



# Data Centers

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*At the Dawn of a Structural Supercycle*

**o3capital**

*Your Partners, Your Advisors*

Hello Readers,

Welcome to o3 Capital's deep dive on the data center sector - *At the Dawn of a Structural Supercycle*.

Data centers are rapidly emerging as one of the most critical infrastructure assets underpinning the digital economy. Once viewed primarily as a back-office cost center, they are increasingly being recognized as a core infrastructure asset class - supported by long-duration, contracted cash flows and attractive returns of 10-20%, compared with 6-10% for traditional core infrastructure.

Three structural forces are driving this transformation: the explosion in data creation, the continued migration of workloads to the cloud, and the AI compute revolution that is fundamentally reshaping data center economics.

AI is the sharpest catalyst. Training clusters now operate with 10,000+ GPUs, require significantly higher power density than traditional servers, and are driving hyperscaler capex to unprecedented levels. Against this backdrop, the global data center market is expected to scale from approximately USD 445 Bn in 2025 to USD 1,105 Bn by 2030, representing ~19% CAGR. The industry itself is evolving - from enterprise and on-premise IT (DC 1.0), to hyperscale cloud (DC 2.0), and now toward AI-native infrastructure (DC 3.0).

In this report, we explore the full data center value chain - from the forces driving demand and the evolution of the asset class to the structure of the ecosystem across enterprise, colocation and cloud. We then examine the investment opportunity through the buildout cycle, operating economics, risk-return profile and the growing pool of capital entering the sector.

We then turn to India, where the opportunity becomes particularly compelling. Supportive policy, data-localization requirements, critical-infrastructure recognition, renewable power access and a growing hyperscaler presence are creating the conditions for a significant expansion in domestic data center capacity. With substantial capital commitments already underway, India is well positioned to capture a meaningful share of the global buildout - creating attractive investment, partnership and exit opportunities for early movers.

We hope you enjoy reading this edition.

Warm regards,  
The o3 Capital Team

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## Buildout of a Data Center

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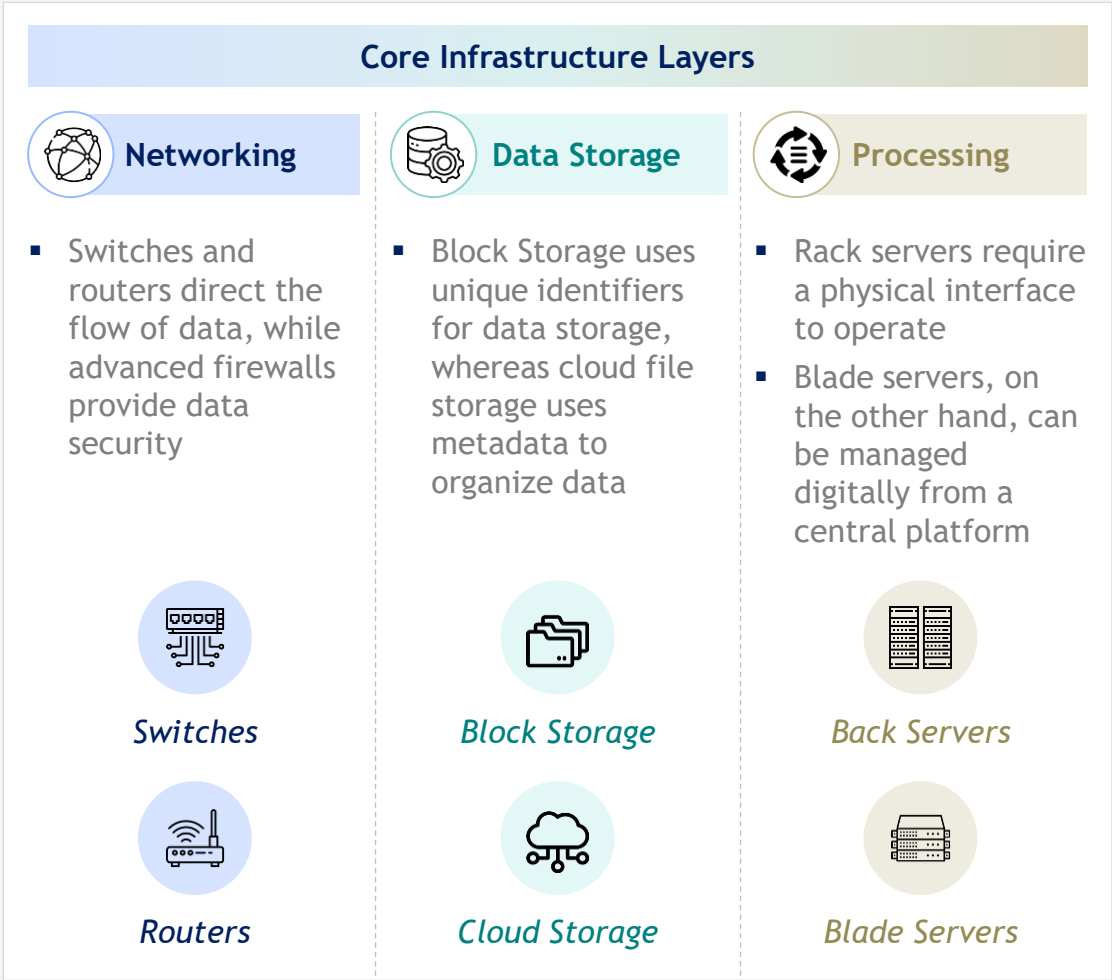
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# The Foundation: Inside the Data Center Infrastructure Stack

## Data Processing Flow

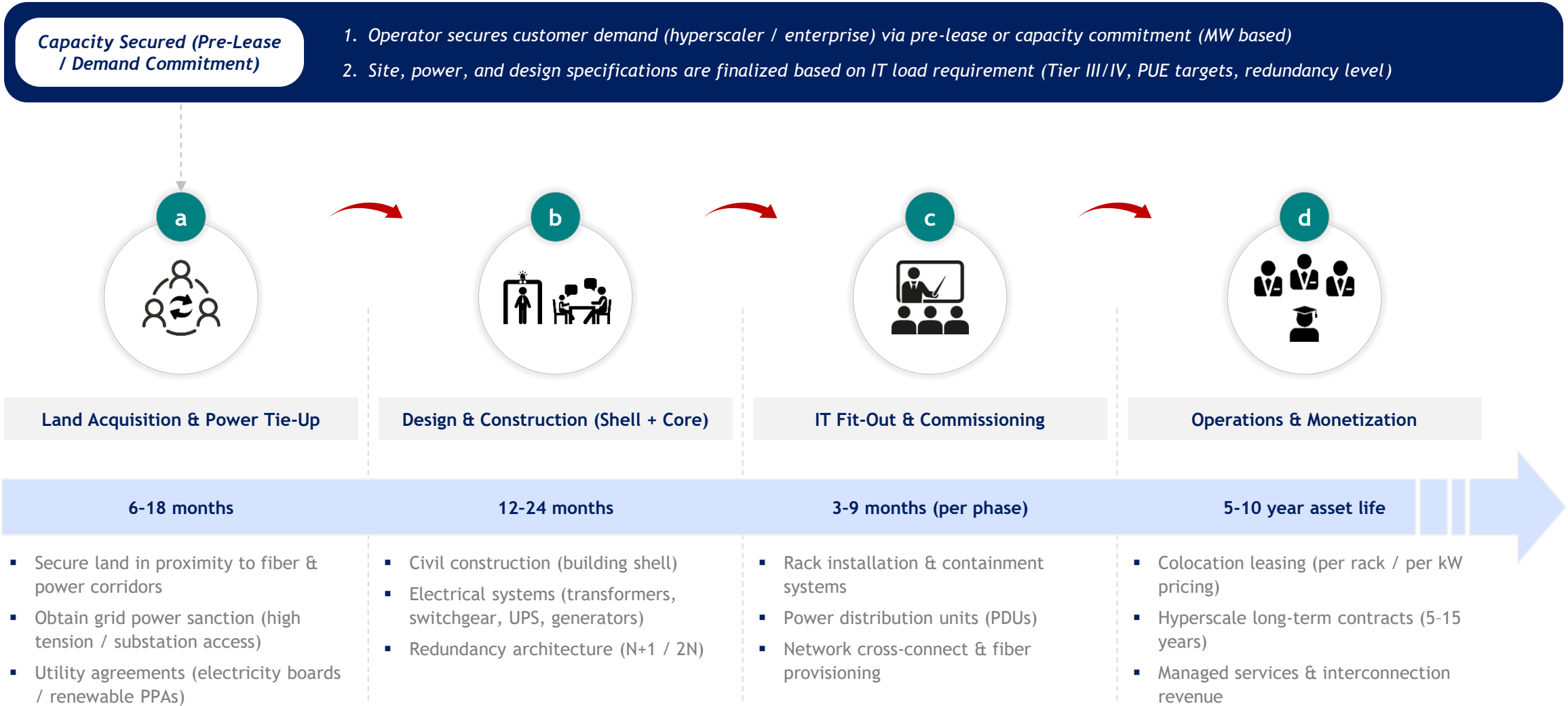


## Core Infrastructure Layers



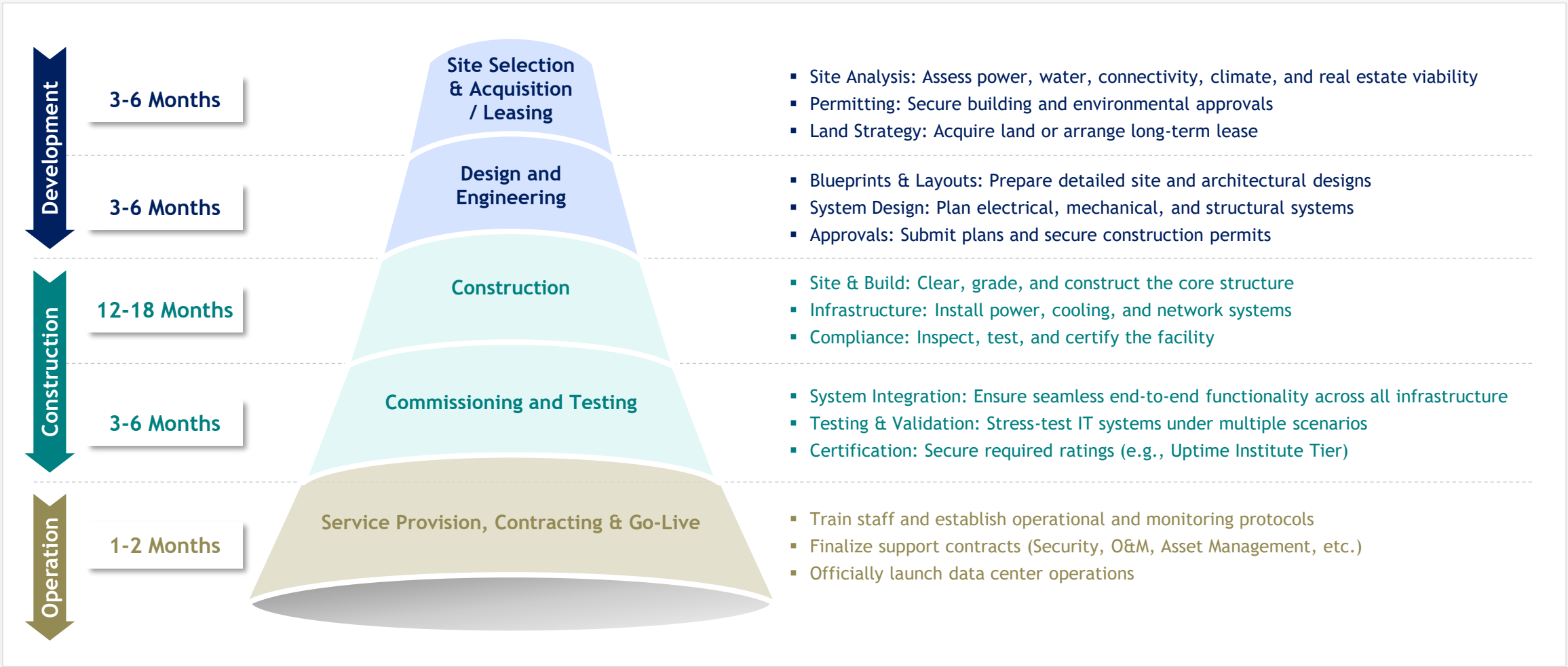
Sources: JLL Reports

# The Value Chain: How Development and Operations Connect



Sources: o3 Research

# The Build: Data Center Development Lifecycle



Sources: JLL Reports

# Monetizing Capacity: The Data Center Revenue Engine

**Leasing (Space / Capacity)**

- Retail colocation
- Wholesale/ hyperscale
- Non-recurring set-up

**Power-Based Billing (Energy + Cooling)**

- Metered power
- Rising power density
- Variable power consideration

**Interconnection (High-margin add-on)**

- Cross-connects / fabric
- Typically billed per outbound connection

**Managed Services (Value-added recurring)**

- Usage-based recurring fee
- Managed infrastructure

|                                                                                                     |                                   |                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br>Revenue driver |                                   | <br><b>Leasing (Retail Colocation)</b>                                                                                                                                                                                                    | <br><b>Leasing (Wholesale / Hyperscale)</b>                                                                                                                                                                                                                                                                                                                           | <br><b>Interconnection (Cross-connect)</b>                                                                                                                                                                                                                                                                                                                         | <br><b>Managed Services (Infrastructure)</b>                                                                                                                                                                                                                                                                                                                       |
|                                                                                                     |                                   | Customers rent rack space with power and cooling in a shared facility                                                                                                                                                                                                                                                        | Customers lease dedicated power capacity and private data hall space                                                                                                                                                                                                                                                                                                                                                                                     | Customers pay for direct network connections within the data center                                                                                                                                                                                                                                                                                                                                                                                   | Customers pay for outsourced infrastructure monitoring and support services                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                                     | <b>Pricing mechanics</b>          |  1-3 year contracts<br> Install/ set-up fees<br> Power billed separately |  Committed kW/MW pricing<br> Phased capacity delivery<br> Fixed capacity charges<br> Power-linked pricing |  Outbound connection<br> Monthly recurring charges<br> Low churn contracts<br> Scales with connections |  Usage-based add-ons<br> Bundled with colocation<br> Recurring service charges<br> Scope-based pricing |
|                                                                                                     | <b>Economics &amp; stickiness</b> | <ul style="list-style-type: none"><li>✓ Recurring monthly revenue</li><li>✓ Auto-renewing contracts</li></ul>                                                                                                                                                                                                                | <ul style="list-style-type: none"><li>✓ Long-term MW contracts</li><li>✓ Infrastructure-like cash flows</li><li>✓ High switching costs</li></ul>                                                                                                                                                                                                                                                                                                         | <ul style="list-style-type: none"><li>✓ Per-connection recurring fees</li><li>✓ High-margin revenue stream</li></ul>                                                                                                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"><li>✓ Subscription-based revenue</li><li>✓ Operational outsourcing stickiness</li></ul>                                                                                                                                                                                                                                                                                                                             |

Sources: o3 Research

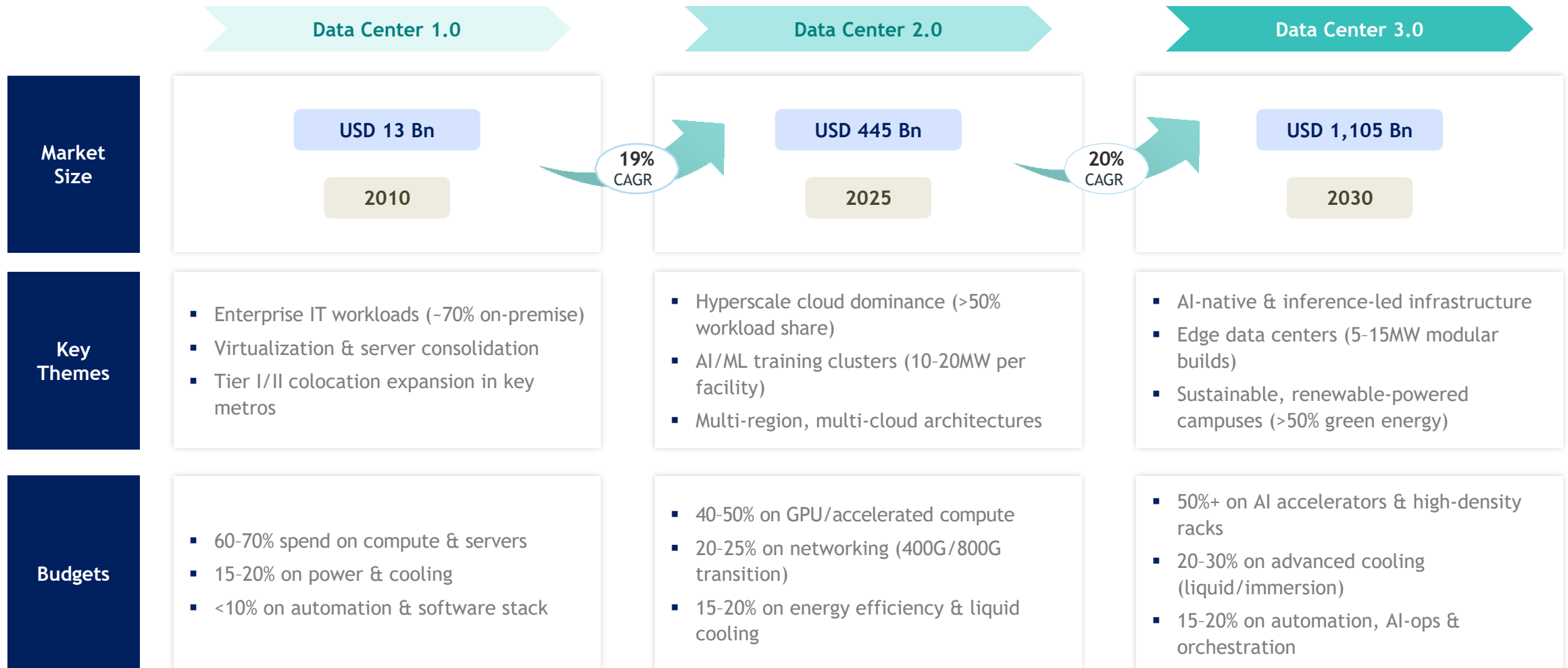


## Global Data Center Market: Scale, Growth & Competitive Structure

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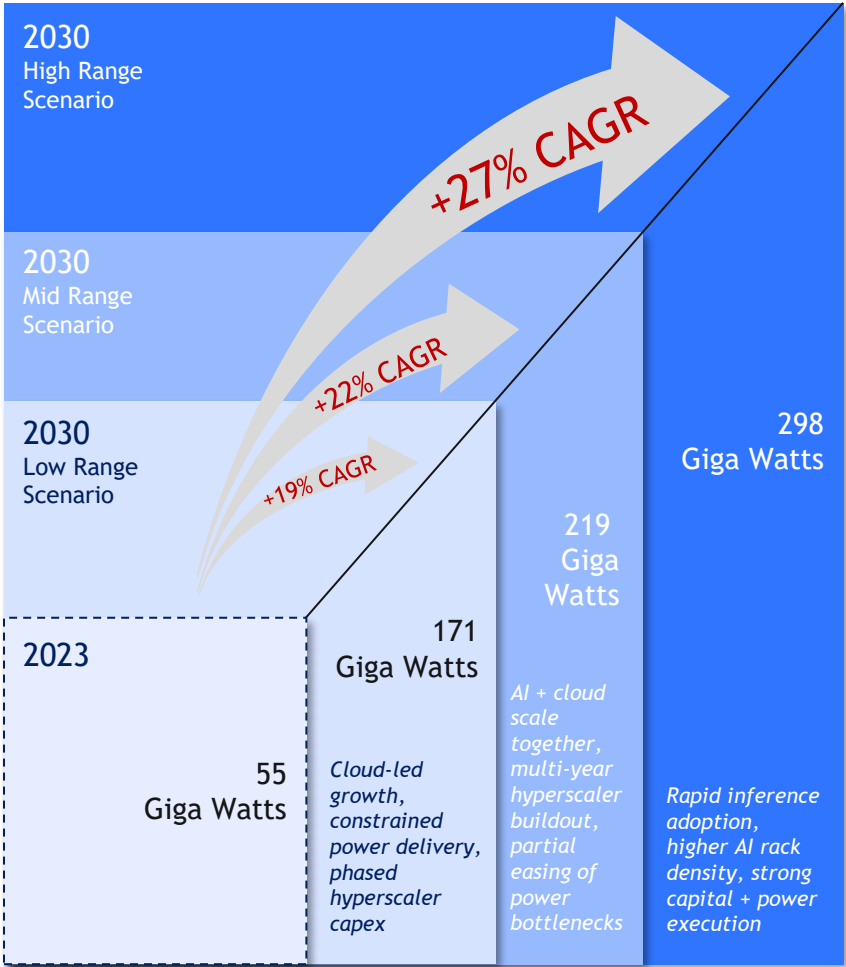
# Data Center 3.0: AI Is Rewriting the Infrastructure Stack



