the-job training. As a result, all NEXTDC employees receive monthly performance results, remuneration, and career growth evaluations. Frost & Sullivan firmly believes that NEXTDC's customer-focused innovation and technology excellence will further elevate its leadership position in the market.

Conclusion

NEXTDC has invested significantly in the Australian market to expand its presence, especially in Sydney, Melbourne, and Perth. The service provider has demonstrated strong alignment towards changing the information technology (IT) environment by focusing on a holistic and integrated IT infrastructure strategy and customer-centric strategies. Further, besides scalability best practices and cloud readiness, NEXTDC focuses on multiple initiatives towards sustainability to enhance their customers' ecosystems and the broader ecosystem.

With its strong overall performance, NEXTDC earns Frost & Sullivan's 2021 Australia Company of the Year Award in the data center services industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

