



Kao Data, Legal & General's datacentre business, receives £120m expansion boost from Infratil

Infratil announced today it has agreed to invest up to £120-130 million in Kao Data, a leading UK developer and operator of advanced data centres for high performance colocation.

Since commencing operations in 2018, Kao Data has created world-class digital infrastructure systems that deliver high performance colocation services for enterprise, cloud, HPC and AI organisations.

Kao Data owns a 15-acre data centre campus, built on the site of Sir Charles Kao's pioneering discovery of the fibre optic cable in 1966. It is located in the UK Innovation Corridor, one of the country's fastest-growing economic regions between London and Cambridge. Its campus is an ultra-sustainable and carrier-neutral development that once fully operational, will become home to four energy efficient data centres, all powered by 100% renewable energy. Construction of its second building will begin later this financial year.

As part of its continued expansion, Kao Data has recently signed an agreement to acquire two UK prime location data centres with a long-term anchor lease from a large financial services business. This purchase will enable Kao Data to deliver multi-site services for its clients and expand potential capacity to c. 55MW, while delivering long-term trusted operations for clients' mission-critical infrastructure.

Infratil's initial investment will fund this growth, after which Infratil will hold 40% of Kao Data, alongside current shareholders, Legal & General Group, one of Europe's largest asset managers and Goldacre, founder of Kao Data and part of Noé group.

Infratil CEO Jason Boyes said, "With global demand for connectivity continuing to rise, this is an excellent opportunity to expand our digital infrastructure portfolio and build on our successful data centre platform investment in Australia and New Zealand. We were an early mover into this sector, acquiring CDC Data Centres in 2016, which has delivered exceptional performance."

Kao Data provides a compelling strategic growth opportunity for Infratil. It is a rare opportunity to be able to invest in one of the fastest growing data centre markets in the world, alongside blue chip partners. We will bring our sector experience alongside our partners' capability and relationships to continue to scale up this business, with the aim of delivering a sizeable multi-site, multi-geography platform."

Vincent Gerritsen, Head of UK and Europe for Morrison & Co, the manager of Infratil Ltd said, "We look forward to working with the Kao Data management team and existing shareholders to continue the build out of best-in-class, high-performance, sustainable data centre solutions and scale up the platform through attractive growth opportunities in the pipeline."

Lee Myall, CEO, Kao Data said, "I welcome today's announcement of Infratil Limited's investment in Kao Data, and on behalf of our management team, we look forward to working with them on the next stages of this exciting journey. This investment presents a strategic opportunity to accelerate our mission of supporting the computing requirements of advanced industries, and to do so sustainably."

Matteo Colombo, Strategic Capital Investment Director at Legal & General Capital said, "Kao is fast becoming one of the UK's leading compute providers to the life sciences and financial services sectors, amongst others, delivering critical infrastructure to enable a productive and inclusive society. We're thrilled to welcome Infratil with its international experience and significant sector acumen."

David Bloom, Founding Partner at Goldacre, Noé Group, said, "This is another landmark moment for Kao Data, both for the continued growth of the firm and for the development of the wider data centre industry. We saw immense potential in Kao

Data back in 2014 and are proud to see the team continue to go from strength to strength, transitioning into a widely respected market leader. Given the ever-growing importance of the data industry, we look forward to working with Infratil and our existing partners to create further opportunities to accelerate the emergence of state-of-the-art infrastructure and enter new markets around the globe.”

Morrison & Co has deep investment and operating experience in digital infrastructure, managing investments in businesses such as Vodafone New Zealand, Fore Freedom, and CDC Data Centres.

Morrison & Co is actively growing its European investment portfolio with current equity investments in water, energy distribution, renewable energy, transport and digital infrastructure.

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Further information

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Notes to editors

Legal & General Capital

Legal & General Capital (LGC) is Legal & General Group’s alternative asset platform, creating assets for Legal & General Retirement and third-party clients in order to achieve improved risk-adjusted returns for our shareholders.

LGC has built its market leading capabilities in a range of alternative assets, delivering depth of resource, track record and intellectual property. Investing in the real economy and creating alternative assets that deliver a tangible societal impact, its purpose is to invest society’s capital for society’s benefit. LGC’s investments have been vertically integrated and include: residential property; specialist commercial real estate; clean energy; alternative credit; and venture capital.

As LGC’s capability to create alternative assets continues to grow, it will not only continue to expand its balance sheet but also to create alternative assets for third party investors. Many of these investors have the same aims, namely to create assets to back pensions with an improved yield or to create assets with strong growth prospects but with low correlation to equities performance.

L&G has invested over £30bn in levelling-up regional economies, including through major regeneration schemes in Cardiff, Newcastle and Salford. Legal & General recently made a commitment to enable all new homes across its portfolio to operate at net zero carbon emissions by 2030, including Legal & General Modular Homes, CALA Group, Legal & General Affordable Homes, Build to Rent and Later Living.

Legal & General Group

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With over £1.3 trillion in total assets under management, we are the UK’s largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, life insurance, workplace pensions and retirement income.