Sources: o3 Research

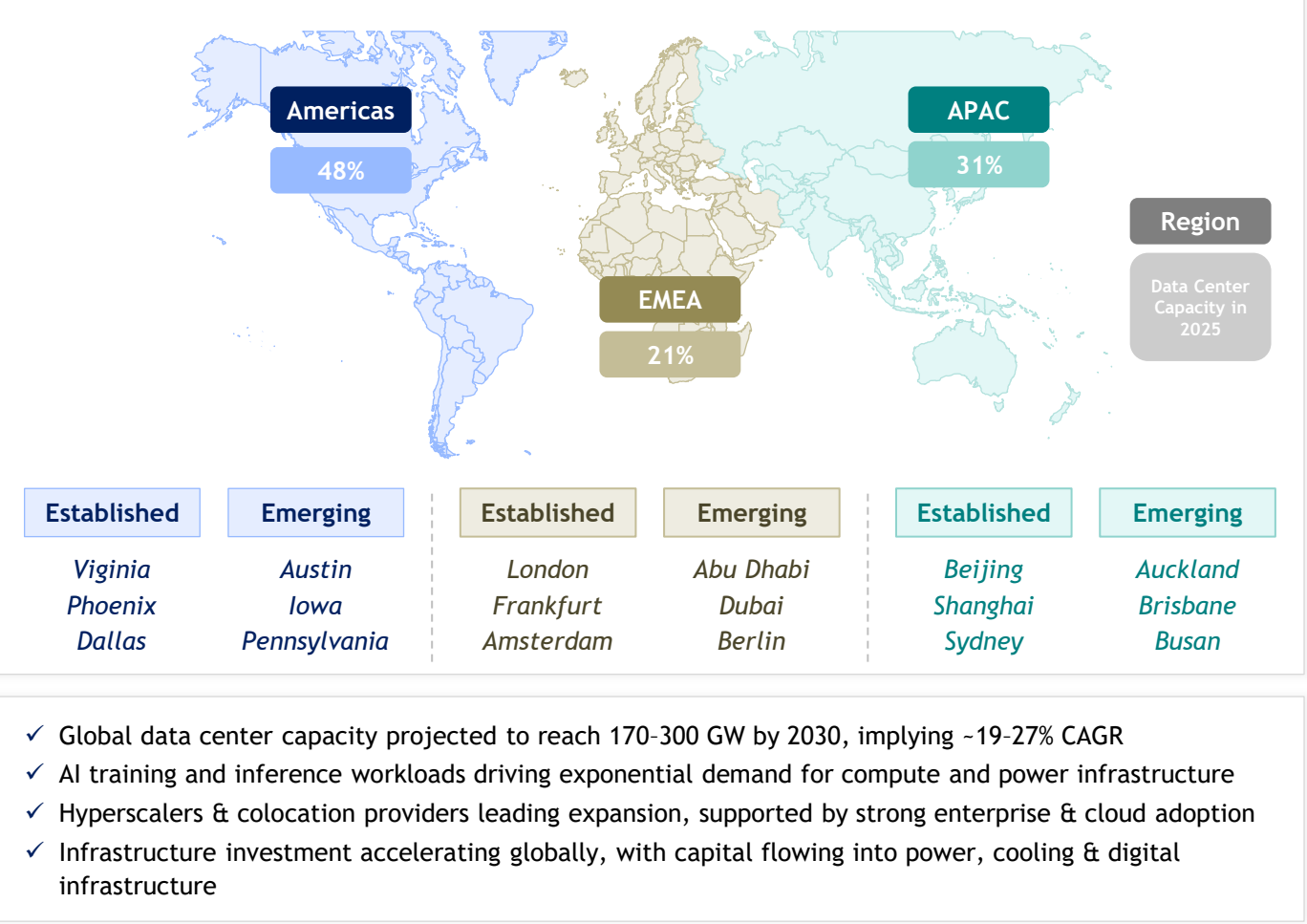
# The Global Capacity Race: 300 GW in Sight

## Demand for Global Data Center Capacity



Source: McKinsey Report

## Regional Distribution of Established and Emerging Data Center Markets



# Four Structural Engines Driving Global Data Center Demand



## Cloud Adoption

- Global spending on cloud infrastructure services reached ~USD 330 billion<sup>4</sup> in 2024, continuing a strong multi-year growth trend
- Cloud adoption is directly translating into higher demand for hyperscale and colocation data centers, as providers expand both owned and leased capacity



## AI-Driven Compute Intensity

- AI workloads are significantly more power-intensive than traditional IT workloads
- This shift is increasing overall electricity demand and influencing data center design and location decisions



## 5G Rollout and Low-Latency Demand

- Global 5G subscriptions are expected to reach ~2.9 billion by 2025 and ~6.3 billion by 2030<sup>5</sup>
- Growth in latency-sensitive applications is supporting demand for edge and metro data centers, alongside large centralized facilities



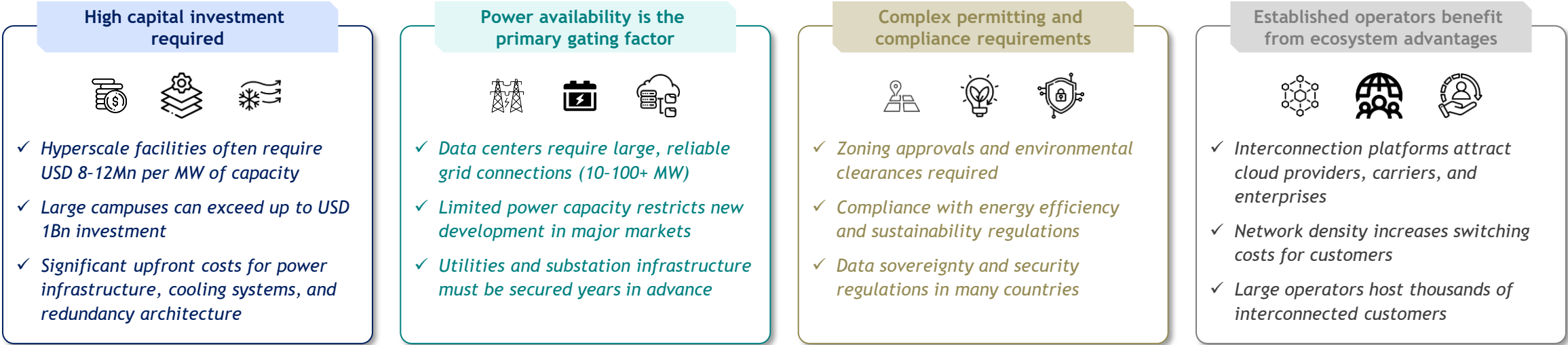
## Growth in Data Creation

- Global data generation is projected to reach ~175 zettabytes<sup>6</sup> by 2025, up sharply from prior years
- Rising data volumes are driving sustained demand for storage, processing, and interconnection capacity across data center types

Sources: Synergy Research Group, Ericsson, Seagate, Rethink Data

# Why Data Centers Are Hard to Replicate: Structural Barriers to Entry

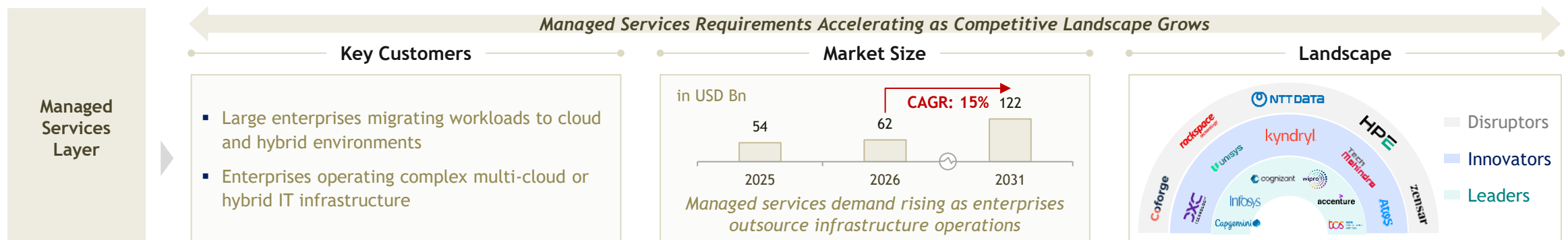
Capital intensity, power availability constraints, regulatory approvals, and ecosystem effects create significant barriers to entry for new data center operators



Source: JLL Report

# The Competitive Map: Enterprise, Colocation & Hyperscale

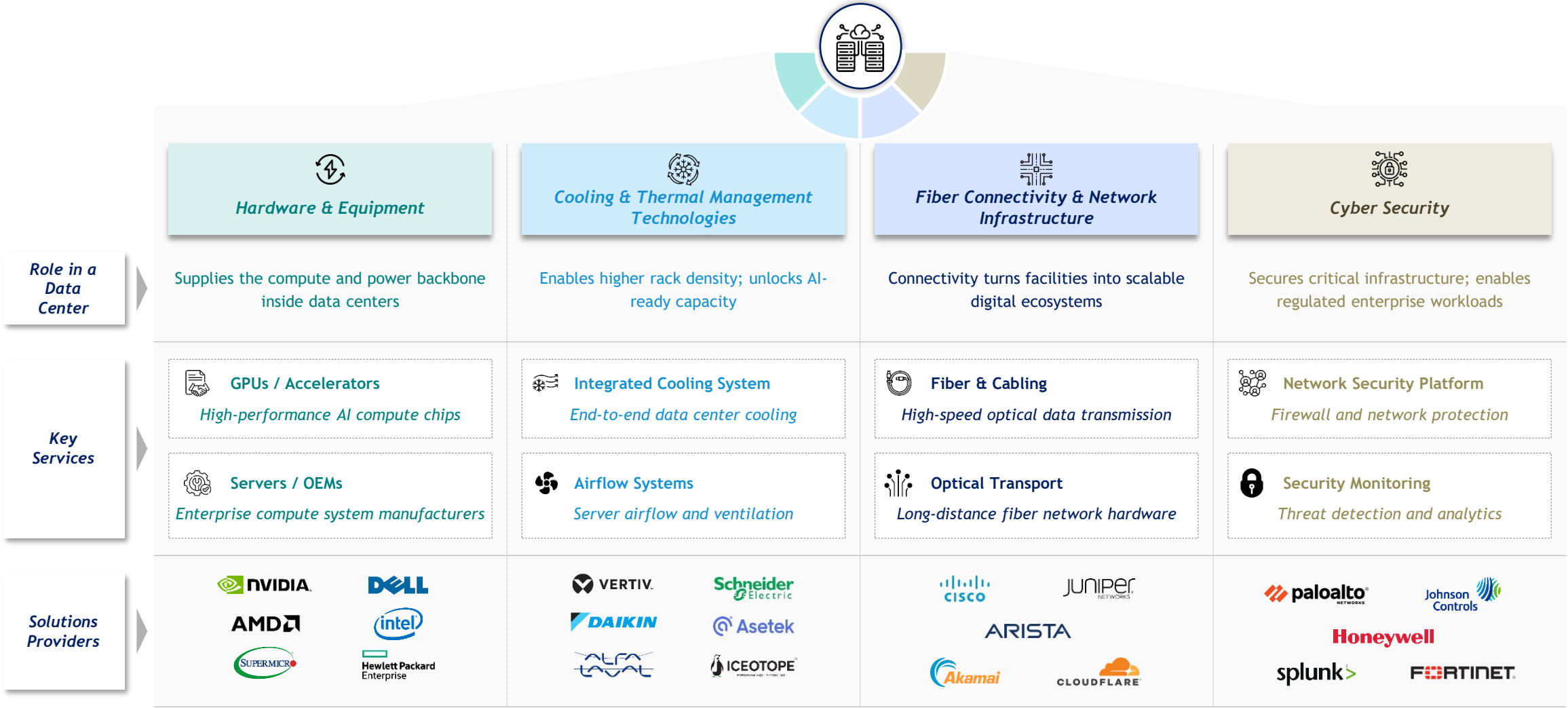
|                            |  <b>Enterprise</b><br>(On-Prem / Private Data Center)                                                                                                                                                                                                                                                                                                                                                                                                                      |  <b>Colocation</b><br>(Retail + Wholesale)                                                                                                                                                                                                                                                                                                                                                                                        |  <b>Cloud</b><br>(Hyperscale)                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>What It Is?</b>         | Company-owned facilities for internal workloads                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Third-party Data Center space + power where customer brings IT                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Hyperscalers offer compute/storage as a service with rapid GPU-led scaling                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Typical Customers</b>   |  Banking, Financial Services & Insurance  Government                                                                                                                                                                                                                                                                                                                                      |  Enterprises  SaaS  Hyperscalers                                                                                                                                                                                                                            |  Startups to large enterprises  AI/ML builders                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Key Economics</b>       | <ul style="list-style-type: none"> <li>High capex</li> <li>Optimized for control/ compliance</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>Recurring lease + power pass-through</li> <li>Long contracts</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                       | <ul style="list-style-type: none"> <li>Highest utilization + scale</li> <li>Capex-heavy, sticky services</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Key Differentiators</b> | <ul style="list-style-type: none"> <li>✓ Data sovereignty</li> <li>✓ Security</li> <li>✓ Compliance</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>✓ Power availability</li> <li>✓ Price per kW/MW, interconnect density</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>✓ Service breadth</li> <li>✓ GPU availability</li> <li>✓ Developer ecosystem</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Key Players</b>         |  IBM Cloud  STFY  CISCO<br> CLOUD4C  NUTANIX  SIEMENS |  EQUINIX  DIGITAL REALTY<br> IRON MOUNTAIN  CyrusOne  STTelemedia Global Data Centres |  aws  Alibaba Cloud  Azure<br> Google Cloud  ORACLE CLOUD  Tencent Cloud |



Sources: Mordor Intelligence

# The Pick-and-Shovel Opportunity: The Data Center Ecosystem

Growth in hyperscale infrastructure is driving demand across compute hardware, cooling technologies, network connectivity, and cybersecurity solutions





## Data Centers: The Next Growth Frontier

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# The Data Center Supercycle: Three Forces Driving Hypergrowth

## 1. Exponential Data Creation

- Global data creation to exceed **180+ zettabytes by 2025**
- Video streaming **~65%+ of global internet traffic**
- Enterprise digitization & IoT driving storage intensity

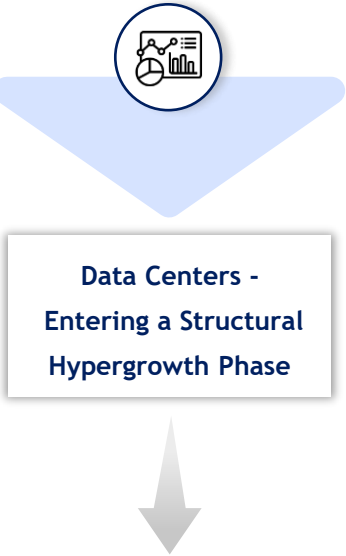
## 2. Cloud Penetration Still Has Runway

- Only **~30-35%** of enterprise workloads are cloud-migrated
- Public cloud projected to grow at **~15-20% CAGR** through 2030
- Leading platforms continue expanding hyperscale footprints



## 3. AI-Driven Compute Shock

- Training AI models require **10,000+ high-performance GPUs/cluster**
- AI workloads consume **3-5x more power/rack** vs traditional servers
- Hyperscaler AI capex to exceed **USD 200Bn+ annually by 2026**



**Reclassification as  
Core Infrastructure  
Asset**



**Global data center investment: USD  
50Bn+ annually**



**Average lease tenures: 5-15 years**

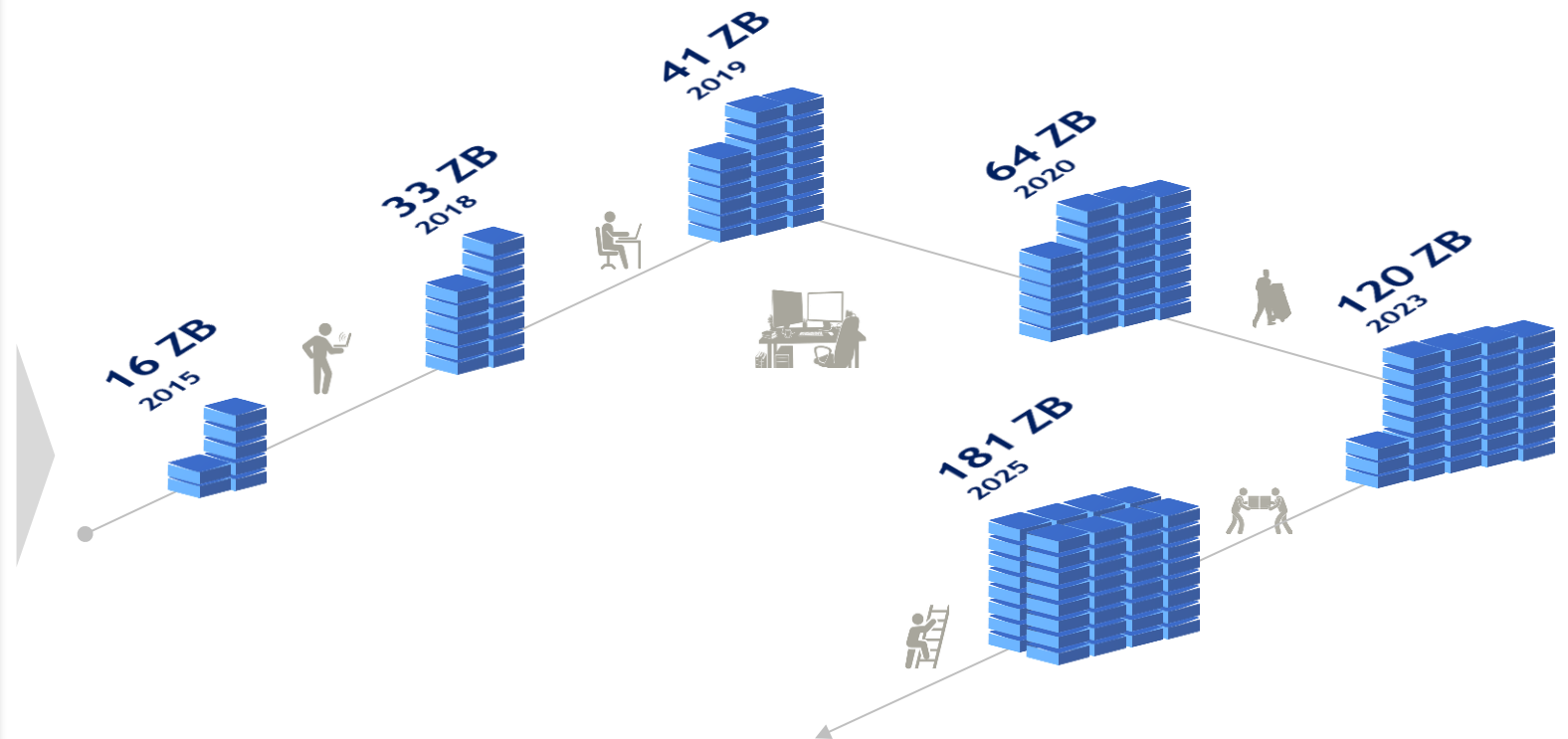


**Data Center Average IRR: 10-20%  
v/s Core Infrastructure IRR at 6-10%**

Sources: IDC, Uptime Institute, CBRE, International Energy Agency (IEA), S&P Global Market Intelligence

## Data Creation Has Exploded — and the Curve Is Still Rising

| Type of Media                                                                                                          | Amount per Minute | Amount per Day |
|------------------------------------------------------------------------------------------------------------------------|-------------------|----------------|
|  Emails Sent                          | 241 Mn            | 333.2 Bn       |
|  Crypto Purchased                     | 90 Mn             | 130 Bn         |
|  Texts Sent                           | 16 Mn             | 24 Bn          |
|  Google Searches                      | 6 Mn              | 9 Bn           |
|  Snaps shared on Snapchat             | 2 Mn              | 4 Bn           |
|  Pieces of content shared on Facebook | 2 Mn              | 2 Bn           |
|  Swipes on Tinder                     | 1 Mn              | 2 Bn           |
|  Hours Streamed                      | 1 Mn              | 1 Bn           |
|  Tweets shared on Twitter           | 347 K             | 500 Mn         |
|  Hours spent in Zoom Meetings       | 105               | 151            |



120 zettabytes of data were created globally in 2023

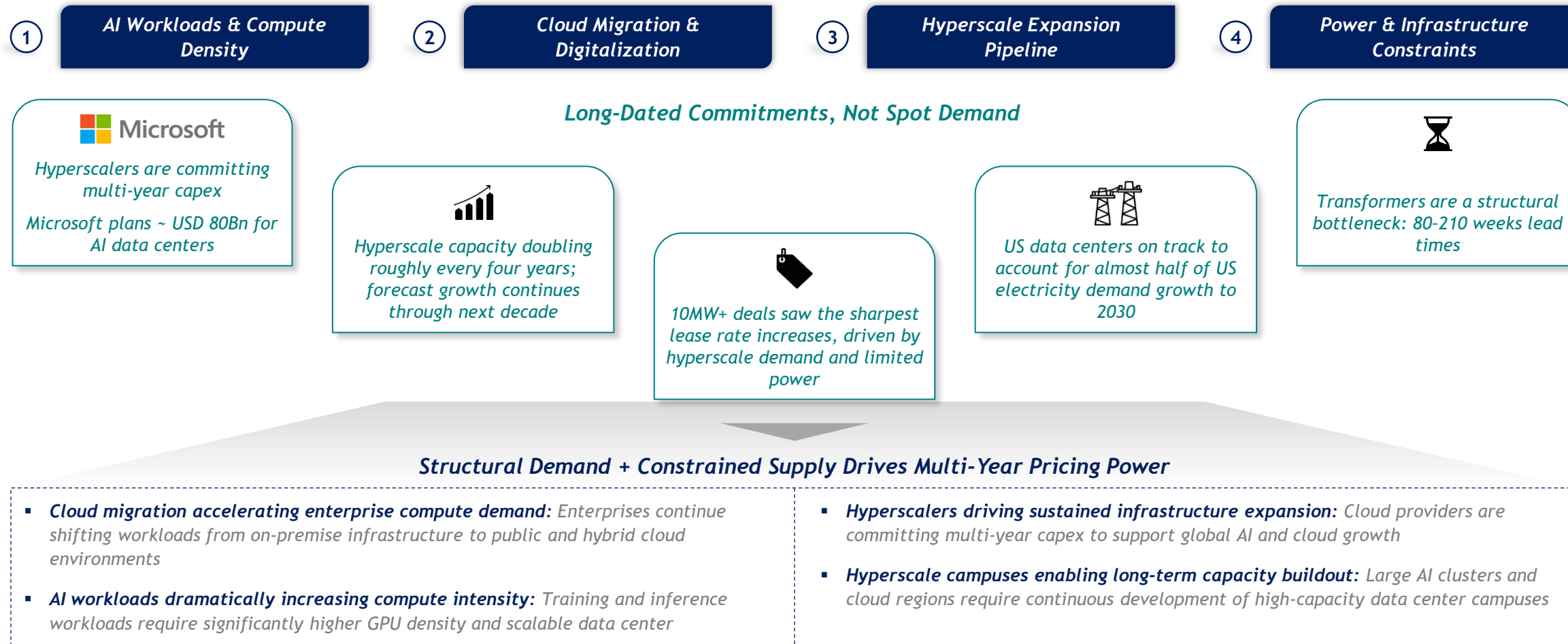
This equals roughly 3,800 terabytes of new data every second

Equivalent to 905 million songs per second (4.2MB average size)

Sources: Visual Capitalist

# Structural Demand Meets Constrained Supply: The Case for Pricing Power

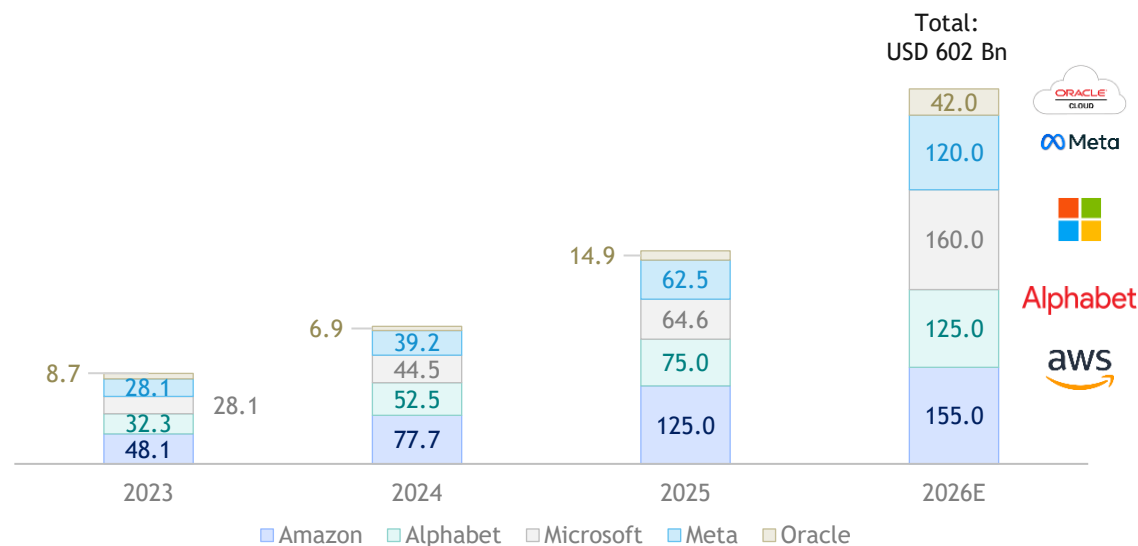
*AI + cloud + data creation are driving a multi-year step-change in compute and electricity demand, while supply remains power-constrained - creating durable, long-cycle growth visibility*



