

Global Switch Australia Holdings Pty Limited and its controlled entities

ABN 35 138 200 049

Interim Report - 30 June 2024

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Global Switch Australia Holdings Pty Limited and its controlled entities
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30 June 2024



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Global Switch Australia Holdings Pty Limited and its controlled entities
Directors' report
30 June 2024



The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'group') consisting of Global Switch Australia Holdings Pty Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

Directors

The following persons were directors of Global Switch Australia Holdings Pty Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Damon Ward Reid
 John Anthony Corcoran
 Grant Charles Winberg

Principal activities

The principal activity of the group during the half-year is ownership, development, management and operation of wholesale fully fitted data centres that service its customers' deployment of mission-critical voice and data communications equipment.

The group is a vital strategic partner for customers that require secure and resilient data centre services with scalable capacity and a high-level of customer service. The group owns and operates two highly resilient, central, low latency, network dense locations in a prime city centre location and internet hubs close to its customers on the edge of the Sydney financial and business districts. The group provides data centre services to a broad range of customers, global and national, large and small including government organisations, financial institutions, enterprises, global systems integrators, telecommunication carriers, cloud and managed service providers and other hosting businesses.

Dividends

There were no dividends paid, recommended or declared during the current financial half-year.

Review of operations

The loss for the group after providing for income tax amounted to \$275,040,000.

A review of the operations of the group during the half-year of operation and the results of those operations show that during the half-year, the group continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the financial half-year.

Matters subsequent to the end of the financial half-year

The group is in the process of being acquired by DigiCo Infrastructure REIT. The acquisition is expected to be completed in December 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors.

On behalf of the directors

DocuSigned by:

Damon Reid

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Damon Ward Reid
 Director

9 December 2024
 Sydney

Global Switch Australia Holdings Pty Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

**GLOBAL
SWITCH**

	Note	Consolidated 30 Jun 2024 \$'000
Revenue	4	64,053
Unrealised fair value adjustment to investment property	10	(370,784)
Interest income		1,901
Expenses		
Investment property costs		(965)
Facilities management costs	5	(20,937)
Employee benefits expense		(2,415)
Travel, entertainment and marketing expenses		(62)
Legal and professional costs		(522)
Depreciation and amortisation expense		(19)
Finance costs	5	(47,029)
Other expenses		(2,194)
Loss before income tax benefit		(378,973)
Income tax benefit	6	103,933
Loss after income tax benefit for the half-year		(275,040)
Other comprehensive income for the half-year, net of tax		-
Total comprehensive loss for the half-year		<u>(275,040)</u>

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The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Global Switch Australia Holdings Pty Limited and its controlled entities
Consolidated statement of financial position
As at 30 June 2024

**GLOBAL
SWITCH**

	Note	Consolidated 30 Jun 2024 \$'000
Assets		
Current assets		
Cash and cash equivalents	7	168,565
Trade and other receivables	8	15,283
Income tax refund due	6	3,168
Other assets	9	2,249
Total current assets		<u>189,265</u>
Non-current assets		
Investment properties	10	1,936,000
Property, plant and equipment		99
Intangibles		2
Total non-current assets		<u>1,936,101</u>
Total assets		<u>2,125,366</u>
Liabilities		
Current liabilities		
Trade and other payables	11	26,347
Employee benefits		978
Deferred income		2,602
Total current liabilities		<u>29,927</u>
Non-current liabilities		
Borrowings	12	819,759
Deferred tax liabilities	6	488,393
Total non-current liabilities		<u>1,308,152</u>
Total liabilities		<u>1,338,079</u>
Net assets		<u>787,287</u>
Equity		
Issued capital	13	-
Reserve	14	(447,188)
Retained profits		1,234,475
Total equity		<u>787,287</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Global Switch Australia Holdings Pty Limited and its controlled entities
Consolidated statement of changes in equity
For the half-year ended 30 June 2024



Consolidated	Issued capital \$'000	Reserve \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 January 2024	-	(447,188)	1,509,515	1,062,327
Loss after income tax benefit for the half-year	-	-	(275,040)	(275,040)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(275,040)	(275,040)
Balance at 30 June 2024	-	(447,188)	1,234,475	787,287

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Global Switch Australia Holdings Pty Limited and its controlled entities
Consolidated statement of cash flows
For the half-year ended 30 June 2024



