HYPERCO_

DATACENTER FORUM

Building sustainable data center real estate portfolio

ARI KURVI

19 MAY 2022

Agenda

Hyperco introduction
Nordic data center real estate portfolio
Sustainable data centers: Self-build vs. Build-to-suit

Hyperco Nordic team has developed +200MW of hyperscale capacity and conducted transactions worth c. EUR 1bn

Core team

Timo Pohjanpalo

CEO

Team lead for NREP commercial transaction team

Executed **+400M€** RE transactions

Aleksi Taipale

Partner

NREP Venture Capital fund lead, investment manager, technology lead

Executed **+200M€** RE & VC transactions

Ville Vartiainen

Partner, site acquisition

NREP investment manager, lead in commercial, light industrial and sustainability

Executed **+300M€** RE transactions

Ari Kurvi

Chief development officer, Sustainability

Site manager & developer of Google and Yandex hyperscale sites in the Nordic region

Developed and managed sites with **+200MW** of hyperscale capacity

[Start date Q3/22]

Chief Commercial Officer

Former senior sales executive at major data center provider

Focus on large data center operators & tenants

[Start date Q4/22]

Vice President of Sales

Former senior sales operation executive at major data center provider

Focus delivering projects on time according to customer spec

Key advisors

Timo Leino

Investor, CoB

Sr advisor Triton and Booz, MD JP Morgan

Triton

Hadley Dean

Advisor

CEO of MDC2, ex-MD at Colliers

Colliers INTERNATIONAL

Kari Kauniskangas

Investor, MoB

Ex-CEO of YIT construction

YIT

Team experience

Google · EQUINIX · DigiPlex · Yandex · IBM · hp · TelecityGroup · Telia

McKinsey & Company · BAIN & COMPANY · Morgan Stanley · J.P.Morgan · SEB · booz&co. · NREP · Colliers INTERNATIONAL

We believe that the future of data centers lies in a truly sustainable approach

Our mission is not only to enable best-in-class digital infrastructure solutions for our tenants, but also to make value creating investments into sustainability

40% Global energy consumed by real estate

50% Use of global raw materials for buildings

2% Share of global electricity use by data centers

56 TWh Annual waste heat from EU data centers

Example initiatives

- Waste heat recovery
- Renewable sources of electricity
- Energy use efficiency improvement
- Renewable and upcycled materials
- Codification through sustainability certification
- ICA Founding Company

"The ICA represents an unprecedented collaboration between leading digital infrastructure companies **to accelerate our journey to carbon neutrality**. Today, we are combining forces to compound the efforts of these firms to make meaningful and sustained progress toward that goal."

ICA Founding Companies

Hyperscaler

aws, Google, Meta, Microsoft

Colocation

Aligned, AQ, Chayora, CloudHQ, COMPASS, COMPUTE NORTH, CUMULUS, CyrusOne, Cyxtera, DATABANK, DIGITAL REALTY, edgeconnex, Edge Presence, EQUINIX, EVOQUE, Green Mountain, IRON MOUNTAIN, KAO DATA, KevlinX, Netrality, NTT, PURE DC, STACK, STREAM, switch, VANTAGE, VPLS, Walhalla, yondr

Product

ARTESYN, EATON, ENCONNEX, HUAWEI, INTEGRA, legrand, MIRATECH, Natron Energy, NOVOS, OMNI-THREAT, Schneider Electric, SMITH, Tate, VERTIV.

Service

HELIX, CBRE, CIRKLA, CRITICAL, EDGEVANA, HYPERCO, JLL, NODE POLE, northshore, ON VALUE, Rahi, SALUTE

Finance

GI PARTNERS, sip

Power Utility

ENCHANTED ROCK, TALEN ENERGY

Software

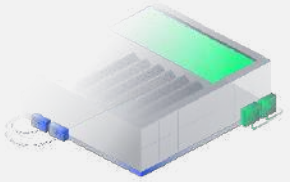
cato, molg, nZero

Hyperco is a long-term development partner for large scale data center users

Data center capacity solutions offered by Hyperco

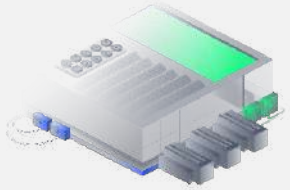
Based on customer preference, Hyperco is able to offer various levels of data center solutions:

(i) Powered shell



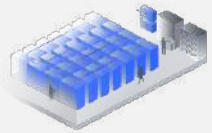
- Plot
- Building (walls / roof)
- Electricity connection