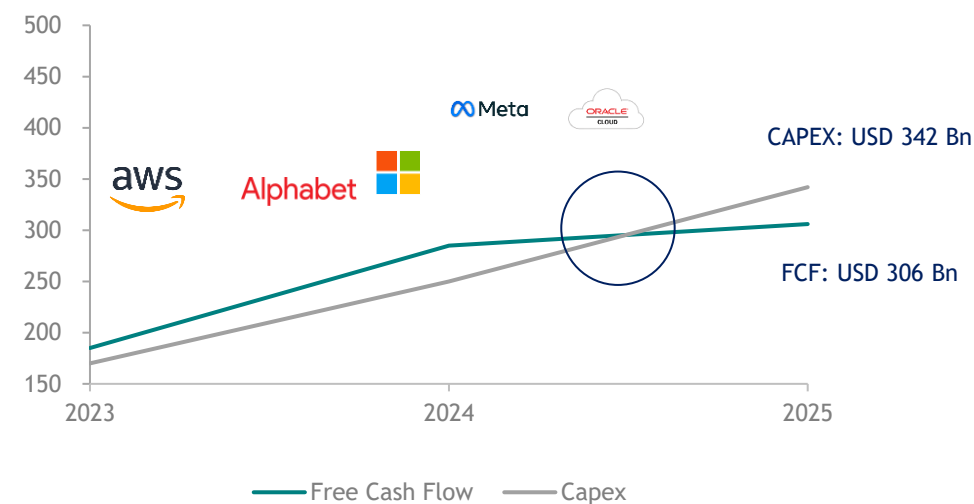
Sources: o3 Research

# Hyperscalers Spend & Infrastructure Expansion

## Capex Expansion by Top 5 Hyperscalers (2023-2026E)



## Hyperscaler Capex vs Free Cash Flow Trends (2023-2025)



— Hyperscaler AI investments are driving a multi-year global data center buildout —

### Hyperscaler Capex Increasing

Hyperscalers are significantly increasing capital expenditure to expand AI and cloud infrastructure, driving large-scale investments in data centers, compute and networking capacity

### Multi-Year Infrastructure Build Cycle

AI infrastructure deployment is entering a sustained build cycle, with hyperscalers committing long-term capital to data centers, power infrastructure and advanced compute

### AI Training Clusters Driving Capacity Demand

Large-scale AI training clusters require significantly higher power density and compute capacity, accelerating demand for next-generation hyperscale data centers

Sources: Markets and Markets

# Hyperscalers Are Entering a Multi-Year Capacity Expansion Cycle

*Management commentary highlights the acceleration in new power capacity (GW) and multi-year build pipelines to meet AI-driven demand*

*Hyperscalers are entering a multi-year data center build cycle driven by AI infrastructure demand*

## Google



*Aggressive AI-driven infrastructure expansion*

- ✓ USD 75 Bn CapEx expected in 2025 largely directed toward technical infrastructure
- ✓ 40% of infrastructure CapEx allocated to data centers & networking
- ✓ Multiple new hyperscale campuses under construction across US, Europe & Asia

## Microsoft



*Largest global cloud footprint with accelerating capacity additions*

- ✓ >2GW of new data center capacity deployed in the past 12 months
- ✓ 400+ data centers across ~70 cloud regions
- ✓ AI workloads driving rapid **high-density data center expansion**

## Amazon



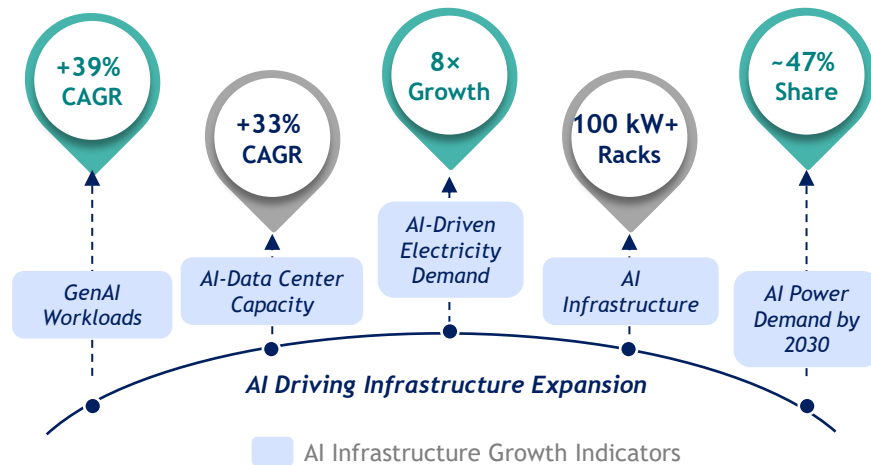
*Fastest hyperscale capacity ramp globally*

- ✓ ~3.8GW of data center capacity added in the last year
- ✓ Current capacity ~2x larger than 2022 levels
- ✓ On track to double power capacity again by 2027

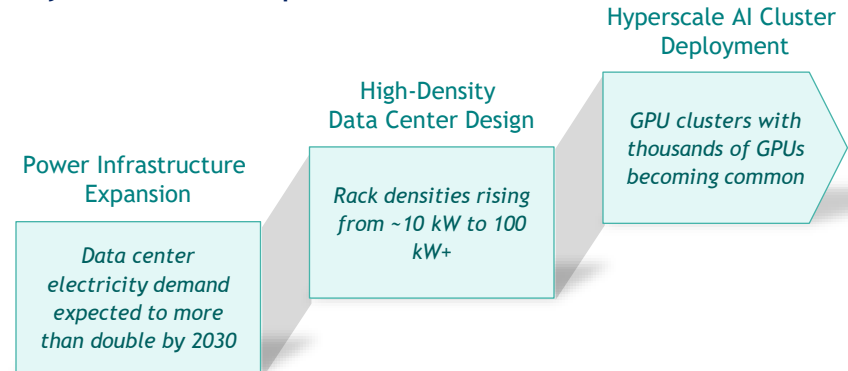
Sources: Houlihan Lokey Report

# AI Workloads Are Accelerating the Next Global Data Center Build Cycle

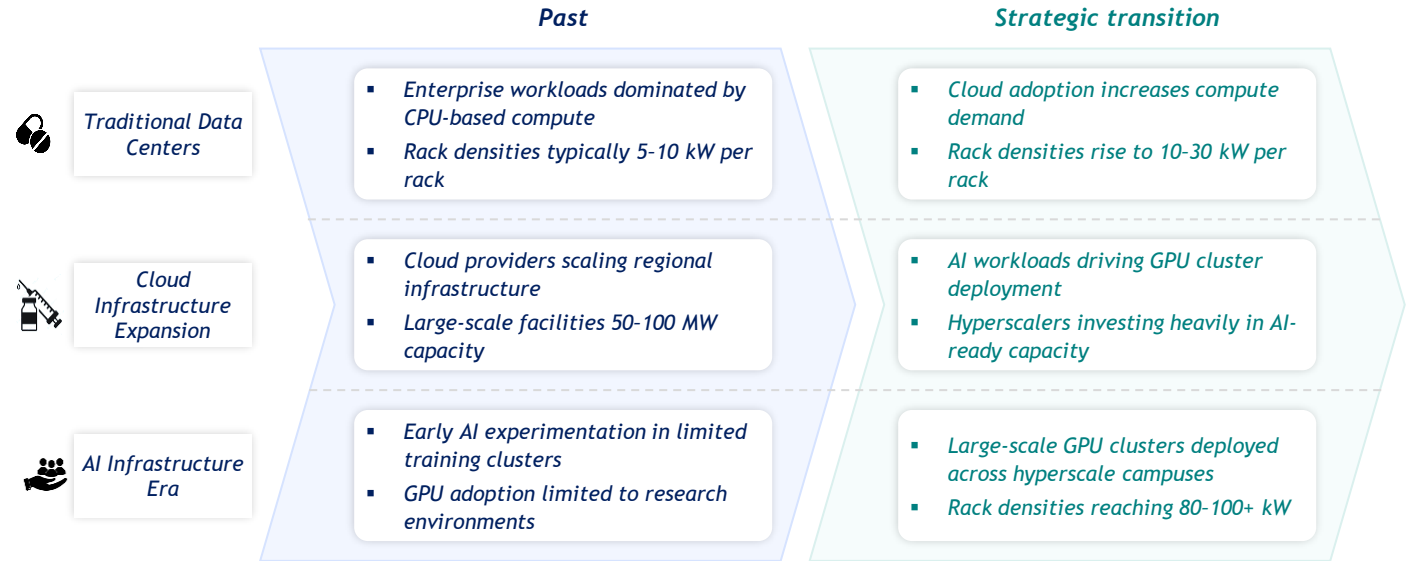
## AI Is Driving the Next Wave of Data Center Infrastructure Demand



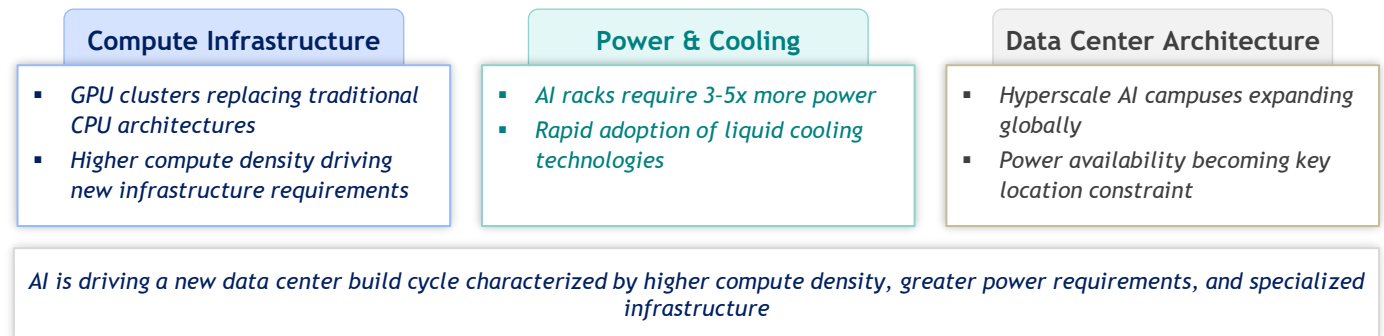
## Key Infrastructure Implications of AI Growth



Sources: o3 Research



## AI Is Reshaping Data Center Infrastructure



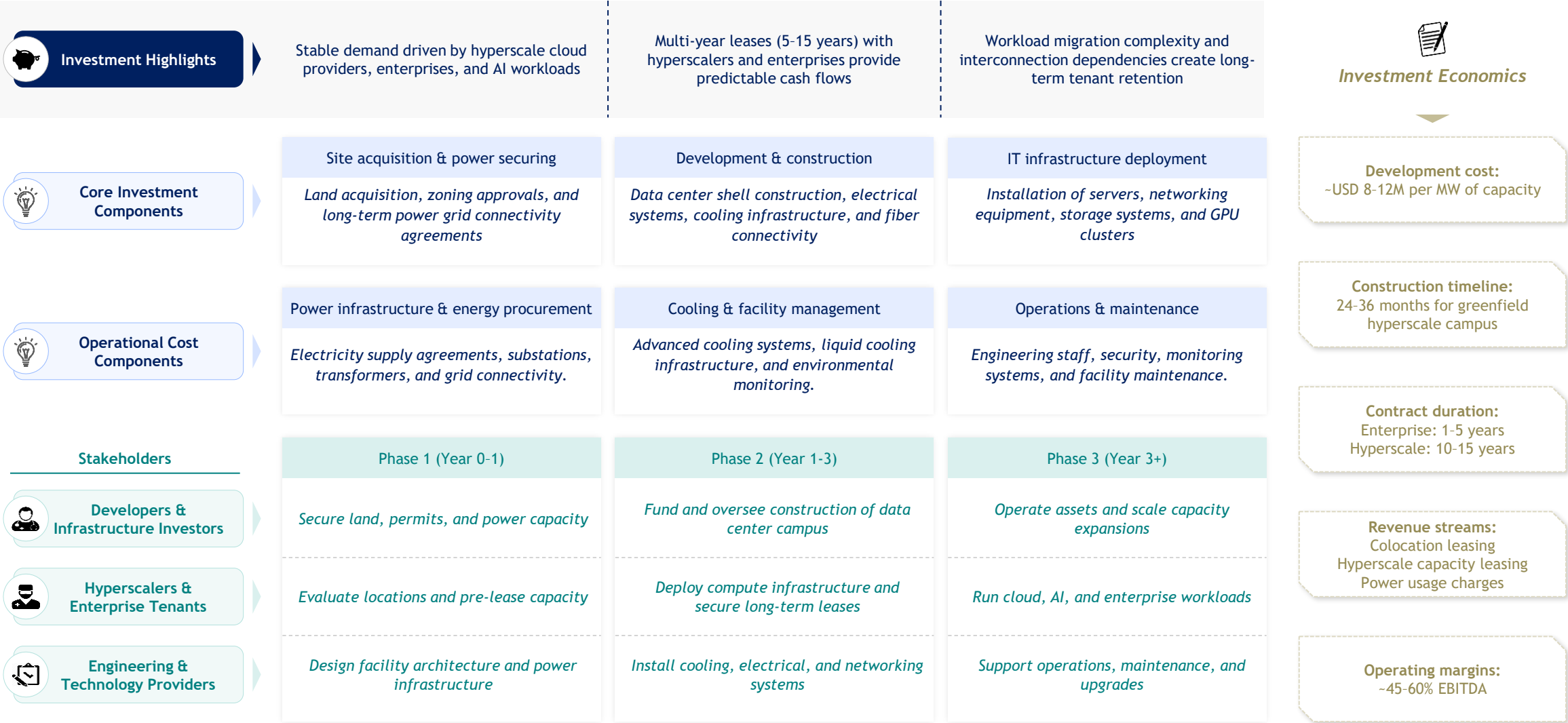


## The Investment Case: Attractive Returns Across the Risk Spectrum

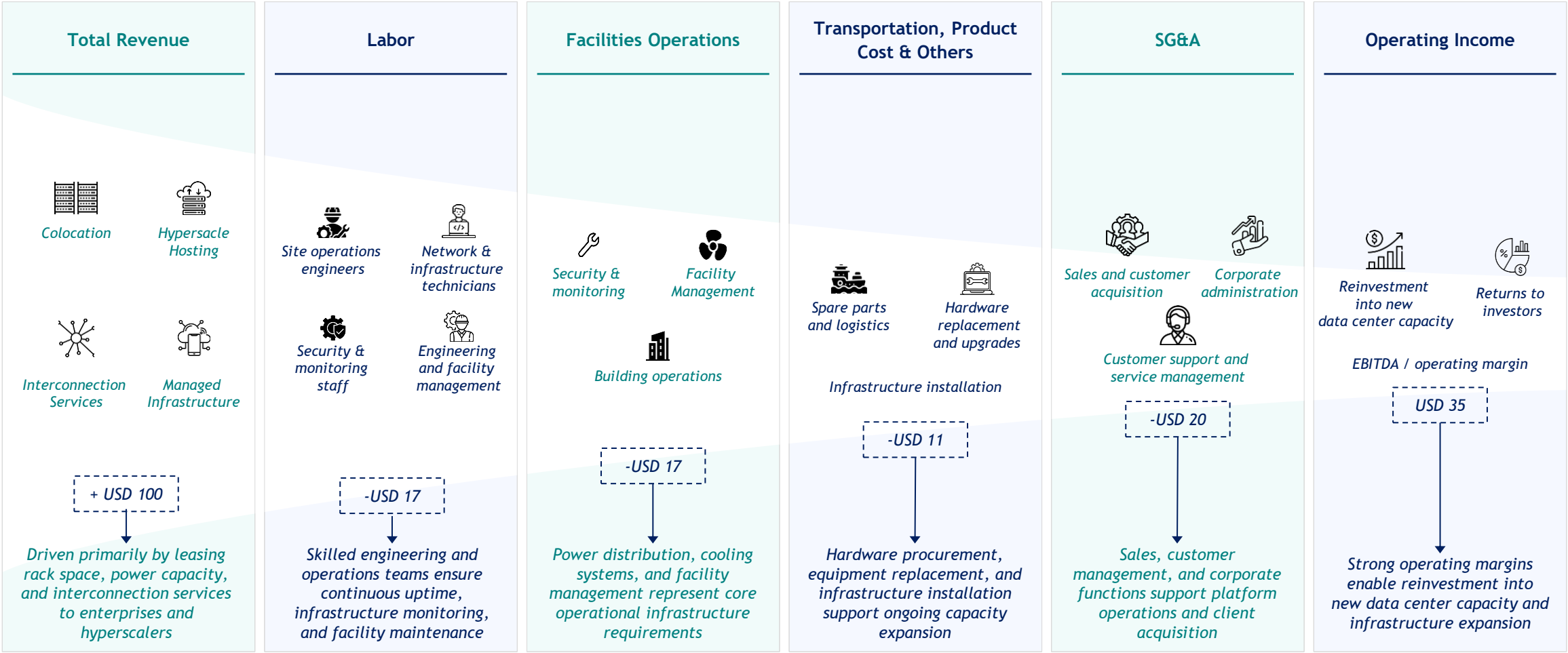
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# From Capital Deployment to Cash Flow: The Data Center Investment Lifecycle



# The Data Center Economics: Revenue, Costs & Operating Leverage



Sources: Equinix, Digital Realty, Iron Mountain

# Risk vs. Return: Where Data Center Capital Gets Paid

Data Center Investments Offer a Wide Spectrum of Risk-adjusted Returns Depending on Development Stage, Tenant Profile and Capital Structure

|                    | Core                                                                                                                                                    | Core Plus                                                                                                                                                                | Value-Add                                                                                                                                                 | Opportunistic                                                                                                                                                         |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                    | Stabilized Colocation                                                                                                                                   | Wholesale Build-to-Suit                                                                                                                                                  | Development / Expansion                                                                                                                                   | Greenfield Hyperscale                                                                                                                                                 |
| Meaning            | Fully stabilized data centers with long-term leases already in place; delivering predictable, contracted cash flows with minimal operational complexity | Hyperscale facilities with an anchor tenant committed but construction or lease-up still in progress - offering a yield premium over core with manageable execution risk | Existing assets with untapped capacity/partial occupancy - where returns are driven by expanding, leasing up, or repositioning rather than simply holding | Ground-up development with no tenants signed at inception, demanding the longest horizon & highest risk tolerance, but offering the most significant return potential |
| Investment Profile | Pension funds, sovereign wealth funds, core infrastructure funds                                                                                        | Infrastructure funds, real estate private equity                                                                                                                         | Opportunistic real estate funds, specialist DC operators                                                                                                  | Large-scale PE, hyperscalers, long-horizon sovereign funds                                                                                                            |
| Typical Deal Size* | USD 50 - 300Mn                                                                                                                                          | USD 200 - 800Mn                                                                                                                                                          | USD 300 - 1,000Mn                                                                                                                                         | USD 1,000 - 5,000Mn                                                                                                                                                   |
| Capital Deployed*  | USD 4 - 7Mn/ MW                                                                                                                                         | USD 7 - 10Mn/ MW                                                                                                                                                         | USD 10 - 13Mn/ MW                                                                                                                                         | USD 9 - 15Mn/ MW                                                                                                                                                      |

Source: RCLCO (2024), Global Data Center Hub (2025), Accordant Infrastructure Research (2024), CBRE North America Data Center Trends H2 2024, JLL India Data Center Report (2024); \*Industry benchmarks