Consolidated
30 Jun 2024
\$'000

Cash flows from operating activities

Receipts from customers	69,097
Payments to suppliers and employees	(23,538)
Payments from related parties	479
Interest received	1,901
Income taxes paid	(617)

Net cash from operating activities	<u>47,322</u>
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Cash flows from investing activities

Payments for investment property	(8,325)
Payments for property, plant and equipment	(26)
Payments for intangibles	(2)

Net cash used in investing activities	<u>(8,353)</u>
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Cash flows from financing activities

Interest and other finance costs paid	(4,602)
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Net cash used in financing activities	<u>(4,602)</u>
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Net increase in cash and cash equivalents	34,367
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Cash and cash equivalents at the beginning of the financial half-year	<u>134,198</u>
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Cash and cash equivalents at the end of the financial half-year	<u><u>168,565</u></u>
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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 1. General information

The financial statements cover Global Switch Australia Holdings Pty Limited (the 'company') as a group consisting of Global Switch Australia Holdings Pty Limited and the entities it controlled at the end of, or during, the half-year (referred to hereafter as the 'group'). The financial statements are presented in Australian dollars, which is Global Switch Australia Holdings Pty Limited's functional and presentation currency.

Global Switch Australia Holdings Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

400 Harris Street
 Ultimo NSW 2007

A description of the nature of the group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 9 December 2024.

Note 2. Material accounting policy information

The accounting policies that are material to the group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group during the financial half-year ended 30 June 2024 and are not expected to have any significant impact for the full financial year ending 31 December 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

The interim consolidated financial statements have been prepared to assist the Directors of HMC Digital Infrastructure Ltd with their due diligence as part of the Initial Public Offering (IPO) of DigiCo Infrastructure REIT, as required by the Australian Securities Exchange (ASX).

These consolidated financial statements for the interim half-year reporting period ended 30 June 2024 comply with all recognition and measurement requirements in Australian Accounting Standards and have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' as appropriate for for-profit oriented entities except for the disclosure of comparative information as required by AASB 134.5(ea) after consultation with the financial statement users.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of investment properties measured at fair value through profit or loss.

Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Global Switch Australia Holdings Pty Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the half-year then ended. Global Switch Australia Holdings Pty Limited and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its

Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 2. Material accounting policy information (continued)

power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Global Switch Australia Holdings Pty Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial half-year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The group recognises revenue as follows:

The group enters into lease agreements as a lessor in relation to its investment properties. Revenue contracts with customers for data centres and office spaces contain both lease and non-lease components. Rental and service fee income from investment properties is recognised based on lease agreements with tenants and does not fall under the scope of AASB 15 'Revenue from contracts with customers'. However, power recharges and other revenue streams, such as management services, may be considered non-lease components, meaning they are not directly related to the tenant's rights to use leased assets. A non-lease component is subject to AASB 15 and is recognised at the point in time it is earned.

Rental and service fee income from investment properties

Rental income and service fee income from investment properties is recognised in profit or loss on a straight-line basis over the lease term including any fixed indexation. Lease incentives granted are considered an integral part of the total rental income and are recognised as a reduction in rental income over the term of the lease, on a straight-line basis.

The inception of a lease or service agreement is the earlier of the date of the agreement and the date of commitment by the parties to the principal provisions of the lease or service agreement. The commencement of the lease term is the date from which the customer is entitled to exercise its right to use the leased asset. The lease term is the non-cancellable period for which the customer has contracted to lease the asset together with any further terms for which the customer has the option to continue to lease the asset, with or without further payment, when at the inception of the contract it is reasonably certain that the customer will exercise the option.

Revenue recognition policies for non-lease components are as follows:

Power recharges

Revenue in relation to electricity drawn by the customer is recognised in the period in which the electricity was drawn. The timing of the drawing of power aligns to the satisfaction of the corresponding performance obligations. Associated electricity costs are recognised in cost of sales.

Additional services and other revenue

Additional services include power administration, fit-out, the provision of sub ducts, cross connect installation and management, managed services reporting, cleaning, dilapidations services, access management and client management

Note 2. Material accounting policy information (continued)

services. Revenue from additional services is recognised when the service is provided, reflecting the consideration for those services and the requirements of AASB 15, including those set out below.