(ii) Built-to-suit



- Plot
- Building (walls / roof)
- Electricity connection to grid
- UPS systems
- Ventilation and cooling systems
- Fire protection systems
- Heat recovery systems
- Security systems
- Back-up energy system

(iii) Operated data center



- Plot
- Building (walls / roof)
- Electricity connection to grid
- UPS systems
- Ventilation and cooling systems
- Fire protection systems
- Heat recovery systems
- Security systems
- Back-up energy system
- Data center operations (facility)

In addition to searching best sites to meet customer requirements, Hyperco has pre-vetted inventory of sites with strong electricity, fiber and district heating connectivity and with modular expansion potential in Nordic countries:

- Edge (1-10 MW): Central locations in capital cities
- Cloud region (10-50 MW): Metropolitan areas of capital cities
- Centralized (50+MW): Various locations

Geographies in scope

Hyperco invests in standing assets, development projects as well as data center related infrastructure projects

Hyperco target investment types

Standing assets

- Direct data center asset purchase
- Sale & leaseback

Development projects

- Greenfield developments
- Extensions of current data center
- Modernization of current assets
- Sustainable materials (e.g., wood)

Infrastructure

- Waste heat recovery systems
- Connectivity investments (e.g. sea cables)
- Sustainable building projects

Hyperco is funded by reputable and long-term institutional investors

NREP at a glance

- **Leading urban developer** in Nordic capital regions with **strong technology and sustainability focus**
- **+350 professionals** across the Nordic countries
- **Ca. EUR 6 bln AuM**, **11 Funds raised** and +300 real estate investments
- NREP is a serial operating platform builder in the Nordics through its proprietary products:
  - Logicenters (Modern logistics)
  - Juli (Residential-to-let)
  - Noli Studios (Serviced living)
  - UMEUS (Student housing)
  - Plushusene (Senior co-living)
  - Altura (Care homes)

Varma at a glance

- **Significant Finnish pension company,** with ca. 900,000 individuals with active pension plans
- **+550 professionals** across the company
- **Ca. EUR 50 bln AuM**
  - Investments within direct real estate, joint ventures, funds, stocks, stock instruments and derivatives, debt facilities, and other loans
- Varma is built around strong values and is focused on sustainability and improving society
  - Visionary in sustainability, carbon neutrality in its investments by 2035
  - Signatory of UN's Principles for Responsible Invesment
  - Main competitive strengths focused on responsible and societally beneficial investments

Agenda

Hyperco introduction

Nordic data center real estate portfolio

Sustainable data centers: Self-build vs. Build-to-suit

Data Center real estate in the Nordics: Fastest-growing segment & favorable location characteristics

Data center segment

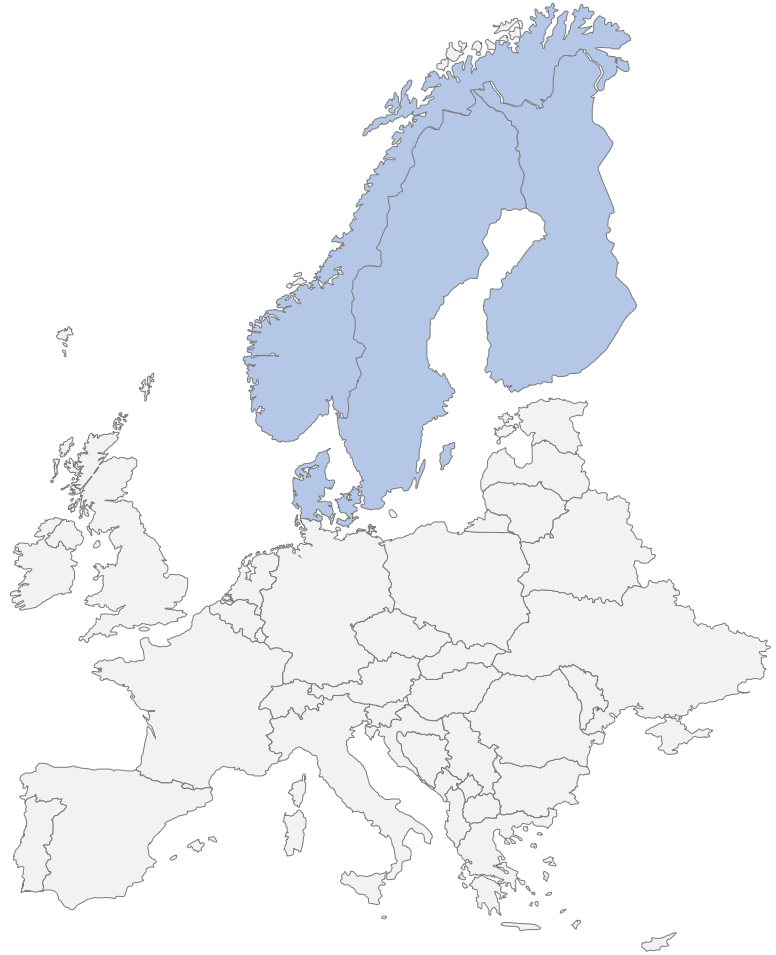
Fastest-growing real estate segment – fulfills all key criteria