# The Return Curve: Higher Development Risk, Higher Return Potential

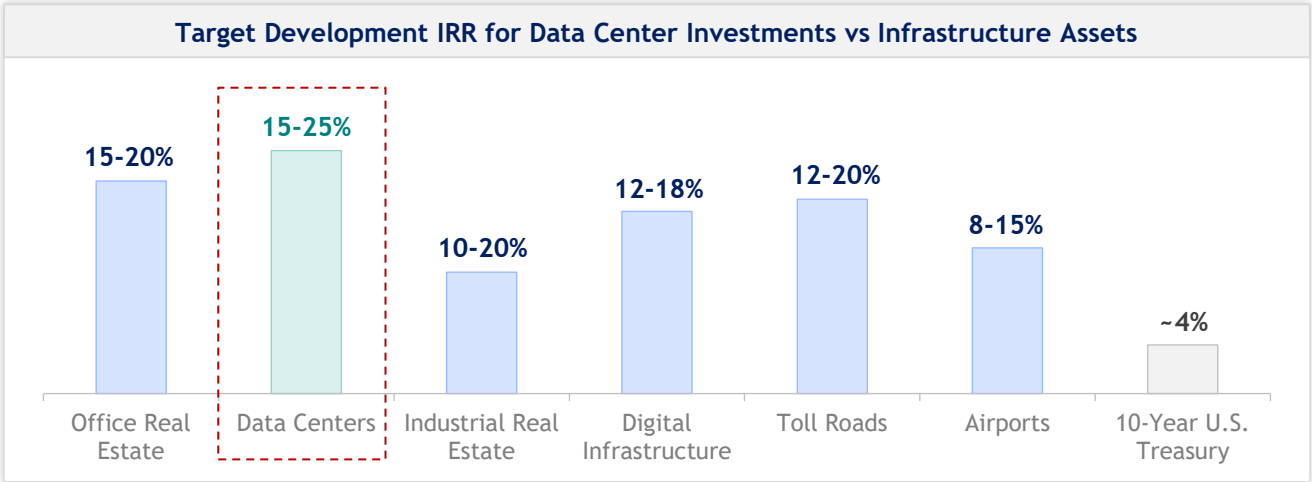
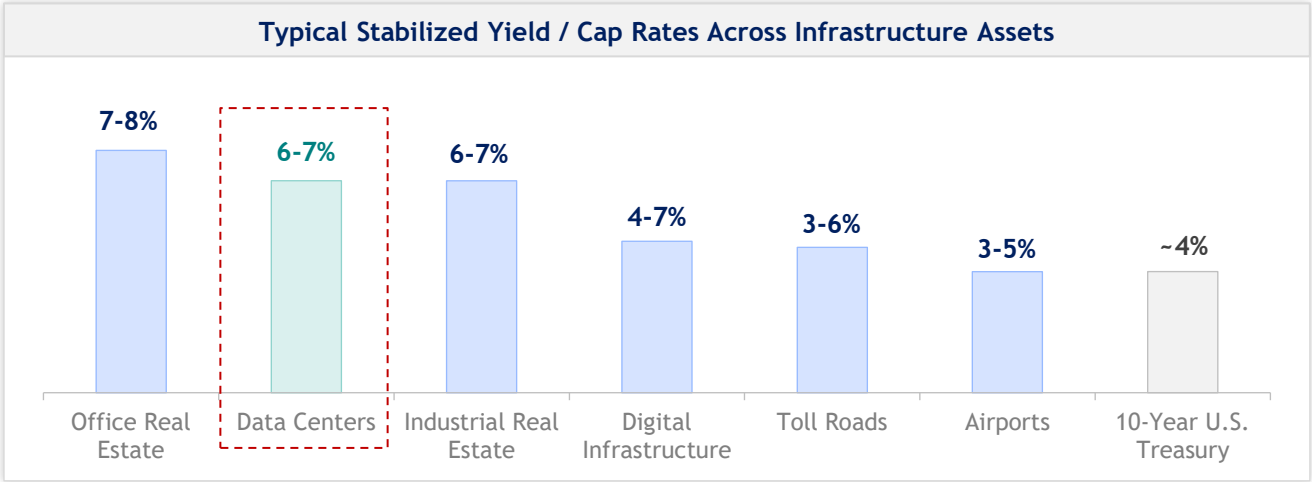
Data Center Investments Offer a Wide Spectrum of Risk-adjusted Returns Depending on Development Stage, Tenant Profile and Capital Structure

|                       | Core                                                                                                                                                                            | Core Plus                                                                                                                                                | Value-Add                                                                                                                                                      | Opportunistic                                                                                                                                                    |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                       | Stabilized Colocation                                                                                                                                                           | Wholesale Build-to-Suit                                                                                                                                  | Development / Expansion                                                                                                                                        | Greenfield Hyperscale                                                                                                                                            |
| Typical Asset Type    | Stabilized assets with long-term cloud tenant leases                                                                                                                            | Wholesale hyperscale build-to-suit facilities with partial development or lease-up exposure                                                              | Expansion of existing capacity or partial lease-up risk                                                                                                        | Greenfield development with highest construction and leasing risk                                                                                                |
| Key Return Drivers    | <ul style="list-style-type: none"><li>Long-term contracted revenue</li><li>High tenant credit quality</li><li>Low vacancy risk</li><li>Infrastructure-like cash flows</li></ul> | <ul style="list-style-type: none"><li>Lease-up risk</li><li>Development margin</li><li>Power availability</li><li>Long-term hyperscaler demand</li></ul> | <ul style="list-style-type: none"><li>Lease-up timing</li><li>Construction execution</li><li>Power infrastructure availability</li><li>pricing power</li></ul> | <ul style="list-style-type: none"><li>Power permitting</li><li>Land acquisition</li><li>Tenant concentration risk</li><li>Technology obsolescence risk</li></ul> |
| Targeted Levered IRR* | 7 - 9%                                                                                                                                                                          | 12 - 19%                                                                                                                                                 | 15 - 25%                                                                                                                                                       | 30%+ potential IRR                                                                                                                                               |
| Unlevered IRR*        | 7 - 8.5%                                                                                                                                                                        | 9 - 11%                                                                                                                                                  | 12 - 15%                                                                                                                                                       | 18 - 22%                                                                                                                                                         |

Source: RCLCO (2024), Global Data Center Hub (2025), Accordant Infrastructure Research (2024), CBRE North America Data Center Trends H2 2024, JLL India Data Center Report (2024); \*Industry benchmarks

# Data Centers Generate Higher Yields Compared to Traditional Infrastructure

Data Center Investments Offer Superior Yields Relative to Traditional Infrastructure Assets, Reflecting Strong Demand Growth and Specialized Operational Complexity

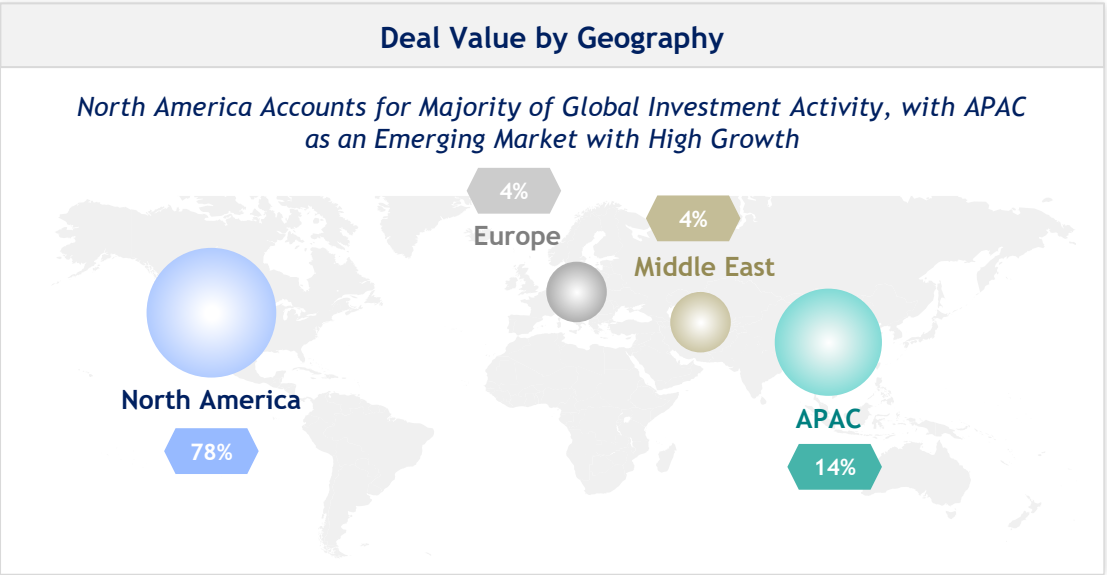
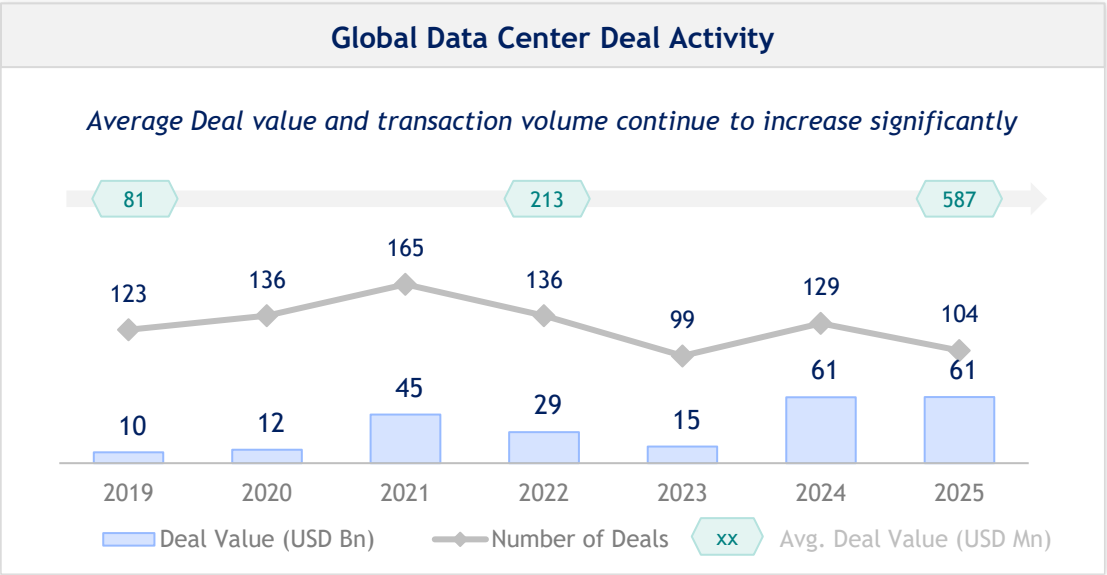


Drivers of Data Center Yield Premium

-  Data centers command a yield premium over traditional infrastructure due to **higher development complexity** and **capital intensity**
-  Significant upfront investment in **power, cooling, and network infrastructure** increases required investor returns
-  Investors benefit from **development spread opportunities** (development yield vs exit cap rate)
-  Institutional capital increasingly views data centers as a **hybrid asset class** between real estate and infrastructure

Sources: MSCI Real Capital Analytics; J.P. Morgan Infrastructure Outlook (2024); CBRE Global Data Center Investor Survey

# Capital Is Flooding Into Data Centers: Deal Activity at Record Levels



### Implications for Data Center Investors

#### Rising Capital Requirements

Large hyperscale data center developments require significant upfront investment in power, cooling and digital infrastructure, driving larger deal sizes

#### Diverse Capital Participation

Investors access the sector through multiple channels including listed REITs, private equity platforms and infrastructure funds

#### Growth of Strategic Partnerships

Large developments are increasingly financed through joint ventures between hyperscalers, developers and financial sponsors

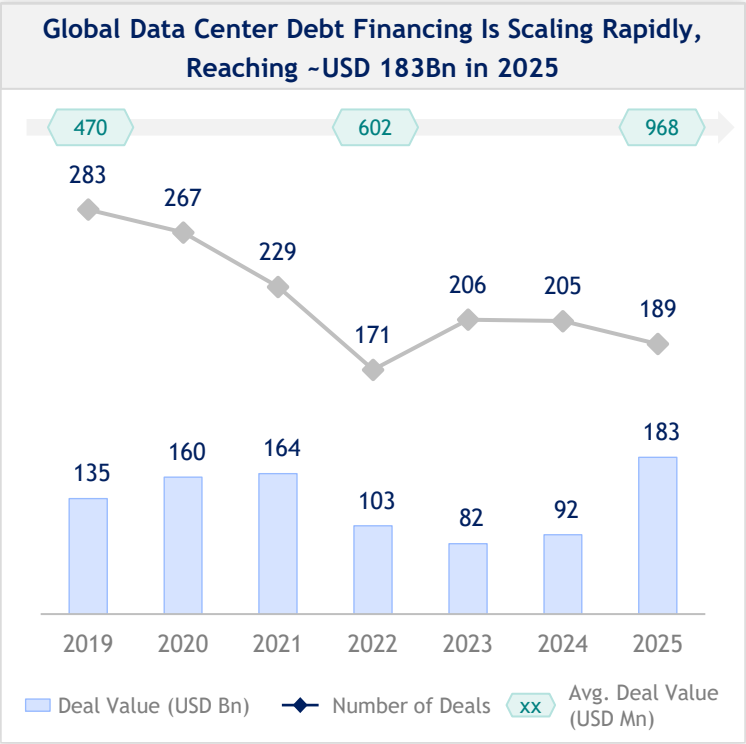
#### Institutionalization of Digital Infra

Rising deal activity highlights the growing recognition of data centers as a core infrastructure asset class among institutional investors

Sources: CNBC, S&P Global

# Debt Financing & Structured Capital in the Sector

Capital concentration driving higher average deal sizes despite fewer deals



| Major Debt & Structured Capital Instruments in Data Centers |                                                                                                                     |                                                                                                    |                                                                                                           |                                                                                                                     |
|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| Instruments                                                 | <br>Bank / Project Finance Loans | <br>SASB / CMBS | <br>ABS Securitization | <br>Preferred Equity / Mezzanine |
| Typical Structure                                           | ~60-70% LTV                                                                                                         | ~60-70% LTV                                                                                        | ~75-80% advance rate on cash flow                                                                         | Structured at PropCo level                                                                                          |
| Use Case                                                    | Greenfield hyperscale campus construction                                                                           | Stabilized assets with long-term tenants                                                           | Platform financing for large operators                                                                    | Bridge equity gaps & enhance returns                                                                                |



Rising compute demand from AI and cloud is driving greater reliance on debt markets to fund large-scale data center development



Structured credit markets such as CMBS and ABS are increasingly used to refinance stabilized data center platforms



Complex capital stacks combining senior debt, securitization, and preferred equity enable large-scale hyperscale development

Sources: CNBC, S&P Global; LTV: Loan-to-Value, SASB: Single-Asset/ Single-Borrower, CMBS: Commercial Mortgage-backed Securities, ABS: Asset-backed Securities; PropCo: Property Company

# Underwriting the Risks: Power, Technology, Capital & Regulation



## Investment Implications for Institutional Investors

-  *Power access is emerging as the primary constraint for new data center capacity, making power-secured sites and long-term energy contracts a key competitive advantage*
-  *Hyperscale facilities are often substantially pre-leased before completion, supporting predictable cash flows and reducing demand risk*
-  *AI workloads require significantly higher power densities, driving development toward new hyperscale campuses rather than legacy facility retrofits*
-  *Regulatory frameworks and ESG considerations are increasingly influencing location strategy, favoring regions with renewable energy access and supportive permitting regimes*



## India: The Next Digital Infrastructure Powerhouse

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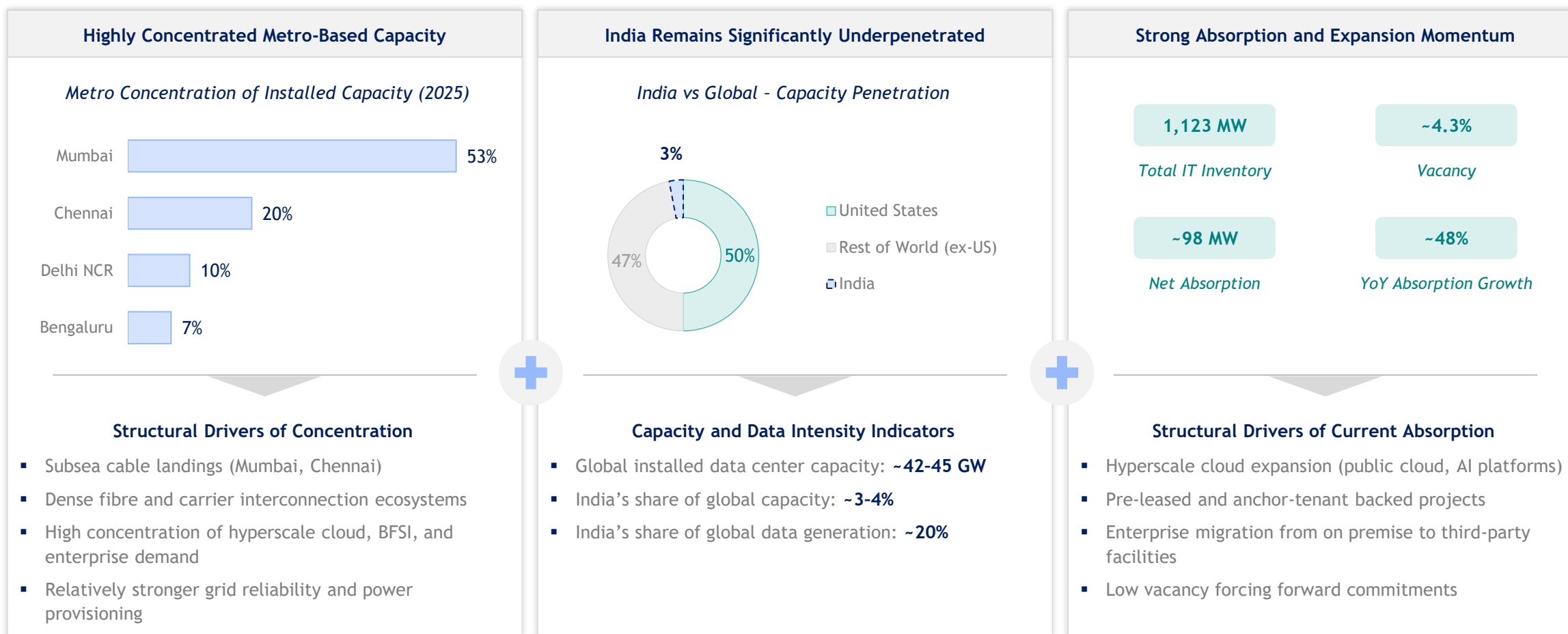
# India vs. Global Markets: The Economics Favor India

|                     |  <b>India</b>                                                                                                                                                                                                                                                           |  <b>China</b>                                                                                                                                                                                                                             |  <b>Singapore</b>                                                                                                                                                        |  <b>USA</b>                                                                                                                                                                            |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cost of Development | <ul style="list-style-type: none"> <li>USD 5.5 - 8.5 Mn per MW; among the lowest globally, due to cost-effective labor and construction materials</li> </ul>                                                                                                                                                                                             | <ul style="list-style-type: none"> <li>USD 5.0 Mn - USD 9.0 Mn per MW</li> </ul>                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>USD 9.0 Mn - USD 14.5 Mn per MW</li> </ul>                                                                                                                                                                           | <ul style="list-style-type: none"> <li>~USD 9 Mn - USD 12 Mn per MW</li> </ul>                                                                                                                                                                                            |
| Average Rentals     | <ul style="list-style-type: none"> <li>~USD 80 - USD 100 per kW/month; competitive pricing, particularly attractive for hyperscalers and cloud players</li> </ul>                                                                                                                                                                                        | <ul style="list-style-type: none"> <li>~USD 100 - USD 150 per kW/month, depending on city/tier and facility level</li> </ul>                                                                                                                                                                                                | <ul style="list-style-type: none"> <li>~USD 300 - USD 475 per kW/month; among the highest globally</li> </ul>                                                                                                                                               | <ul style="list-style-type: none"> <li>~USD 160 - USD 225 per kW/month; toward the higher end, especially in top-tier markets like Northern Virginia and Silicon Valley</li> </ul>                                                                                        |
| Power Availability  | <ul style="list-style-type: none"> <li>Grid reliability is uneven, but availability remains expandable</li> <li>Developers can secure new power via dedicated substations</li> <li>Captive and renewable PPAs de-risk supply</li> <li><b>Regulatory reforms and relaxed emission norms enable cost-efficient, large-scale capacity growth</b></li> </ul> | <ul style="list-style-type: none"> <li>Rapid demand growth and policy-driven energy quotas create allocation limits in key hubs</li> <li>National capacity is large, but new supply often requires government approvals or renewable-linked solutions</li> <li>Expansion is driven toward less saturated regions</li> </ul> | <ul style="list-style-type: none"> <li>High grid reliability and low outage risk</li> <li>National power envelope and land constraints limit new bulk supply</li> <li>Operators optimize efficiency per MW and face relatively high energy costs</li> </ul> | <ul style="list-style-type: none"> <li>Overall capacity is abundant</li> <li>Acute transmission bottlenecks exist in high-density hubs (e.g., Loudoun County, Virginia)</li> <li>Utilities warn of multi-year delays despite large new connections being added</li> </ul> |
| Operating Expenses  | <ul style="list-style-type: none"> <li>Electricity: ~USD 0.7 Mn - USD 0.9 Mn per MW per year</li> </ul>                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Electricity: ~USD 0.8 Mn - USD 1.05 Mn per MW per year</li> </ul>                                                                                                                                                                                                                    | <ul style="list-style-type: none"> <li>Electricity: ~USD 1.7 Mn per MW per year</li> </ul>                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Electricity: ~USD 1.22 Mn per MW per year</li> </ul>                                                                                                                                                                               |

PPA - Power Purchase Agreements

Source: Cushman & Wakefield, CBRE, The Economic Times, Cyfuture, The Straits Times, Statista, NDTV, IEEFA

# India's Capacity Gap: Underpenetrated, Concentrated & Scaling Fast

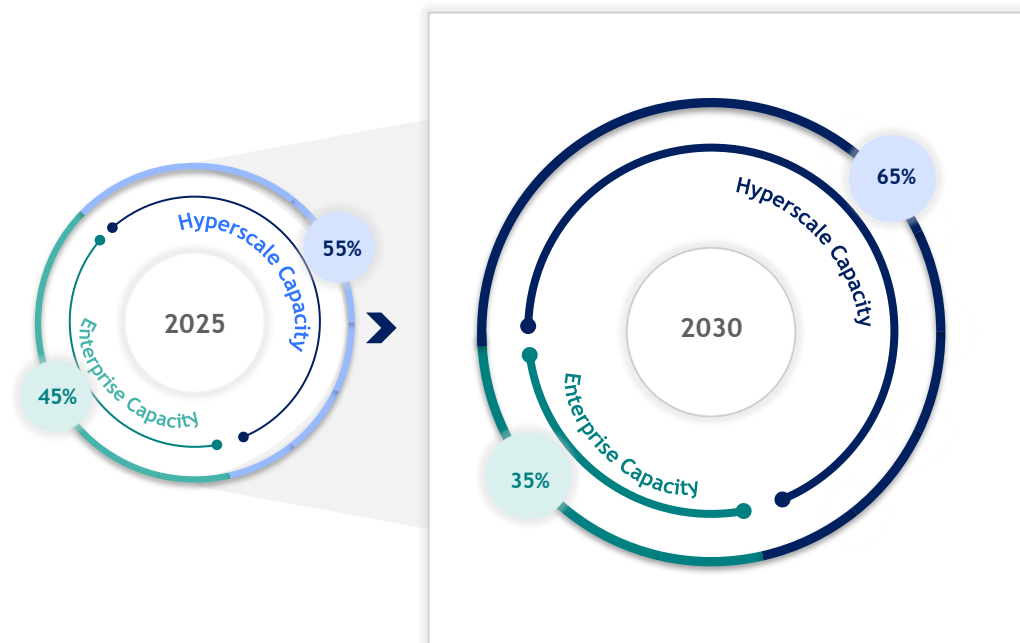


High Metro Concentration, Significant Global Capacity Underpenetration, and Accelerating Hyperscale Demand are Shaping India's Next Phase of Data Center Capacity Expansion

Source: JLL India, CBRE

# India's Market Is Shifting From Enterprise-Led to Hyperscale-Led

## Segmentation of DC Demand\*



Hyperscale cloud platforms are emerging as the primary driver of new data center capacity in India, supporting large campus-scale developments and accelerating the shift toward hyperscale-led infrastructure deployment

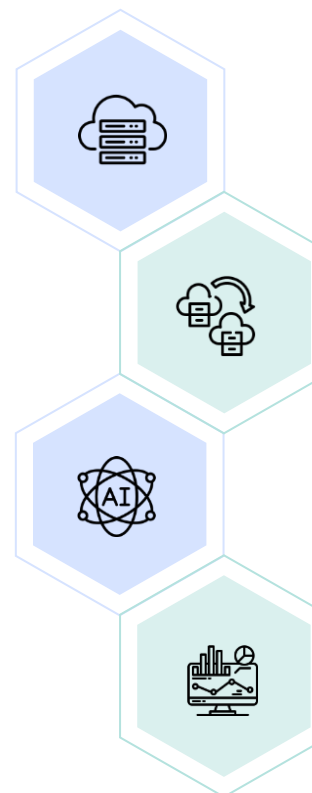
## Key Drivers of Hyperscale Capacity Growth