When a contract includes both leases and non-lease components, the group applies AASB 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Significant payment terms depend on the individual contract with a customer. There is not typically a significant Financing component and payment terms are specified in contracts with customers. The group does not typically have material performance obligations under AASB 15 that are unsatisfied at a given point in time.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Global Switch Australia Holdings Pty Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 2. Material accounting policy information (continued)

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables including related party receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets (accrued income)

Contract assets are recognised when the group has transferred goods or services to the customer but where the group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. All of the group's property interests are owned to earn rentals or for capital appreciation purposes, are accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	2-15 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 2. Material accounting policy information (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the group prior to the end of the financial half-year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities (deferred income)

Contract liabilities represent the group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the group has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is

Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 2. Material accounting policy information (continued)

undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the group for the period ended 30 June 2024. The group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 'Statement of Cash Flows'. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The group will adopt this standard from 1 January 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 3. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis, the capitalisation method or the use of observable inputs that require significant adjustments based on unobservable inputs.

The fair value assessment of investment properties as at 30 June 2024 has been conducted using the information available at the time of the preparation of the consolidated financial statements and best estimates of future performance. Refer to note 16 for details of valuation techniques used.

Note 4. Revenue

	Consolidated 30 Jun 2024 \$'000
<i>Revenue from contracts with customers</i>	
Rental and service fee income	42,398
Power recharges	11,742
Additional services and other revenue	9,913
Revenue	64,053

Disaggregation of revenue

Revenue from rental income and service fees are recognised on a straight-line basis over the lease term. Power recharges, additional services and other revenue is recognised overtime as services are rendered.

Note 5. Expenses

	Consolidated 30 Jun 2024 \$'000
Loss before income tax includes the following specific expenses:	
<i>Facility management costs*</i>	
Facility management costs	20,937
<i>Finance costs</i>	
Interest and finance charges paid/payable on related party borrowings	42,427
Other finance costs**	4,602
Finance costs expensed	47,029

* Facility management costs consist of facility management, security, utilities and maintenance.

** Withholding tax on related party interest payable.

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 6. Income tax

	Consolidated 30 Jun 2024 \$'000
<i>Income tax benefit</i>	
Current tax	-
Deferred tax - origination and reversal of temporary differences	<u>(103,933)</u>
Aggregate income tax benefit	<u><u>(103,933)</u></u>
Deferred tax included in income tax benefit comprises:	
Decrease in deferred tax liabilities	<u>(103,933)</u>
<i>Numerical reconciliation of income tax benefit and tax at the statutory rate</i>	
Loss before income tax benefit	<u>(378,973)</u>
Tax at the statutory tax rate of 30%	(113,692)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:	
Entertainment expenses	2
Non-deductible expenses (interest expense thin capitalisation)	9,816
Other movements	<u>(59)</u>
Income tax benefit	<u><u>(103,933)</u></u>
	Consolidated 30 Jun 2024 \$'000
<i>Deferred tax liability/(assets)</i>	
Deferred tax liability comprises temporary differences attributable to:	
Investment properties	580,800
Property, plant and equipment	(91,942)
Deferred income and expenses	(53)
Blackhole (40-880) deductions	(831)
Accruals and provisions	(822)
Others	<u>1,241</u>
Deferred tax liability	<u><u>488,393</u></u>
Movements:	
Opening balance	592,326
Credited to profit or loss	<u>(103,933)</u>
Closing balance	<u><u>488,393</u></u>
	Consolidated 30 Jun 2024 \$'000
<i>Income tax refund due</i>	
Income tax refund due	<u><u>3,168</u></u>

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 7. Cash and cash equivalents

	Consolidated 30 Jun 2024 \$'000
<i>Current assets</i>	
Cash on hand	1
Cash at bank	166,864
Deposits restricted	1,700
	<hr/>
	168,565
	<hr/> <hr/>

Deposits restricted

The group has a contractual obligation with a third party to keep a specified amount of cash in a separate demand deposit. The deposit is on demand and therefore classified as a cash and cash equivalent.