- Very defensive asset class with long leases and low correlation to GDP development
- Typically long leases and stable tenants
- Rapid growth in underlying data and network traffic – Nordics have favorable location characteristics that is driving data center investment volume
- Data centers have reacted positively to tech adoption during Covid-19 pandemic and are likely to perform well during the longer term

Nordic market

Nascent but attractive markets

- Finland and Nordics are an optimal location: cheap energy, politically and naturally stable economies, educated labor and strong data network infrastructure to connect to Central Europe and US
- Price and stability of electricity, combined with high share of renewable energy sources, makes the Nordics an optimal location to place data centers



Agenda

Hyperco introduction

Nordic data center real estate portfolio

Sustainable data centers: Self-build vs. Build-to-suit

Large data center users face multiple development challenges across the globe

Current self-build challenges

Plot/zoning

- Where to find
- Correct for purpose
- Connection to DSO or TSO
- Water, wastewater, rainwater etc connections
- Heat reuse opportunities

Time-to-market

- When approved
- Complaints
- DSO, TSO contracts
- Municipality connections and contracts
- Heat reuse negotiations

Sustainability

- Not core competence
- Materials and local knowhow
- Legal requirements
- Time to explore all options

Local data center development partner can address multiple challenges

Real estate developer can

Plot/zoning

- ✓ Find available plot/ area
- ✓ Local contacts to municipalities
- ✓ Local contact to DSO and TSO
- ✓ Contacts to local energy companies

Time

- ✓ Local supply chain and management
- ✓ Local vendors and materials
- ✓ Contractor management locally
- ✓ Contract for heat sell
- ✓ TSO,DSO contracts

Sustainability

- ✓ Excess heat recovery systems
- ✓ Connectivity investments (e.g. sea cables)
- ✓ Sustainable building design and projects
- ✓ Materials like wood

Data Center Co2 emissions

Data Center real estate emission categorization

Scope 1

- Emissions are **direct** GHG emissions from sources controlled or owned by an organization

Scope 2

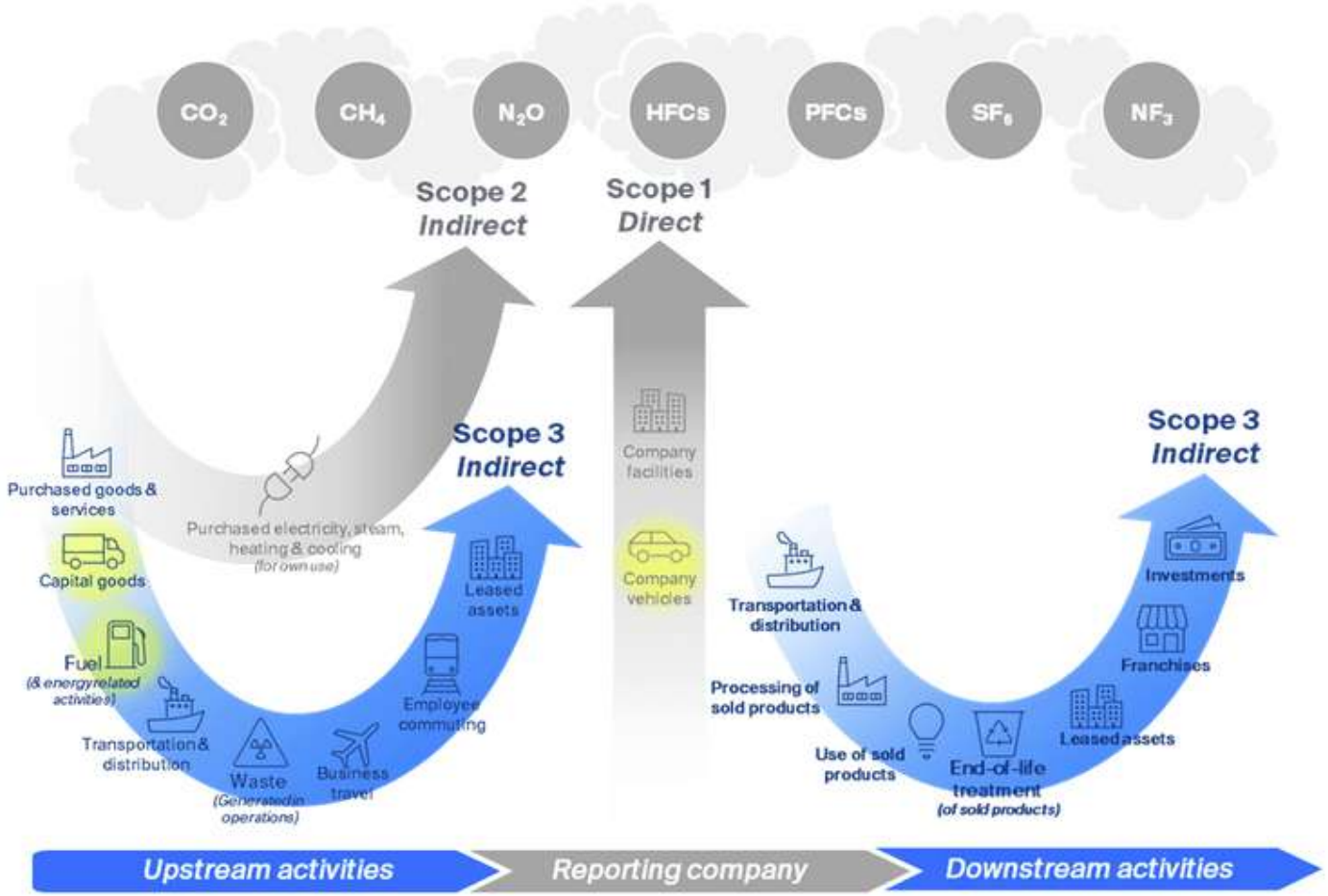
- Emissions are **indirect** GHG emissions associated with the purchase of electricity, steam, heat, or cooling