### Expansion of Global Cloud Platforms

Large-scale deployments by hyperscalers such as **AWS, Microsoft Azure and Google Cloud** are driving demand for high-capacity data center campuses in India

### AI and High-Density Compute Workloads

AI training and inference workloads require **significantly higher power density**, favoring large hyperscale facilities over traditional enterprise deployments



### Enterprise Migration to Cloud Infrastructure

Enterprises are increasingly shifting workloads **from on-premise IT infrastructure to public cloud and colocation platforms**, accelerating hyperscale demand

### Data Localization and Digital Sovereignty Policies

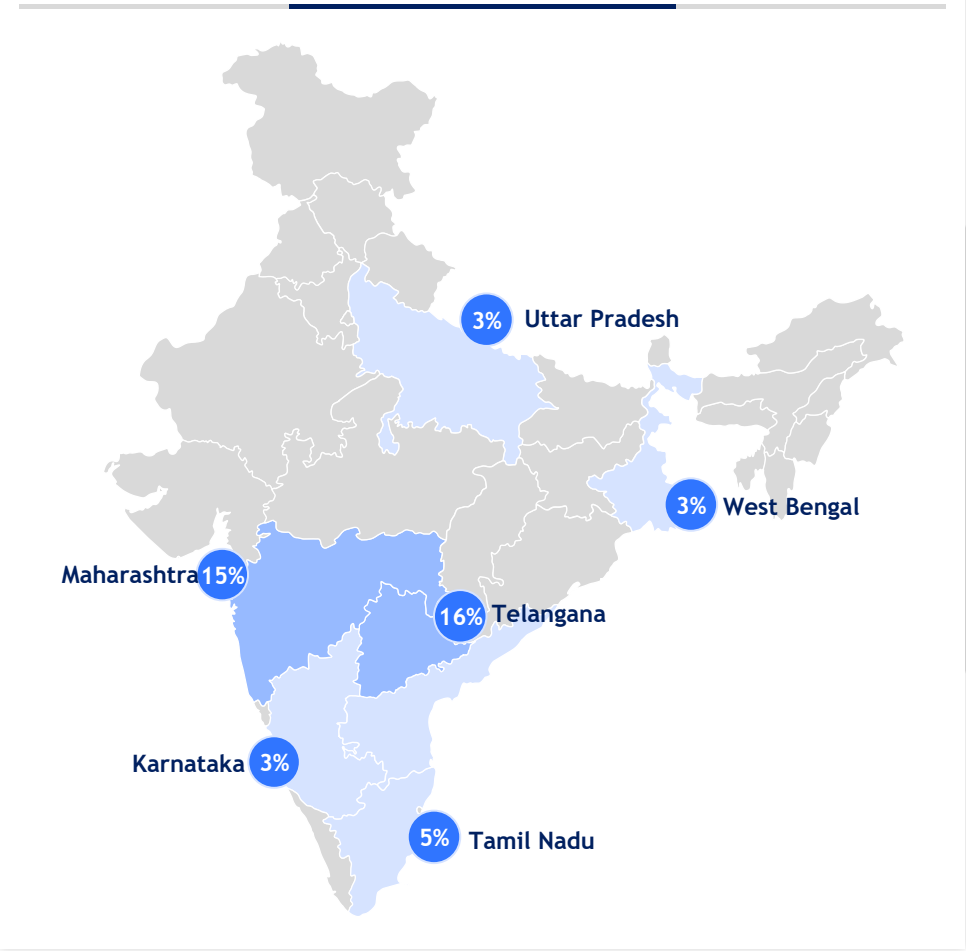
Regulatory requirements for domestic data storage are **encouraging cloud providers to expand regional infrastructure** capacity in India

**India's Data Center Market is Progressively Transitioning Toward Hyperscale-led Infrastructure, with Large Cloud Platforms Driving the Majority of New Capacity Additions and Shaping Future Development Scale**

Source: CBRE Research; JLL Data Center Outlook; Arizton; Cushman & Wakefield; Company filings; \* Indicative Mix

# Capital Is Moving In: India's Data Center Investment Pipeline

## Geographic Distribution of Investment Commitments



## Investment Scale and Recent Momentum

India has witnessed a sharp acceleration in announced and committed investments in data center infrastructure over the past five years, reflecting growing investor confidence and a maturing development pipeline

**~USD 94Bn**

*Cumulative Data Center Investment Commitments (2019-9M 2025)*

**~USD 30Bn**

*Incremental Commitments During 9M 2025 alone*

## Implications for Infrastructure Investors

-  Investment commitments have scaled rapidly over a short period, reflecting strong long-term demand visibility
-  Capital deployment is concentrated in a limited number of states aligned with power availability, connectivity, and execution readiness
-  Approximately 50% of announced commitments remain location-agnostic, indicating that site selection is still evolving and dependent on infrastructure preparedness and approvals

Source: CBRE Research



## India's Policy Playbook: Building a Competitive Data Center Ecosystem

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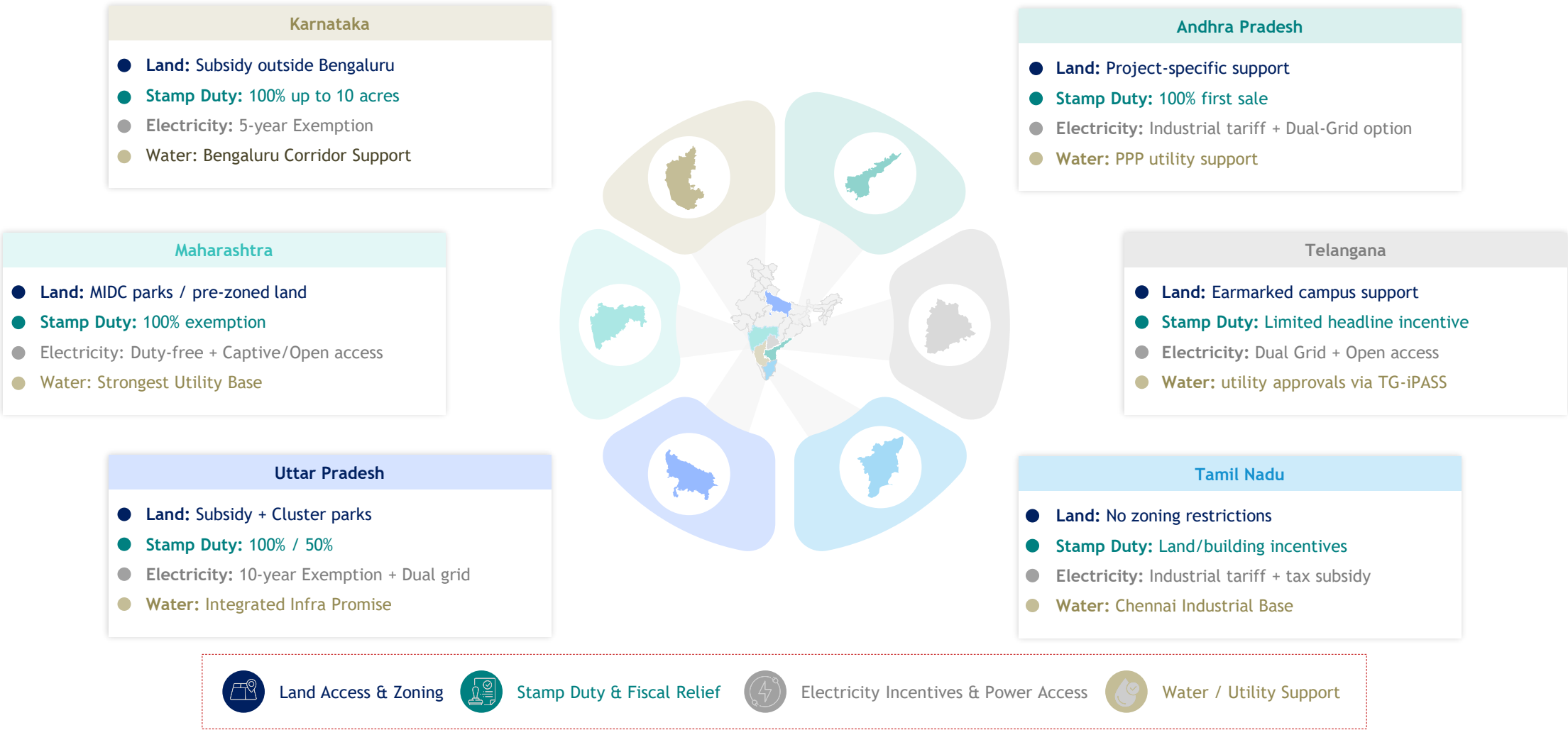
# Policy Tailwinds Are Lowering the Cost of Data Center Development



Source: Government of India - Data Center & Cloud Policy Announcements (2020-2025)

# States Are Competing for Data Center Capital

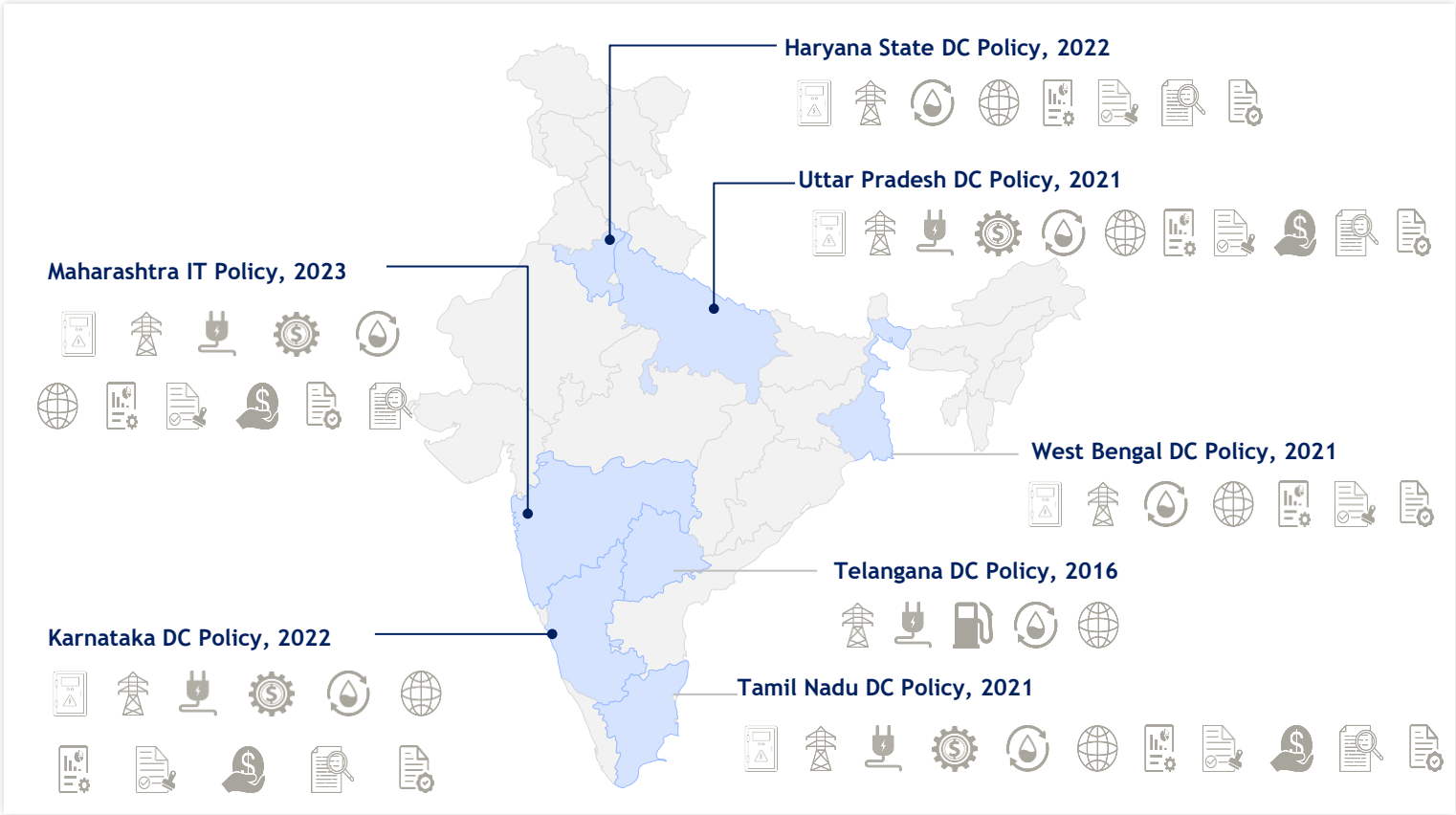
States are differentiating on four levers: land, stamp duty, electricity, and water



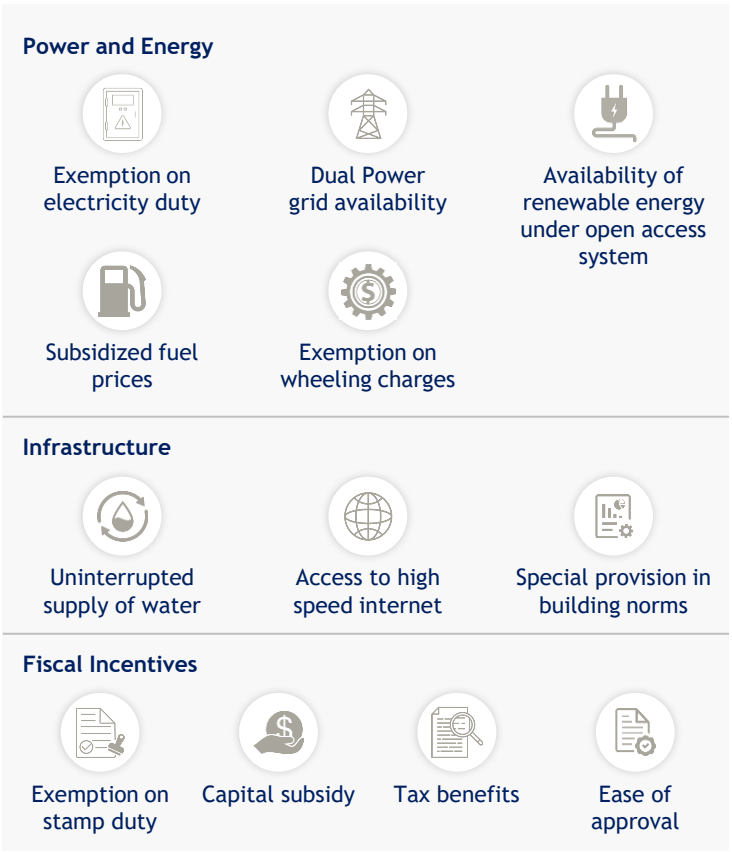
# The State-Level Incentive Stack: Power, Land, Tax & Approvals

Most of the states have categorized DCs as an ‘essential service’ to ensure uninterrupted operations throughout the year. A few key state-level policies are highlighted in the figure below:

Key state-level policies for the DC sector in India



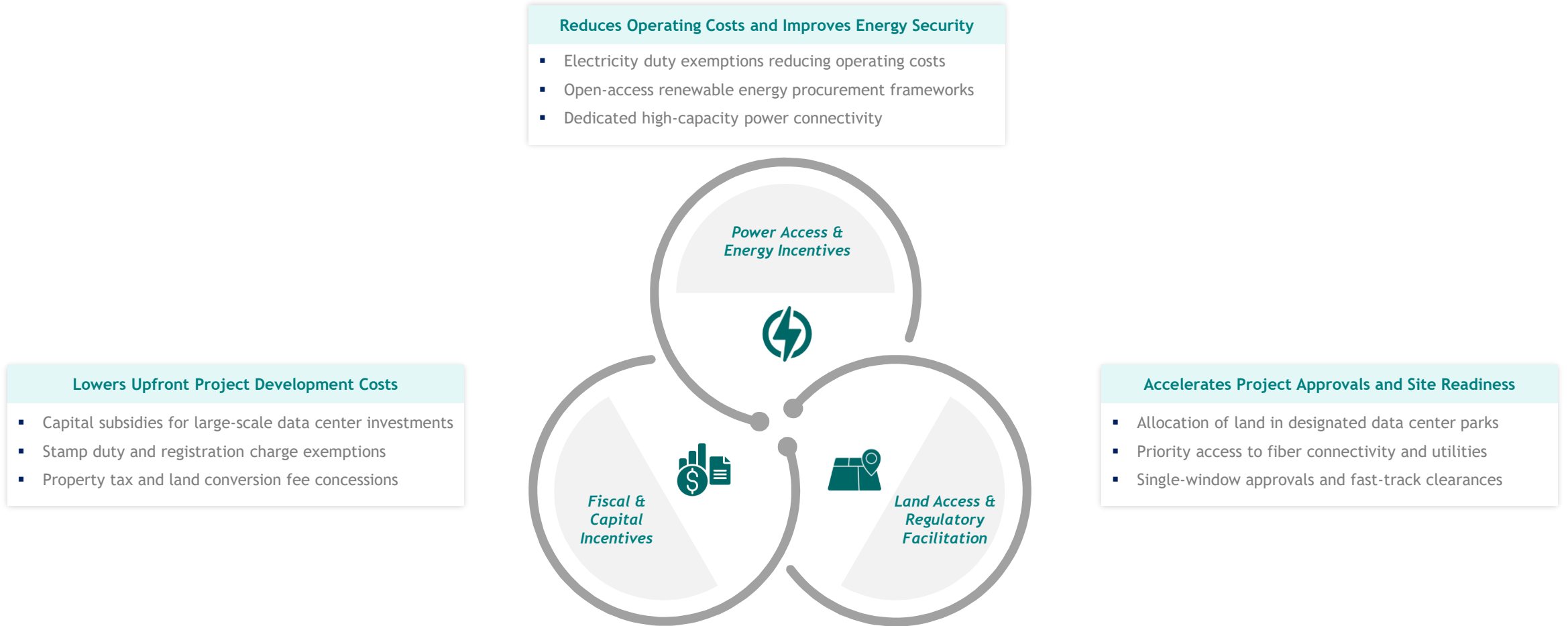
Legend



Source: JLL Report

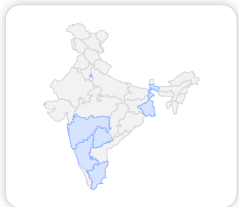
# Policy Incentives Are Accelerating Site Readiness & Investment

State-level policy incentives across power access, fiscal support, and streamlined approvals are reducing development risk and accelerating hyperscale data center investments in India



Source: State Data Center Policies (Maharashtra, Telangana, Karnataka, Tamil Nadu, Uttar Pradesh)

# India's Data Center Hotspots: Capacity, Absorption & Pricing

|                             |               |                 |                                                                                                      |                                                                                                         |                                                                                                         |                                                                                                         |                                                                                                    |                                                                                                       |
|-----------------------------|---------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
|                             |               | <br><b>Mumbai</b> | <br><b>Chennai</b> | <br><b>Bangalore</b> | <br><b>Delhi NCR</b> | <br><b>Hyderabad</b> | <br><b>Pune</b> | <br><b>Kolkata</b> |
| Operational Capacity        |               | 594 MW                                                                                             | 191 MW                                                                                               | 76 MW                                                                                                   | 146 MW                                                                                                  | 135 MW                                                                                                  | 112 MW                                                                                             | 8 MW                                                                                                  |
| # of Data Centers           |               | 49                                                                                                 | 17                                                                                                   | 15                                                                                                      | 17                                                                                                      | 11                                                                                                      | 10                                                                                                 | 3                                                                                                     |
| Total Colocation Absorption |               | 554 MW                                                                                             | 145 MW                                                                                               | 48 MW                                                                                                   | 82 MW                                                                                                   | 38 MW                                                                                                   | 90 MW                                                                                              | 7 MW                                                                                                  |
| Capacity under Construction |               | 337 MW                                                                                             | 57 MW                                                                                                | 19 MW                                                                                                   | 24 MW                                                                                                   | 94 MW                                                                                                   | 36 MW                                                                                              | 25 MW                                                                                                 |
| Monthly Rentals             | Sub 250 kW    | 8,000 - 12,000                                                                                     | 8,000 - 9,000                                                                                        | 7,500 - 9,000                                                                                           | 7,500 - 9,500                                                                                           | 7,500 - 9,500                                                                                           | 7,000 - 8,500                                                                                      | 7,000 - 8,000                                                                                         |
|                             | 250 kW - 1 MW | 7,000 - 10,000                                                                                     | 7,500 - 8,500                                                                                        | 7,000 - 8,500                                                                                           | 7,000 - 8,500                                                                                           | 7,000 - 8,500                                                                                           | 6,500 - 8,000                                                                                      | 6,500 - 7,500                                                                                         |
|                             | 1 MW+         | 6,5000 - 8,000                                                                                     | 7,000 - 8,000                                                                                        | 7,000 - 8,000                                                                                           | 6,500 - 7,500                                                                                           | 6,500 - 7,500                                                                                           | 6,000 - 7,000                                                                                      | 6,000 - 7,000                                                                                         |

Source: Cushman & Wakefield 2025

# India Has Moved From Policy Support to Large-Scale Capital Deployment

## Aggregate Investment Momentum

**USD 60Bn**

*Data Center Investment attracted by India between 2019 - 2024*

**USD 100Bn+**

*Cumulative commitments expected by 2027*

**~USD 15Bn+**

*Invested between 2020 - 2025 with 86% from foreign investors*

**USD 20 - 25Bn**

*Additional investment expected by 2030*

## Homegrown Capital Amplifying the Hyperscaler Wave

**adaniconnex**  
Your Growth. Our Priority.

*Building India's largest DC campus network with 1 GW in pipeline across 6 cities, anchored by a 1,000 MW flagship in Navi Mumbai*



*1 GW AI-native greenfield campus powered entirely by renewables, backed by NVIDIA - set to single-handedly triple India's total DC capacity*



*Two of India's most ambitious native operators collectively deploying USD 2Bn+ and 16,000 H100 GPUs to pivot from colocation to full AI-cloud infrastructure*

## Global Tech Giants Are Betting Big on India



**USD 17.5Bn**

*2026 -2029*

- Largest-ever Asia investment commitment
- New hyperscale region in Hyderabad (mid-2026)
- 3 availability zones across Chennai, Hyderabad, Pune



**USD 15Bn**

*2025 -2030*

- Globally largest AI data hub in Vishakapatnam
- Gigawatt-scaled data center operations planned
- Backed by AdaniConneX partnership



**USD 75Bn**

*Total Commitment*

- USD 35Bn additional announced for India by 2030
- USD 7Bn committed in Hyderabad over 14 years
- USD 8.38Bn in Mumbai cloud infrastructure

**The Investment Signal is Unambiguous; India is Not a Market Being Evaluated, it is a Market Being Built**

Source: JLL, CBRE, Counterpoint Research, Company Press Releases, IndiaAI Mission (2024-2025)