Note 8. Trade and other receivables

	Consolidated 30 Jun 2024 \$'000
<i>Current assets</i>	
Trade receivables	15,141
Less: Allowance for expected credit losses	(1,429)
	<hr/>
	13,712
Related party receivables (note 17)	269
Inventories	1,302
	<hr/>
	15,283
	<hr/> <hr/>

Note 9. Other assets

	Consolidated 30 Jun 2024 \$'000
<i>Current assets</i>	
Accrued income	1,698
Prepayments	551
	<hr/>
	2,249
	<hr/> <hr/>

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 10. Investment properties

Non-current assets

Investment properties

Consolidated
30 Jun 2024
\$'000

1,936,000

Reconciliation

Reconciliation of the fair values at the beginning and end of the current financial half-year are set out below:

Opening fair value

2,299,140

Capital expenditure

8,361

Fair value adjustment

(370,784)

Straight line revenue movement

(717)

Closing fair value

1,936,000

Refer to note 16 for further information on fair value measurement.

Note 11. Trade and other payables

Current liabilities

Trade payables

2,530

Related party payable (note 17)

13,777

Accrued expenses

9,098

GST payable

547

Tenant deposits

395

26,347

Note 12. Borrowings

Non-current liabilities

Related party loans (note 17)

Consolidated
30 Jun 2024
\$'000

819,759

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 13. Issued capital

	Consolidated	Consolidated
	30 Jun 2024	30 Jun 2024
	Shares	\$'000
Ordinary shares - fully paid	<u>1</u>	<u>-</u>

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 14. Reserve

	Consolidated
	30 Jun 2024
	\$'000
Other equity reserve	<u>(447,188)</u>

Other equity reserve

The acquisition of Global Switch Australia Pty Limited has been accounted for as a common control transaction as at the time of this transaction both Global Switch Australia Holdings Pty Limited and Global Switch Australia Pty Limited were controlled by the same shareholder. As a common control transaction, the acquisition does not reflect the fair values of the assets or liabilities acquired or any recording of goodwill at the time of the acquisition of Global Switch Australia Pty Limited. Any difference between the consideration paid and the predecessor book values of the net assets acquired is recognised as a separate reserve within equity. Pre-acquisition losses have not been eliminated.

Note 15. Dividends

There were no dividends paid, recommended or declared during the current financial half-year.

Note 16. Fair value measurement

Fair value hierarchy

The following tables detail the group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 30 Jun 2024	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<i>Assets</i>				
Investment property	-	-	1,936,000	1,936,000
Total assets	<u>-</u>	<u>-</u>	<u>1,936,000</u>	<u>1,936,000</u>

There were no transfers between levels during the financial half-year.

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 16. Fair value measurement (continued)

Valuation techniques for fair value measurements categorised within level 3

Investment properties

The basis of the valuation of investment properties is fair value. The investment properties are revalued annually based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment. Investment properties were valued as part of the process where the group is being acquired by DigiCo Infrastructure REIT.

Level 3 assets

The level 3 assets unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)
Investment properties	(i) Capitalisation rate	6.75% to 7.25%
	(ii) Discount rate	7.50% to 8.25%
	(iii) Terminal yield	7.25% -7.50%

A higher capitalisation rate, discount rate or terminal yield will lead to a lower fair value. A higher rental growth rate will lead to a higher fair value. The capitalisation rate is the most significant input into the valuation of investment property and therefore most sensitive to changes in valuation. A 25 basis point increase in the capitalisation rate would result in a decrease in the fair value of investment property by circa \$66.0 million and a 25 basis point decrease in the capitalisation rate would result in an increase in the fair value of investment property by circa \$73.0 million.

Note 17. Related party transactions

Parent entity

Global Switch Australia Holdings Pty Limited is the parent entity of the group.

Parent entity and ultimate parent entity

The parent entity of Global Switch Australia Holdings Pty Limited is Global Switch Group Limited (an entity incorporated in British Virgin Islands). The ultimate parent entity is Landal Worldwide Corp (an entity incorporated in British Virgin Islands).