Scope 3

- Emissions result from assets **not owned or controlled by the reporting organization** but are part of the organizations value chain

Data Center Co2 emissions

Data Center real estate emission categorization



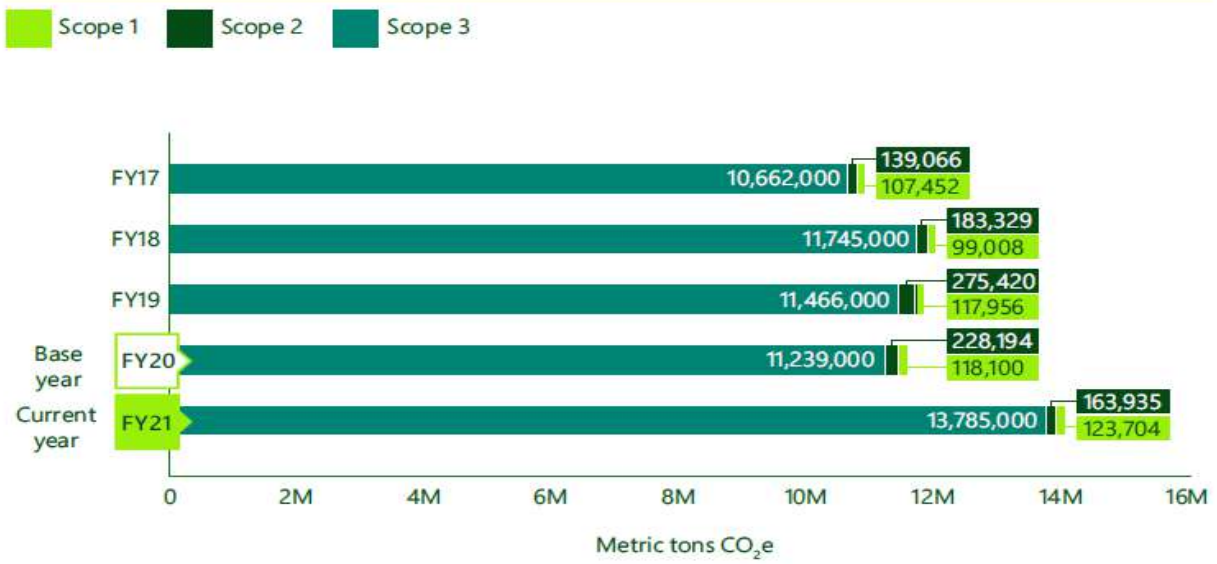
Data Center Co2 emissions

Emission carbon table example (Microsoft)