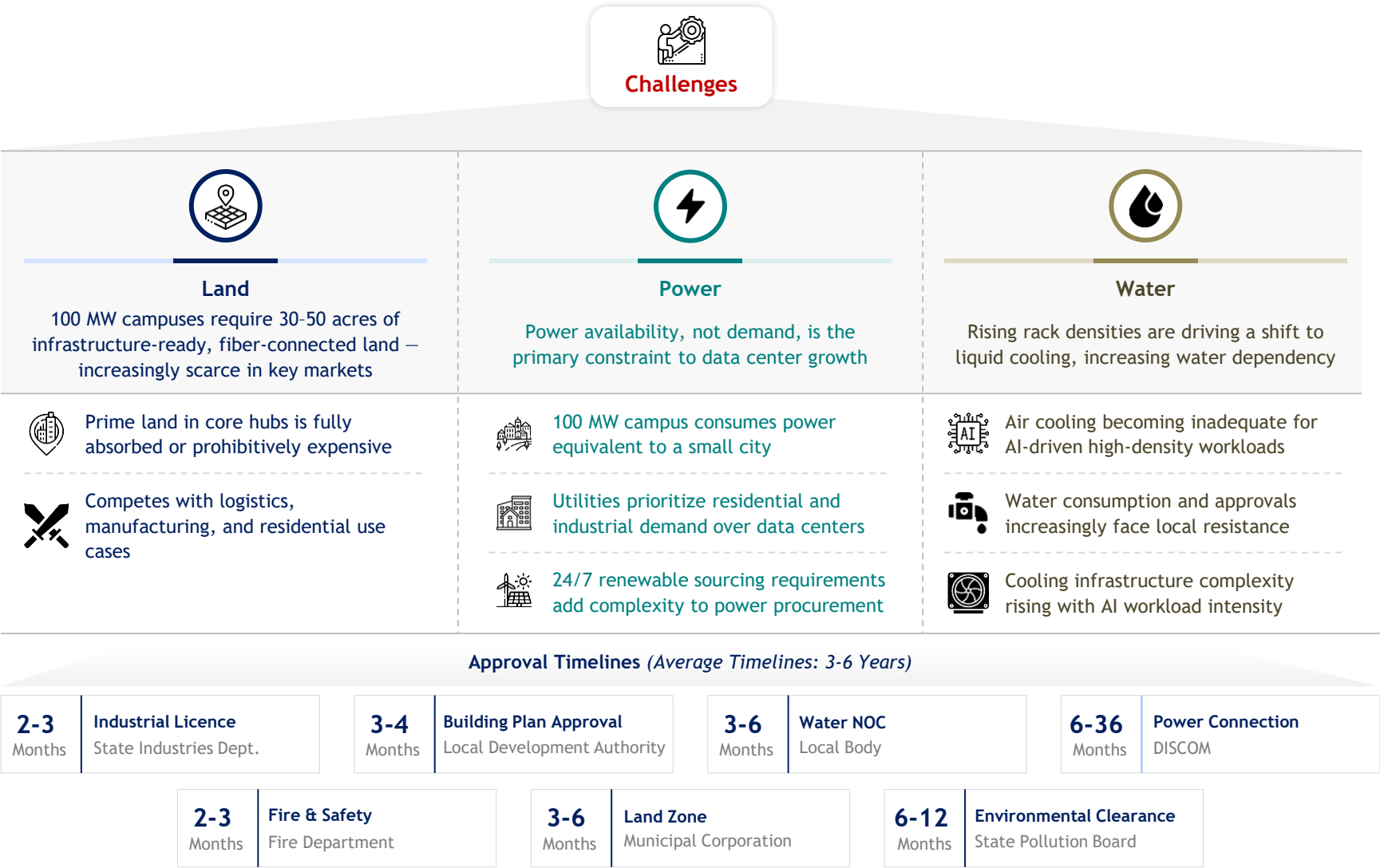


## India's Integrated Model: Solving the Land, Power & Approval Bottleneck

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# India's Execution Advantage: Solving the Global Data Center Bottlenecks



Note: Indicative timelines based on large-scale DC projects; actual timelines vary by state and power availability

# Why India Can Win: Land, Power & Approval Advantages

|                                                                                                   | Global Challenges                                                                                                                 | The Indian Solution                                                                                                                          |
|---------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Land</b>     | <ul style="list-style-type: none"> <li>Large, pre-zoned, infrastructure-ready land parcels are scarce globally</li> </ul>         | <ul style="list-style-type: none"> <li>Large conglomerates control pre-zoned industrial land banks in key corridors</li> </ul>               |
|  <b>Power</b>    | <ul style="list-style-type: none"> <li>Reliable, scalable power access is the primary constraint to capacity expansion</li> </ul> | <ul style="list-style-type: none"> <li>Integrated energy players (Adani, Reliance, Tata) enable captive and scalable power supply</li> </ul> |
|  <b>Approval</b> | <ul style="list-style-type: none"> <li>Fragmented approvals and regulatory delays extend time-to-market</li> </ul>                | <ul style="list-style-type: none"> <li>Deep government relationships and single-window ecosystems accelerate approvals</li> </ul>            |

## Conglomerates Are Structurally Positioned to Capture the Opportunity

|                           | adani                                                                                                                                                       | Reliance Industries Limited                                                                                                                        | TATA                                                                                                                              | LODHA<br>BUILDING A BETTER LIFE                                                                                                                                 |
|---------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Land Advantage</b>     | <ul style="list-style-type: none"> <li>Owns industrial SEZs and port-adjacent land banks across Gujarat, Andhra Pradesh, Maharashtra</li> </ul>             | <ul style="list-style-type: none"> <li>Jio Point retail locations + Reliance industrial land across petrochemical SEZs</li> </ul>                  | <ul style="list-style-type: none"> <li>Industrial estates across Maharashtra, Tamil Nadu, Karnataka</li> </ul>                    | <ul style="list-style-type: none"> <li>370-acre Palava City digital infrastructure park in Navi Mumbai MMR – already zoned, serviced, road-connected</li> </ul> |
| <b>Power Advantage</b>    | <ul style="list-style-type: none"> <li>Adani Energy Solutions – 15,000+ MW generation capacity; operates AEML (Mumbai's electricity distributor)</li> </ul> | <ul style="list-style-type: none"> <li>Reliance New Energy – 100 GW renewable commitment by 2030; existing captive power infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>Tata Power – integrated generation, transmission, distribution in Mumbai, Delhi</li> </ul> | <ul style="list-style-type: none"> <li>Partnering with renewable developers for captive supply to the park</li> </ul>                                           |
| <b>Approval Advantage</b> | <ul style="list-style-type: none"> <li>Port and airport infrastructure approvals track record – among the most complex in India</li> </ul>                  | <ul style="list-style-type: none"> <li>Jio's national fibre rollout navigated 600+ districts of local approvals – unmatched playbook</li> </ul>    | <ul style="list-style-type: none"> <li>150+ years of government relationship management across every state</li> </ul>             | <ul style="list-style-type: none"> <li>MIDC relationships built over 20 years of large-scale township development</li> </ul>                                    |
| <b>Data Center play</b>   | <ul style="list-style-type: none"> <li>AdaniConneX JV with EdgeConneX. Google partnership for USD 15B Visakhapatnam campus</li> </ul>                       | <ul style="list-style-type: none"> <li>Digital Connexion JV with Brookfield and Digital Realty. Jio Cloud scaling aggressively</li> </ul>          | <ul style="list-style-type: none"> <li>Tata Communications' Nexgen data Center business; expanding hyperscale JVs</li> </ul>      | <ul style="list-style-type: none"> <li>USD 3.6 Bn Green Integrated Data Center Park, 2 GW capacity target</li> </ul>                                            |

# The Winning Model: Global Capital Meets Local Execution

India's data center scale is being unlocked through partnerships combining global capital with local execution capabilities



## Institutional Capital



## Local Infrastructure Platforms

- ✓ Large-scale capital required (~USD 500Mn-USD 2Bn+ per campus)
- ✓ Hyperscaler pre-leasing critical to de-risk development
- ✓ Global LPs prefer structured platforms vs direct India exposure

- ✓ Control of pre-zoned, infrastructure-ready land in key corridors
- ✓ Established relationships across state, DISCOM, and municipal approvals
- ✓ Execution capability across EPC, labor, and supply chain ecosystems
- ✓ Ability to secure community and political alignment for large-scale builds

### Key Global & Indian PE



### Key Developers



## Large-Scale Platform Investments

**HYPERSCALE SETUP TO COME UP IN NAVI MUMBAI**

### Blackstone, Panchshil Plan ₹20,000-crore Data Centre

**Reliance Industries Limited** **Brookfield** **DIGITAL REALTY**

**Room for Growth**  
Hyperscale data center capacity 500 MW  
To run on up to 65% green energy, a first of its kind in India

**AdaniConneX, a new Joint Venture formed between Adani Enterprises and EdgeConneX, to Empower Digital India with a national platform of data centers**

## Platform Partnerships

**adani** + **edgeconneX** = **adaniconneX**  
Your Growth. Our Priority.

**Reliance Industries Limited** + **Brookfield Infrastructure Partners** + **DIGITAL REALTY** = **DIGITAL CONNECTION**

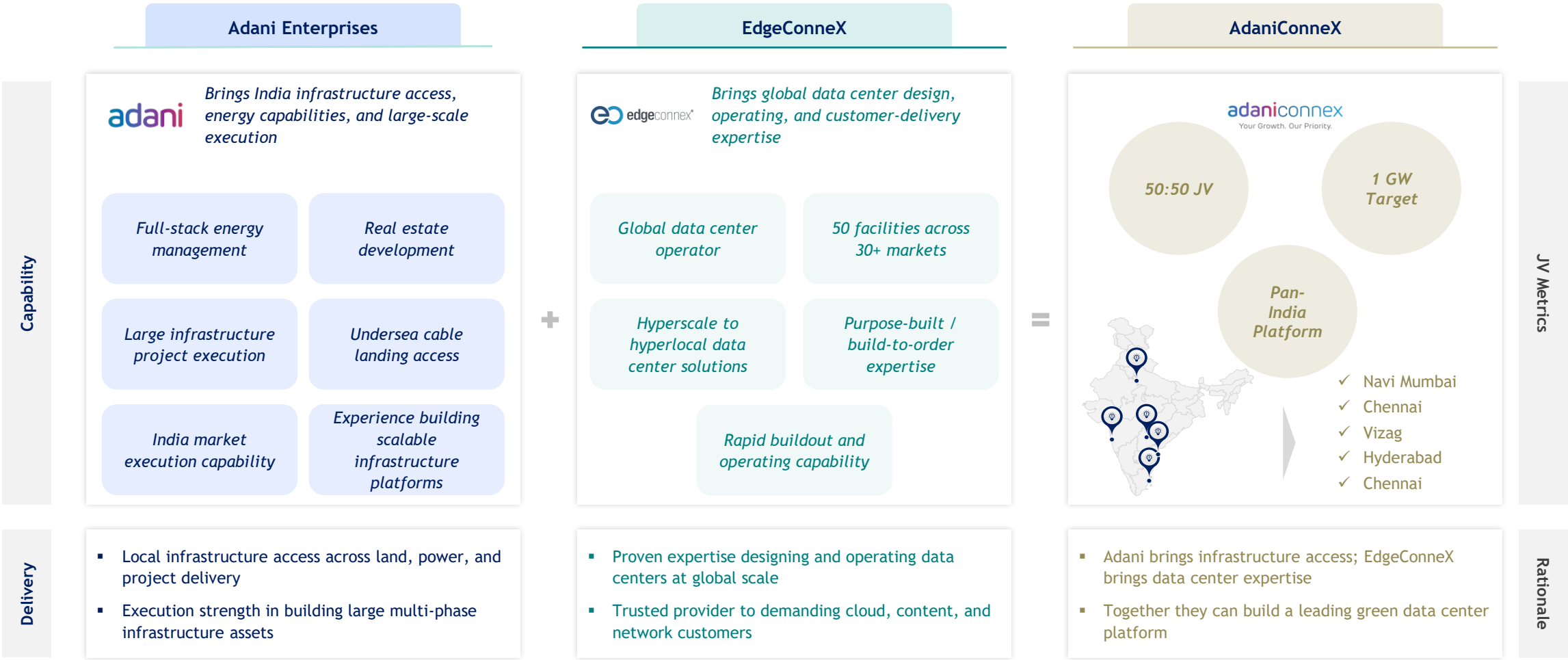
**Everstone Capital** + **yondr** = **Everyondr**

**tcs TATA CONSULTANCY SERVICES** + **TPG** = **tcs TPG**

**STTelemedia Global Data Centres** + **TATA COMMUNICATIONS** = **STTelemedia**

# Case Study: Adani-EdgeConneX – Local Infrastructure Meets Global Expertise

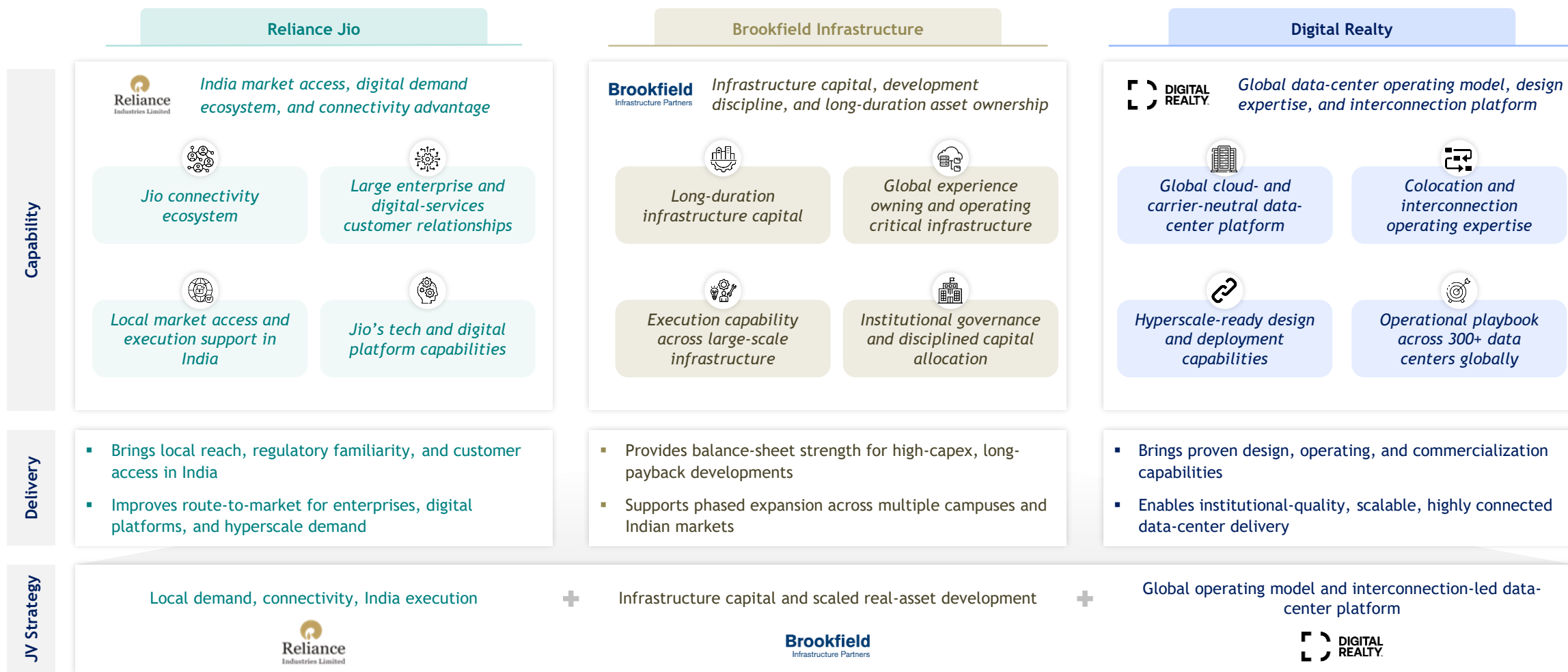
The JV combines local infrastructure strength with global data center operating expertise to build a pan-India digital infrastructure platform



Source: Adani Announcement

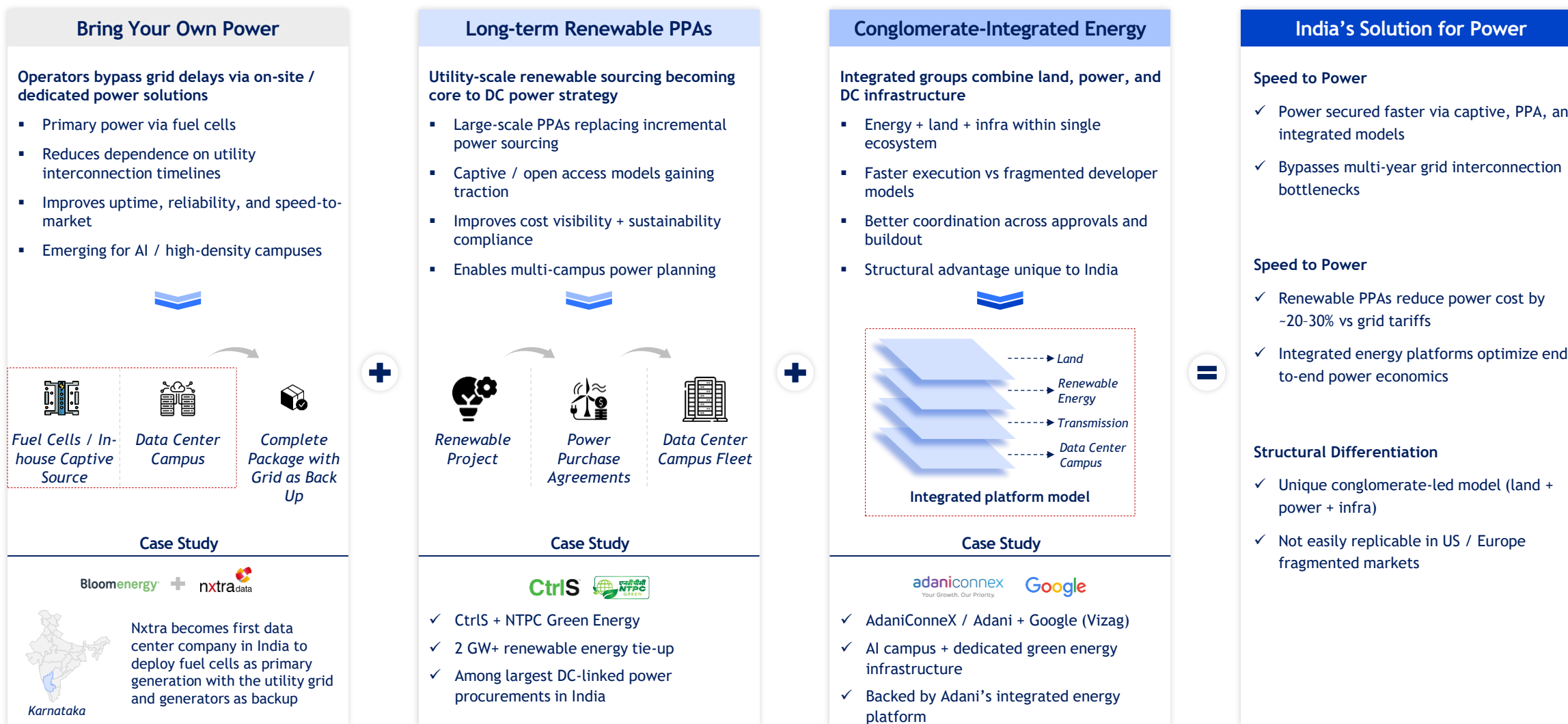
# Case Study: Reliance-Brookfield-Digital Realty – Capital, Connectivity & Scale

*The JV combines local demand access, infrastructure capital, and global operating expertise to accelerate high-quality, scalable data-center*



Source: Reliance Announcement

# India's Power Play: The Integrated Energy Advantage



Source: News Reports

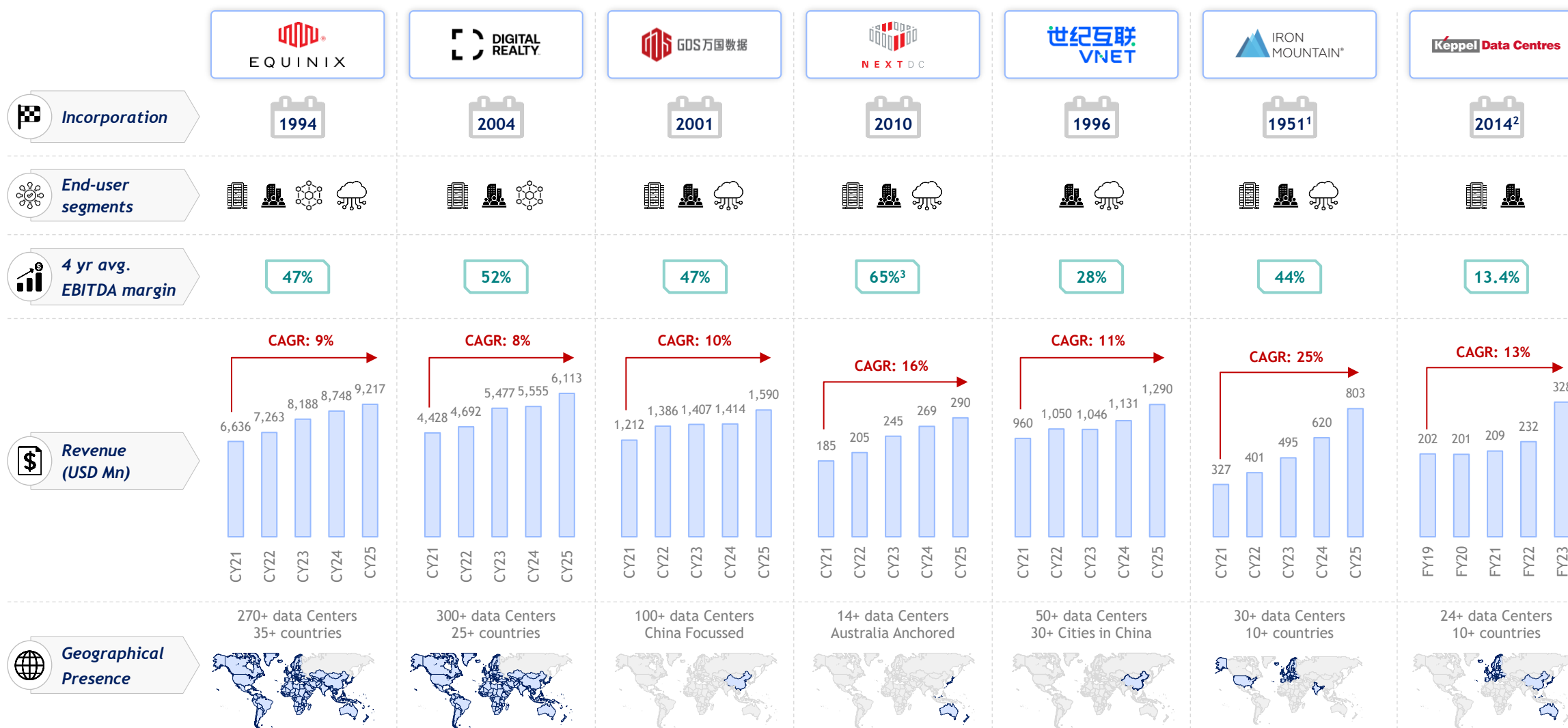


## Sector Benchmarking, Capital Flows & Strategic Positioning

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# Global Platforms: Scale, Growth & Profitability Benchmarks