Subsidiaries

Interests in subsidiaries are set out in note 18.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 30 Jun 2024 \$
Payment for other expenses:	
Interest payable to ICT Centre Holdings BV	42,427,077
Brand fee	3,425,938
Withholding tax on expenses	4,602,221

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Global Switch Australia Holdings Pty Limited and its controlled entities
Notes to the consolidated financial statements
30 June 2024



Note 17. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 30 Jun 2024 \$
Current receivables:	
Receivables from Global Switch Property Singapore Pte Ltd	116,689
Receivables from Global Switch Hong Kong Ltd	152,598
Current payables:	
Payable from Global Switch Limited	13,777,078

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated 30 Jun 2024 \$
Non-current borrowings:	
Loan from ICT Centre Holdings BV*	819,759,011

* The related party loan agreement between Global Switch Property (Australia) Pty Ltd and ICT Centre Holding BV has a maturity and repayment date of 31 March 2028. The related party loan had an average interest rate of 10.87% during the half-year ended 30 June 2024.

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 30 Jun 2024 %
Global Switch Australia Pty Limited	Australia	100%
Global Switch Property (Australia) Pty Limited	Australia	100%
Global Switch Property Pty Limited	Australia	100%

Note 19. Events after the reporting period

The group is in the process of being acquired by DigiCo Infrastructure REIT. The acquisition is expected to be completed in December 2024.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

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Global Switch Australia Holdings Pty Limited and its controlled entities
Directors' declaration
30 June 2024



In the directors' opinion:

- the attached consolidated financial statements and notes comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and other mandatory professional reporting requirements except for the disclosure of comparative information as required by AASB 134.5(ea);
- the attached financial statements and notes presents fairly, in all material respects the group's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

DocuSigned by:

Damon Reid

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Damon Ward Reid
Director

8 December 2024
Sydney

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Independent Assurance Practitioner's Review Report

To the Directors of HMC Digital Infrastructure Ltd

Qualified Conclusion

We have reviewed the accompanying **Interim Financial Report** of the Global Switch Australia Holdings **Group**.

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Report of the Global Switch Australia Holdings Group does not present fairly, in all material respects, the financial position of the Group as at 30 June 2024, and of its financial performance and cash flows for the six month period then ended, in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 30 June 2024;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the six-month period then ended; and
- Notes 1 to 19 comprising material accounting policies.

The **Group** consists of Global Switch Australia Holdings Pty Limited (the Company) and the entities it controlled at the period end, being 30 June 2024, or from time to time during the six-month financial period.

Basis for Qualified Conclusion

As set out in Note 2 - Basis of Preparation the Group has prepared the Interim Financial Report in accordance with AASB 134 *Interim Financial Reporting* except for the disclosure of comparative information as required by AASB 134.5(ea). The financial effects on the Interim Financial Report of not disclosing the comparative information have not been determined because it is impracticable.

Restriction on use and distribution

The Interim Financial Report has been prepared to assist the Directors of HMC Infrastructure Ltd, for the purpose of providing historical financial information on the Global Switch Australia Holdings Group in relation to their due diligence for the Initial Public Offering of DigiCo REIT.

As a result, the Interim Financial Report and this Assurance Practitioner's Review Report may not be suitable for another purpose. Our conclusion is not modified in respect of this matter.

Our report is intended solely for the Directors of HMC Digital Infrastructure Ltd, and should not be used by or distributed to parties other than the Directors of HMC Digital Infrastructure Ltd. We disclaim any assumption of responsibility for any reliance on this report, or on the Interim Financial Report to which it relates, to any person other than the Directors of HMC Digital Infrastructure Ltd for any other purpose than that for which it was prepared.



Responsibilities of the Directors for the Interim Financial Report

The Directors of Global Switch Australia Holdings Pty Limited are responsible for:

- the preparation and fair presentation of the Interim Financial Report in accordance with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and have determined that the financial reporting framework is appropriate to meet the needs of the Directors of HMC Infrastructure Ltd, for the purpose of providing historical financial information on the Global Switch Australia Holdings Group in relation to their due diligence for the Initial Public Offering of DigiCo REIT; and
- such internal control as the Directors of Global Switch Australia Holdings Pty Limited determine is necessary to enable the preparation and fair presentation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Assurance Practitioner's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the accompanying Interim Financial Report.

We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2400 Review of a Financial Report Performed by an Assurance Practitioner Who is Not the Auditor of the Entity*. *ASRE 2400* requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Financial Report, taken as a whole, is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Interim Financial Report in accordance with *ASRE 2400* is a limited assurance engagement. The assurance practitioner performs procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted with *Australian Auditing Standards*. Accordingly, we do not express an audit opinion on the Interim Financial Report.

KPMG

Sydney

9 December 2024

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