Carbon Table 2

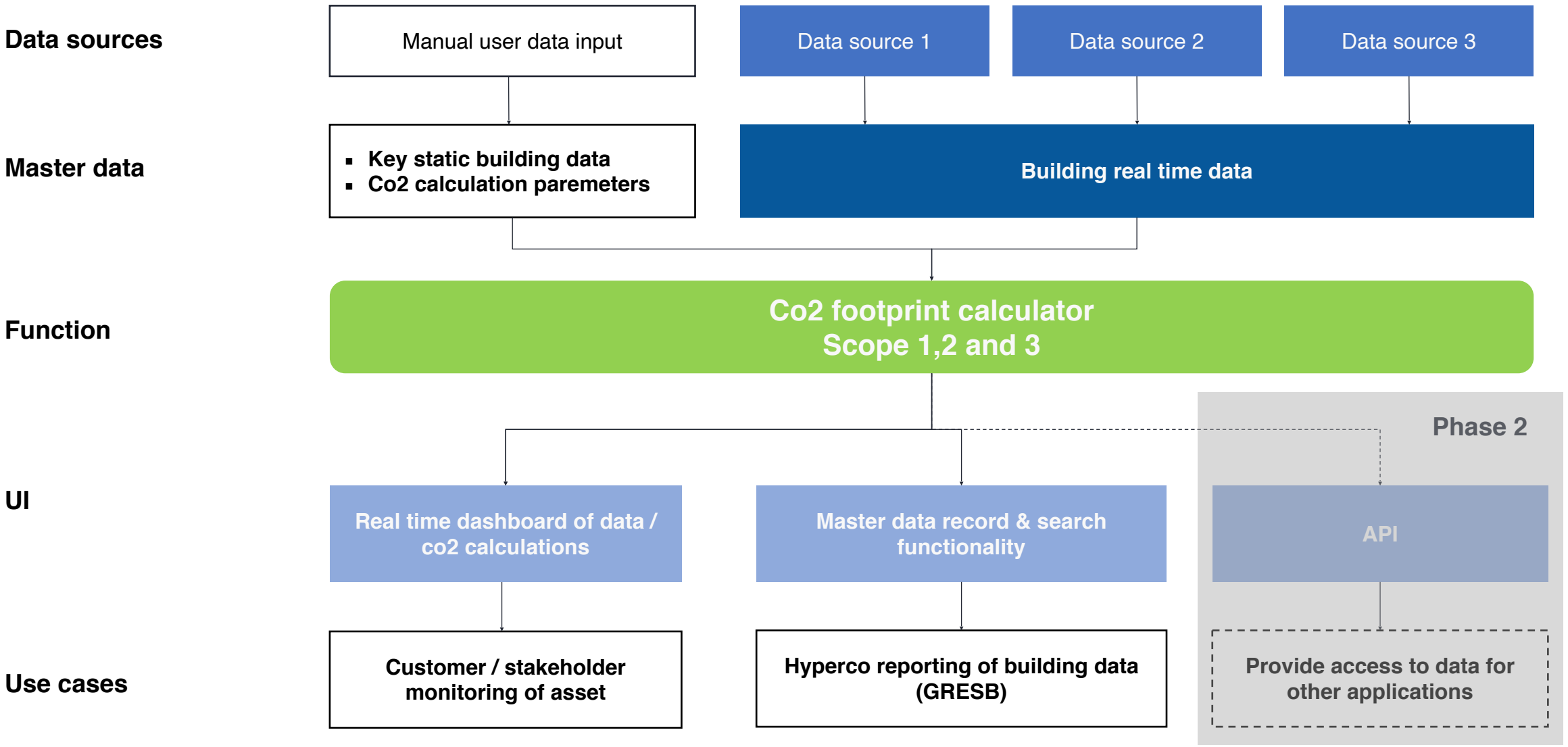
Tracking our yearly emissions across Scopes 1, 2, and 3

In FY21, we reduced our Scope 1 and 2 (market-based) emissions by 16.9 percent. We saw an increase in Scope 3 emissions driven by growth of our cloud services business and an increase in sales and usage of our devices.



Source: Microsoft sustainability report 2022

Overview of Hyperco approach to sustainability tracking



Summary

End user point of view

TIME

- Developed for need
- Flexible (modular)

EASY

- Single point of contact
- Local partner
- Local contracts handling

COST EFFICIENT

- Local supply chain
- Institutional investors
- Dedicated only to DC segment
- Build by spec
- Development experience

HYPERCO_

DATACENTER
FORUM

THANK YOU

not leaving before end of presentation

ARI KURVI

19 MAY 2022