Note: 1. DC Business started in 2017; 2. Listed in 2014; 3. Based on NextDC's Net Revenue; Source: o3 Research & Company Filings

# Global Capital Is Moving Into Data Centers & AI Compute

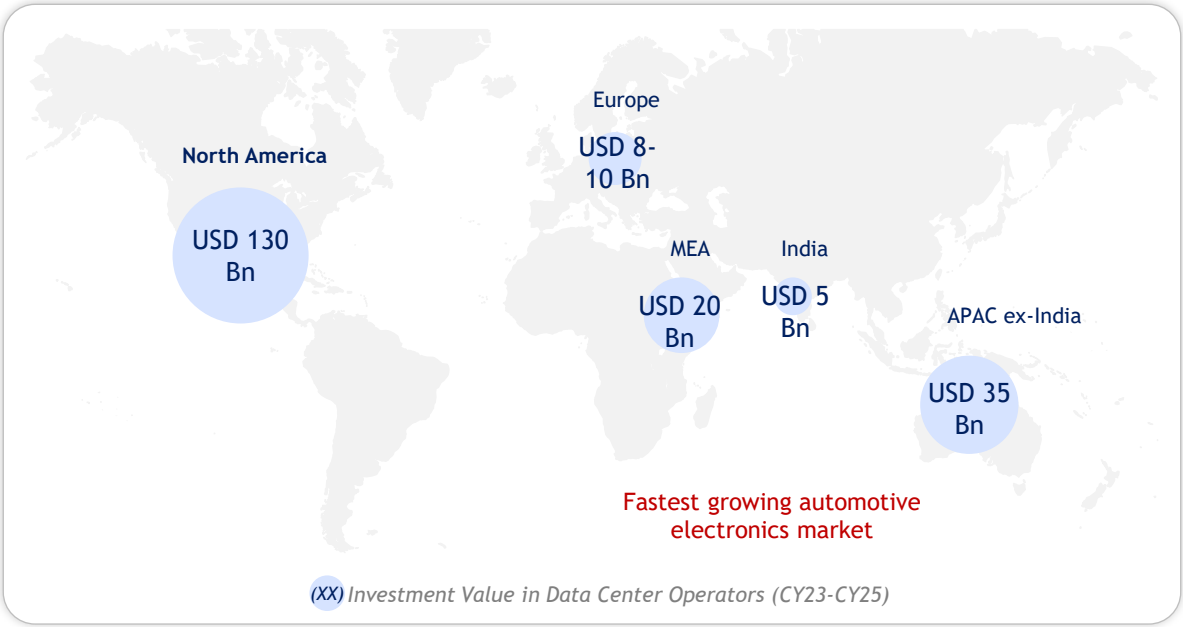
## Data Center Operators

| North America |         |               |                     |
|---------------|---------|---------------|---------------------|
| Date          | Target  | Acquirer      | Deal Value (USD bn) |
| Oct'25        | Aligned | AI TP         | 40                  |
| Jun'24        | VANTAGE | DIGITALBRIDGE | 9                   |

| India  |                |          |                     |
|--------|----------------|----------|---------------------|
| Date   | Target         | Acquirer | Deal Value (USD bn) |
| Mar'26 | nxtra          | CARLYLE  | 1                   |
| Nov'25 | tcs Hypervault | TPG      | 1                   |

| APAC ex-India |                                 |            |                     |
|---------------|---------------------------------|------------|---------------------|
| Date          | Target                          | Acquirer   | Deal Value (USD bn) |
| Feb'26        | STTelemedia Global Data Centres | KKR        | 10                  |
| Sep'24        | AIRTRUNK                        | Blackstone | 16                  |

| Europe |        |                      |                     |
|--------|--------|----------------------|---------------------|
| Date   | Target | Acquirer             | Deal Value (USD bn) |
| Aug'25 | Data4  | ARJUN Infrastructure | 4                   |
| Dec'24 | OPCORE | INRAVIA              | 1                   |



## GPU/ AI Providers

| Equity Raises |          |                |                    |
|---------------|----------|----------------|--------------------|
| Date          | Target   | Investors      | Valuation (USD bn) |
| Nov'25        | Lambda   | TWG            | 5.5                |
| Oct'25        | Crusoe   | VALOR, WEBAITA | 10                 |
| Dec'24        | NEBIUS   | NVIDIA, Accel  | 1                  |
| Dec'24        | CineWave | COATUE         | 19                 |

| Debt Raises |        |                         |                     |
|-------------|--------|-------------------------|---------------------|
| Date        | Target | Lenders                 | Deal Value (USD bn) |
| Jan'26      | XI     | APOLLO                  | 7                   |
| Mar'25      | Crusoe | upper90                 | 0.2                 |
| May'24      | NEBIUS | Blackstone, Registrator | 8                   |
| Apr'24      | Lambda | MACQUARIE               | 0.5                 |

| India Focus |        |            |                     |
|-------------|--------|------------|---------------------|
| Date        | Target | Investors  | Deal Value (USD bn) |
| Jan'26      | neysa  | Blackstone | 1.2                 |
| Nov'24      |        |            | 165 USD Mn          |

India accounts for <3% of global disclosed deal value despite ~8% of the global capacity pipeline – implying a structural catch-up in transaction activity over FY27-30

Source: News Reports

# AI Factories: The Data Center Market Enters the Gigawatt Era

| Project                         | Location                                                                                              | Scale                                | Stakeholders                                                                                                                                                                                                                                                                                                                                    | Details                                                                                                 |
|---------------------------------|-------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| xAI Colossus                    |  Tennessee           | ~2GW region                          |                                                                                        | <ul style="list-style-type: none"> <li>Phase 1 delivered in 122 days</li> </ul>                         |
| Stargate Abilene                |  Texas               | 1.2GW; 420MW live                    |     | <ul style="list-style-type: none"> <li>USD 11.6 Bn project financing</li> </ul>                         |
| Meta Hyperion                   |  Louisiana           | 5GW planned                          |                                                                                                                                                                           | <ul style="list-style-type: none"> <li>USD 27 Bn+ private credit financing</li> </ul>                   |
| Meta Prometheus                 |  Ohio                | 1GW; 630MW live                      |                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>First "titan" cluster, live 2026</li> </ul>                      |
| Microsoft Fairwater             |  Wisconsin & Atlanta | Multi-GW program; Atlanta 640MW live |                                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>USD 100bn+ estimated full-build cost</li> </ul>                  |
| AWS Project Rainier             |  Indiana             | 2 GW+; 910 MW+ Live                  |                                                                                                                                                                           | <ul style="list-style-type: none"> <li>USD 11 Bn AI compute cluster</li> </ul>                          |
| UAE Stargate                    |  Abu Dhabi           | 5GW planned                          |     | <ul style="list-style-type: none"> <li>Largest announced AI campus outside the US</li> </ul>            |
| HUMAIN                          |  Saudi Arabia        | Multi-GW program                     |                                                                                                                                                                           | <ul style="list-style-type: none"> <li>Sovereign AI platform at national scale</li> </ul>               |
| DayOne Nusajaya                 |  Johor             | GW-scale corridor                    |                                                                                                                                                                       | <ul style="list-style-type: none"> <li>APAC overflow hub for AI workloads</li> </ul>                    |
| Reliance Intelligence AI Campus |  Jamnagar          | 1GW                                  |                                                                                  | <ul style="list-style-type: none"> <li>USD 12-15 Bn investment over 2-3 years</li> </ul>                |
| Google-Adani-Airtel AI Hub      |  Vizag             | 1GW                                  |                                                                                                                                                                       | <ul style="list-style-type: none"> <li>USD 15 Bn programme including energy and connectivity</li> </ul> |

## Key Investment Themes

*AI campuses are shifting from balance-sheet funding to structured private credit*

*Every additional GW creates a large financing, procurement and power-contracting opportunity*

*AI infrastructure has crossed from individual facilities into multi-GW, capital-intensive campus ecosystems*

# India's Data Center Platforms: Distinct Capital & Monetization Paths

Capacity growth, ownership structure and recent capital events point to different funding and monetisation paths

|                                    |                                  |  |                                              |  |                                                  |  |                                            |  |                                         |  |                                        |  |                                        |  |                                         |  |                                             |  |                                                        |  |
|------------------------------------|----------------------------------|--|----------------------------------------------|--|--------------------------------------------------|--|--------------------------------------------|--|-----------------------------------------|--|----------------------------------------|--|----------------------------------------|--|-----------------------------------------|--|---------------------------------------------|--|--------------------------------------------------------|--|
|                                    |                                  |  |                                              |  |                                                  |  |                                            |  |                                         |  |                                        |  |                                        |  |                                         |  |                                             |  |                                                        |  |
| Platform                           |                                  |  |                                              |  |                                                  |  |                                            |  |                                         |  |                                        |  |                                        |  |                                         |  |                                             |  |                                                        |  |
| Ownership                          | NTT Data                         |  | STT GDC 74% / Tata Comm 26%                  |  | Airtel 61% / Carlyle 24% / Alpha Wave 14%        |  | Promoter Group                             |  | Sify HoldCo 88% / Kotak DC Fund 12%     |  | Hiranandani Group                      |  | Adani Enterprises & EdgeConnex (50:50) |  | Warburg Pincus, OTPP, Mubadala          |  | Iron Mountain Inc. (100%)                   |  | CLINT 80% / CL India DC Fund 20%                       |  |
| Expansion ratio <sup>#</sup>       | 1.0x                             |  | 0.9x                                         |  | 0.7x                                             |  | 0.8x                                       |  | 1.1x                                    |  | 1.2x                                   |  | 3.9x                                   |  | 3.8x                                    |  | 2.6x                                        |  | 3.7x                                                   |  |
| Indian Footprint                   | 18 DCs<br>6 metros               |  | 23 DCs<br>8 metros                           |  | 14 DCs<br>7 metros                               |  | 15 DCs<br>8 metros                         |  | 14 DCs<br>6 metros                      |  | 3 DCs<br>5 metros                      |  | 3 DCs<br>3 metros                      |  | 2 DCs<br>1 metro                        |  | 6 DCs<br>5 metros                           |  | 4 DCs<br>4 metros                                      |  |
| Revenue / EBITDA Margin            | 3,275 (41%)                      |  | 2,619 (46%)                                  |  | 2,365 (41%)                                      |  | 1,563 (51%)                                |  | 1,428 (44%)                             |  | 808 (25%)                              |  | 382 (37%)                              |  | -                                       |  | -                                           |  | -                                                      |  |
| Revenue / Live MW <sup>**</sup>    | 11.9                             |  | 10.5                                         |  | 10.3                                             |  | 8.1                                        |  | 7.6                                     |  | 13.5 <sup>1</sup>                      |  | 8.3                                    |  | -                                       |  | -                                           |  | -                                                      |  |
| Customer mix                       |                                  |  |                                              |  | (Telco Heavy)                                    |  |                                            |  |                                         |  |                                        |  |                                        |  |                                         |  |                                             |  |                                                        |  |
| Recent Capital Events <sup>*</sup> | Parent listed NTT DC REIT        |  | KKR / Singtel acquired 82% at USD 10.9 Bn EV |  | USD 1 Bn primary raise from Carlyle / Alpha Wave |  | No major event disclosed                   |  | SEBI approval for INR 3,700cr IPO       |  | USD 500 Mn pre-IPO raise at USD 3.9 Bn |  | USD 1.4 Bn project financing           |  | USD 1.3 Bn parent-level raise           |  | Promoter buyout completed                   |  | 20.2% sold to India DC Fund                            |  |
| Likely Capital Agenda              | Seed stabilised assets into REIT |  | Integrate post-buyout; fund expansion        |  | Build pre-IPO valuation track record             |  | Potential growth capital / liquidity event |  | Public-market benchmark for Indian colo |  | GPU-backed financing / pre-IPO capital |  | Project debt-led hyperscale buildout   |  | Execute pre-leased development pipeline |  | Portfolio integration and capital recycling |  | Institutionalise platform; recycle development capital |  |

Note: # - Pipeline / Live Capacity; \* - Capital Events are expressed for the last 24 months; \*\* in INR Cr / MW; 1. Elevated by GPU-cloud revenue on a small MW base; All values in INR Cr

# The Compute Layer: India's Emerging AI Cloud & GPU Platforms

*Listed equity, sponsor-backed scale-up and conglomerate balance sheets are funding the next phase of India's GPU buildout*

| Platform              |  |  |  |  |  |  |
|-----------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Ownership             | Listed                                                                            | Blackstone, TVS Cap, 360 ONE, Nexus                                               | Larsen & Toubro                                                                     | Promoter, Intel Capital, IFC, Iron Mountain                                         | Promoter family / HNIs                                                              | Promoter-led                                                                        |
| GPU Stack             | H200, H100, HGX B200                                                              | H100, L40S                                                                        | B200                                                                                | H200                                                                                |                                                                                     | B300                                                                                |
| Revenue (INR Cr)      | 246                                                                               | 50                                                                                | -                                                                                   | 246                                                                                 | 361                                                                                 | -                                                                                   |
| Recent Capital Event* | QIP at 34.7x EBITDA                                                               | USD 1.2 Bn financing: USD 600 Mn equity + debt                                    | E2E stake acquisition + internal capex                                              | No major event disclosed                                                            | INR 600 Cr IPO approval                                                             | No major event disclosed                                                            |
| Likely Capital Agenda | Public-market benchmark for AI cloud                                              | Scale GPU fleet and enterprise adoption                                           | Build integrated sovereign AI stack                                                 | Expand colocation-led cloud platform                                                | Fund growth through primary IPO capital                                             | Raise growth capital for B300 deployment                                            |

*Note: All values in INR Cr; Unless Mentioned Otherwise*

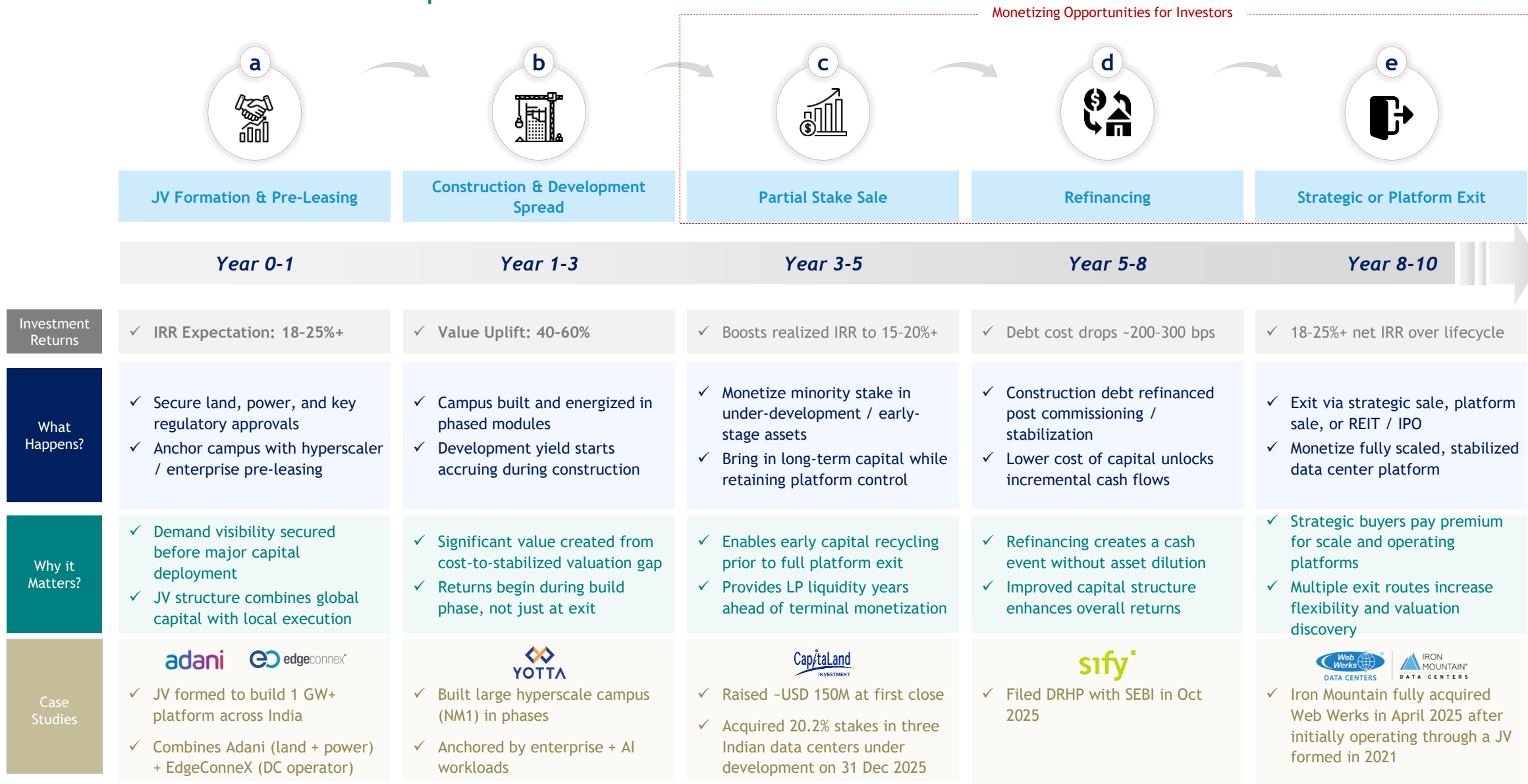


## The Monetization Playbook: Multiple Paths to Realize Value

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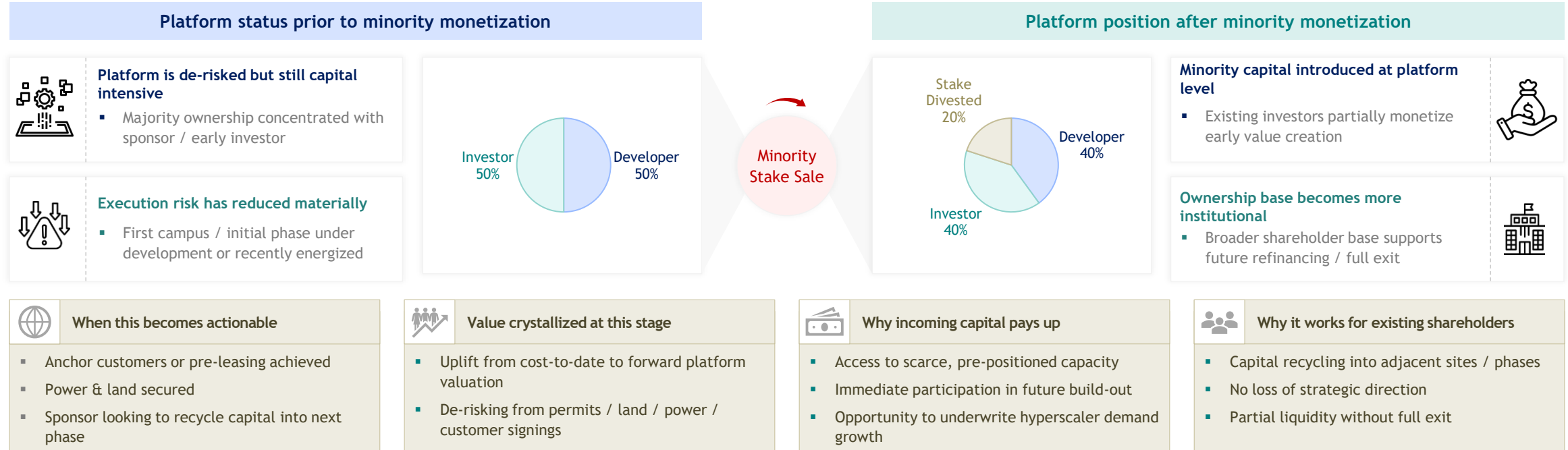
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# Data Centers Offer Phased Capital Returns



# Minority Monetization Balances Liquidity and Long-Term Value Creation

Investors can partially monetize under-development or recently scaled assets while retaining control and exposure to future upside



## Case Study 1



### Carlyle Invests in Airtel's Nxtra Data Center

- In 2020, Carlyle agreed to acquire ~25% stake in Nxtra, Airtel's data center business, at a post-money enterprise valuation of USD 1.2 Bn, while Airtel retained the remaining ~75%

## Case Study 2



### Reliance join Brookfield & Digital Realty JV

- In 2023, Reliance Industries agreed to invest alongside Brookfield Infrastructure and Digital Realty in their Indian data center SPVs; post-transaction, each party would hold 33.3% in the Indian JV.

## Case Study 3



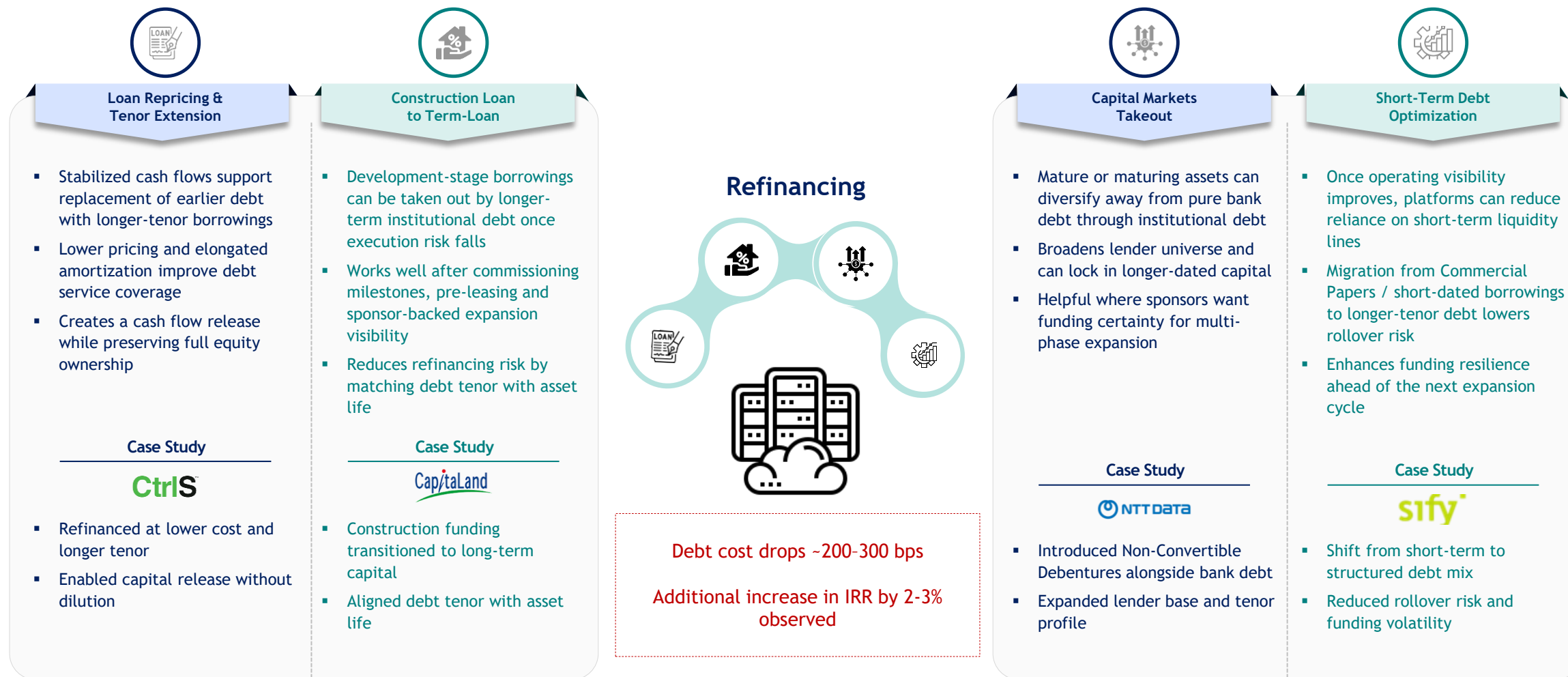
### ST Telemedia Global Data Centers receive minority investment from KKR

- In 2024, KKR-led capital invested USD 1.8 Bn in STT GDC for a minority stake

Source: Deal Reports

# Refinancing Unlocks Non-Dilutive Liquidity Post Stabilization

As assets scale, lease-up improves and cash flows become more predictable, data center platforms can replace high-cost / short-tenor funding with lower-cost, longer-duration capital



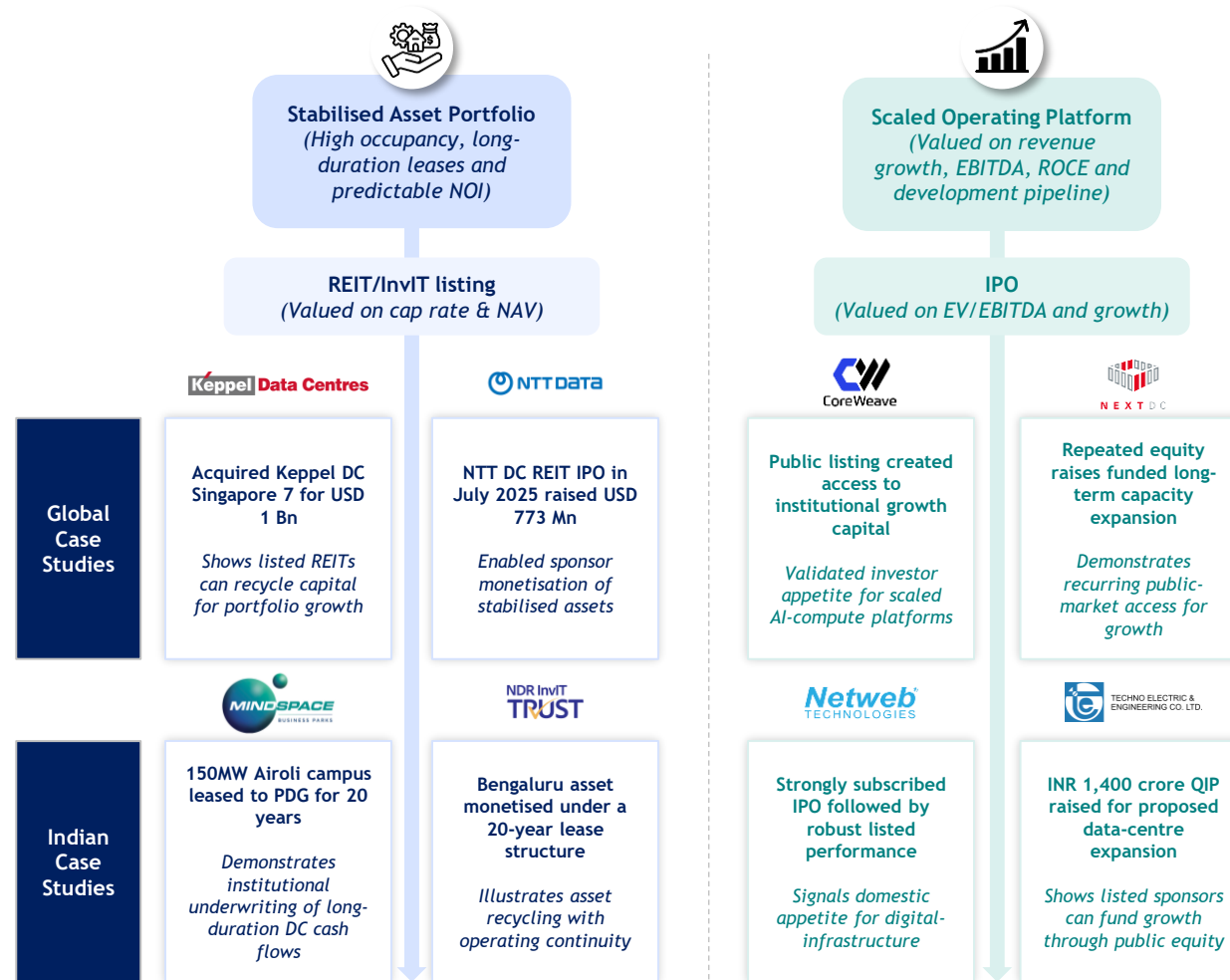
Source: ICRA & Care Ratings

# Strategic / Platform Exit: REITs and IPOs Provide Scalable Liquidity Pathways

Stabilised assets can be recycled into REIT / InvIT structures, while scaled operating platforms can access public equity to fund growth and create staged shareholder liquidity

| Company                                                                                            | Listing Country                                                                     | Revenue LTM | 3 Yr CAGR | EBITDA LTM | EV/LTM Revenue | EV/LTM EBITDA | EV/LTM DC Capacity |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------|-----------|------------|----------------|---------------|--------------------|
|  GDS GROUP        |    | 1,754       | 8%        | 787        | 6.7x           | 7.8x          | 6.3x               |
|  世纪互联 VNET        |    | 1,536       | 13%       | 431        | 4.0x           | 10.5x         | 6.9x               |
|  sunvision        |    | 382         | 8%        | 249        | 12.4x          | 17.0x         | 44.7x              |
|  NEXT DC          |    | 292         | 6%        | 121        | 28.2x          | 65.9x         | 21.8x              |
|  EQUINIX          |    | 9,904       | 11%       | 4,540      | 13.1x          | 26.8x         | 267.5x             |
|  IRON MOUNTAIN  |  | 7,562       | 13%       | 2,551      | 7.6x           | 17.7x         | 114.1x             |
|  DIGITAL REALTY |  | 6,757       | 10%       | 3,210      | 13.8x          | 27.0x         | 31.1x              |

Source: Company Filings, CapitalIQ; All values in USD Mn, unless stated otherwise.



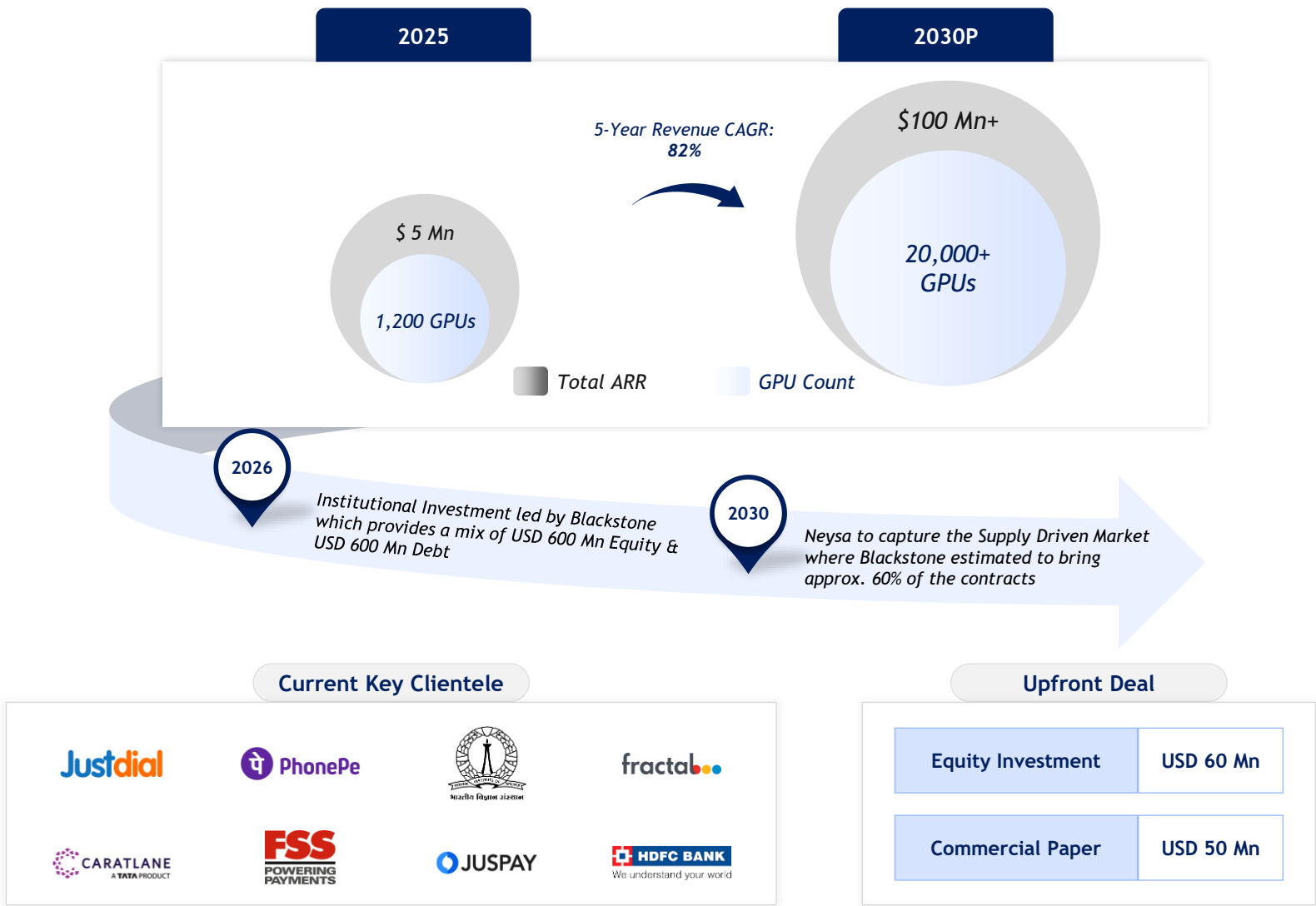
# Control Transactions Are Expanding Across Strategic, Infrastructure and Sovereign Capital Pools

| Strategic Buyers - Market Entry & Capability Acquisition                            |                                                                                     |       |                                                                                 | Infrastructure & PE - Contracted Yield + Development Upside                          |                                                                                       |        |                                                                                          | Sovereign / Large-Cap Capital — Scaled Platform Exposure                              |                                                                                      |        |                                                                                                     |
|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------|
| Target                                                                              | Buyer                                                                               | EV    | Note                                                                            | Target                                                                               | Buyer                                                                                 | EV     | Note                                                                                     | Target                                                                                | Buyer                                                                                | EV     | Note                                                                                                |
|    |    | NM    | Accelerates APAC market entry through an established development platform       |    |    | 10,900 | Control acquisition of a scaled platform with established cash flows and regional growth |    |   | ND     | Institutional capital backs power-led development and accelerates campus delivery                   |
|    |    | 4,000 | Adds regional scale, customer access and high-density infrastructure capability |    |    | 3,600  | Core infrastructure acquisition anchored by stabilised assets and contracted earnings    |    |   | ND     | Pension capital gains direct exposure alongside an experienced control sponsor                      |
|    |    | 300   | Bolt-on acquisition expands hyperscale footprint in a priority APAC market      |    |    | 2,340  | Enterprise-led platform offers diversified customers and multi-market scale              |    |   | 300    | Long-duration pension capital supports global hyperscale expansion                                  |
|    |    | 215   | Phased control structure de-risks market entry before full ownership            |    |    | ND     | Sponsor transition enables institutional ownership and renewed growth capital            |    |   | 4,000  | Large-cap strategic investment provides exposure to a scaled global digital-infrastructure platform |
|  |  | 200   | Carve-out adds operating capacity without acquiring the broader platform        |  |  | 1,150  | Control investment into a hyperscale campus platform with expansion optionality          |  |  | 40,000 | Landmark control transaction secures a scaled, high-growth hyperscale platform                      |

Scarce power, contracted capacity and speed-to-market are driving buyers to acquire platforms at different stages of maturity—from development portfolios to fully stabilised operating assets

Source: All values in USD Mn, unless stated otherwise.

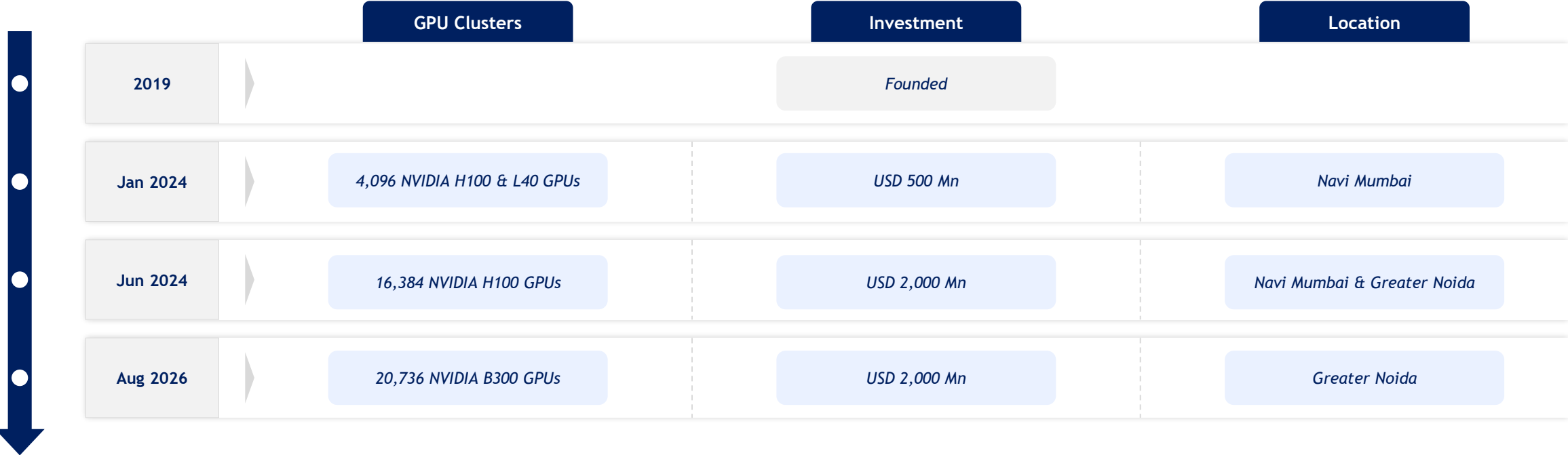
# Neysa: Scaling the GPU Infrastructure Model



### Deal Considerations

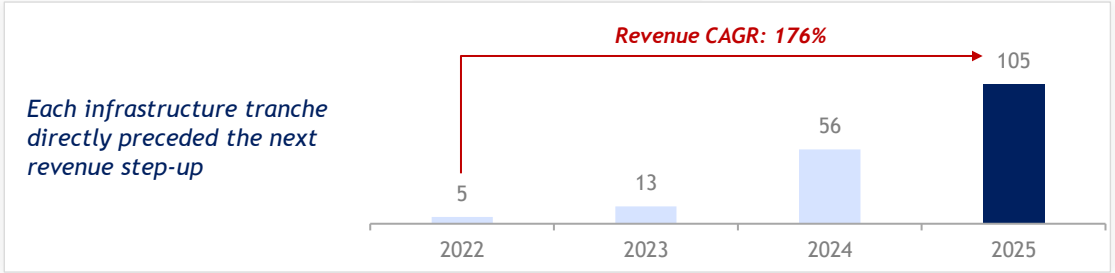
-  Capital-intensive, contract-driven model
-  India has fewer than 60,000 GPUs deployed today – estimates suggest 30x growth to 2Mn+ GPUs by 2030
-  GPU clusters serve as hard collateral – enabling debt financing at scale as the contract base grows
-  Leadership team with combined experience across Netmagic, Jio Cloud, and NTT
-  Blackstone brings \$1.3Tn in AUM, a majority stake, and a direct pipeline of enterprise contracts

# Yotta: Capital Deployment Driving the GPU Growth Curve



## Key Clientele

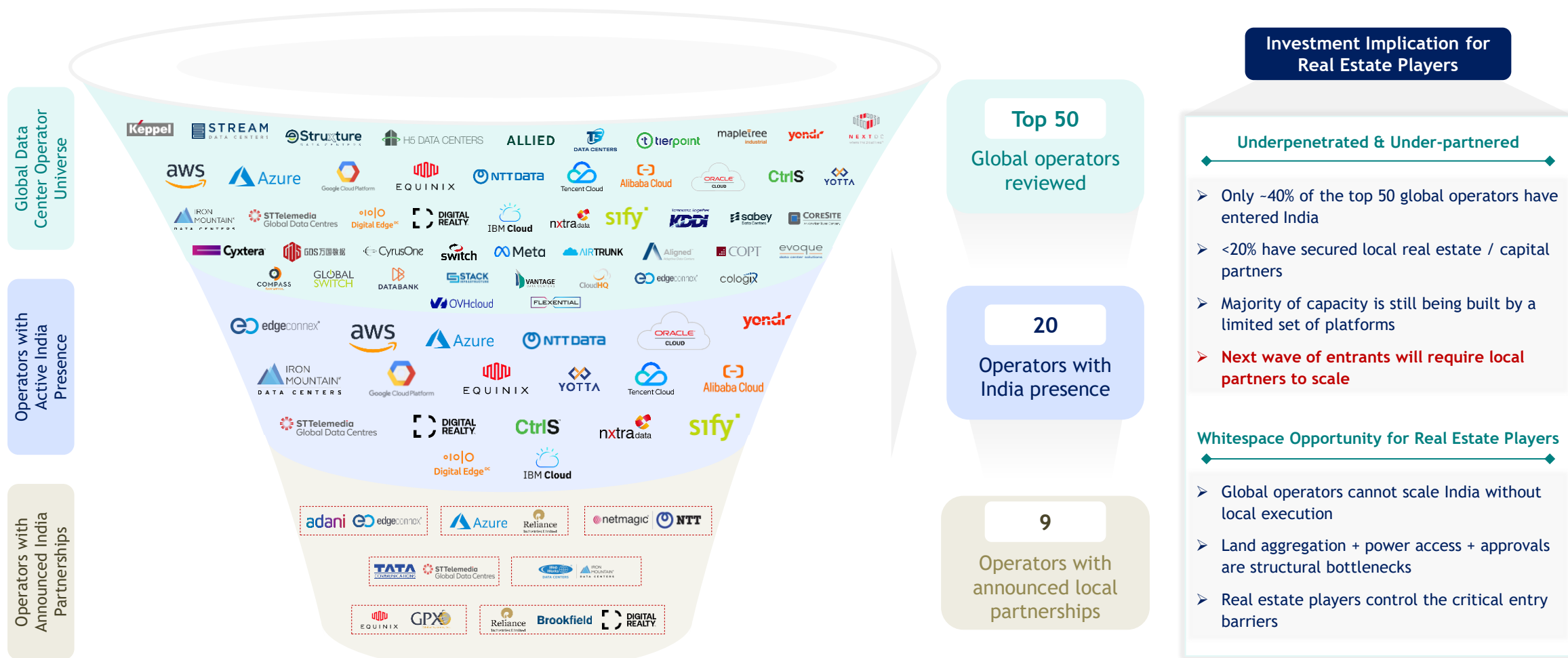
## Financial Profile



Source: Company disclosures and news articles

# Large Global Universe, Limited Local Partnerships, Significant Whitespace

Only a small subset of global data center operators have entered India, and even fewer have formed local real estate / capital partnerships

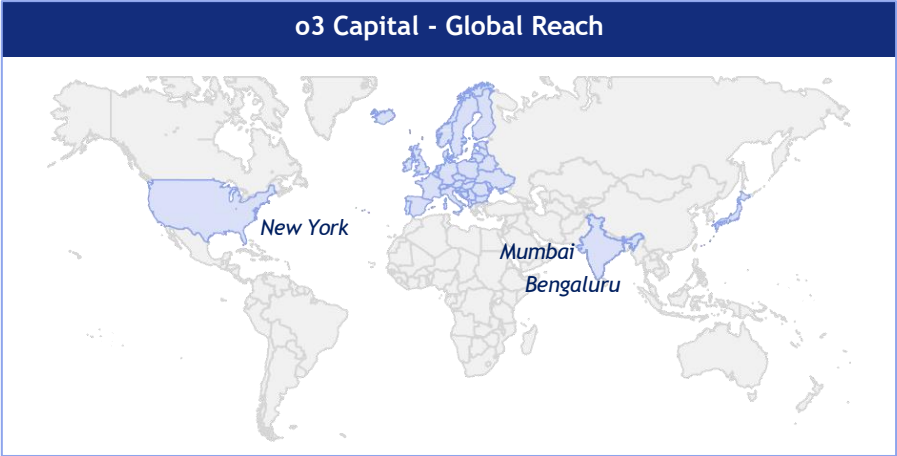


# Global Infrastructure Investors & Indian Data Center Participation

Global Infrastructure Investors by Cheque Size & Data Center Participation



# o3 Capital - Overview



## Recent Technology Transactions

**CYIENT**

**TAO DIGITAL**  
Transformation Made Simple

Tao Digital acquired by Cyient for USD 218 Mn

**SFO Technologies**  
AMICUS CAPITAL PARTNERS TRIDENT GROWTH PARTNERS ANICUT **HDFC**

SFO Technologies raised growth capital from a consortium of Investors

**BITSILICA**

**Quest global**

Quest Global acquired BITSILICA

**L&T Technology Services**

**intelliswift**  
love the new

Intelliswift acquired by LTTS for USD 110 Mn

**TAO DIGITAL**  
Transformation Made Simple

**VESPER**

TAO Digital raised growth funding from Vesper Company

**EXCELSOFT**  
Building the only people team

**Investec**

Excelsoft raised funding from Investec

**people\*TECH**

**Quest global**

People Tech Group acquired by Quest Global

**cadence**

**invecas**

Invecas acquired by Cadence Design Systems

**ACCORDION**

**merilytics**

Merilytics acquired by Accordion Partners

● Color denotes o3 Capital's client

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