

ASX RELEASE

11 November 2024

STRATEGIC ACQUISITION OF isseek TO SEED GLOBAL DigiCo PLATFORM

HMC Capital Limited (**ASX: HMC**) today announces it has entered into agreements to acquire the shares in isseek (**Acquisition**), a leading Australian co-location data centre operating platform for \$400m.¹

The isseek acquisition is consistent with HMC's recently announced strategy to establish a Global Digital Infrastructure Platform (**DigiCo**). HMC has now secured \$2.5bn of strategic operating assets in Australia and is in exclusive due-diligence on an additional \$1.6bn of data centre assets located in North America. These acquisitions will seed an ASX-listed DigiCo Infrastructure REIT (**DigiCo REIT**)² with \$4bn+ of AUM.

KEY HIGHLIGHTS

- Acquisition of isseek
 - Acquisition price of \$400m which represents 19x CY25 forecast EBITDA³
 - Acquisition consideration of \$150m upfront cash and \$250m⁴ of scrip in the DigiCo REIT IPO, which major shareholders & founders have agreed to escrow the majority of until release of the FY25 and FY26 results
 - Scalable co-location data centre platform with 6MW of Installed IT Capacity across 7 operating facilities located across QLD, SA and NSW and a 27.6MW development pipeline of Future Expansion IT Capacity⁵
 - Exposed to high growth secondary markets with attractive competitive and pricing dynamics
 - High quality and diversified customer base spanning 500+ customers across government, enterprise and hyperscale tenants
- ASX-listed global DigiCo Infrastructure REIT
 - HMC Capital's previously proposed strategy to establish the ASX-listed DigiCo REIT by calendar year end remains on-track, with the intention to raise ~\$2.6bn of new equity which will be seeded with \$4bn+ of AUM at an implied FY25 EV/EBITDA multiple of 26.1x⁶
 - DigiCo REIT will be a diversified owner, operator and developer of data centres, with a global portfolio targeting stabilised, value-add and development opportunities
 - DigiCo REIT will target strong total returns driven by a target distribution yield of 4%⁷ plus growth from contracted revenue growth, lease-up & value-add opportunities and developments
 - Current Installed IT Capacity of 76MW with a significant embedded growth pipeline comprising >161MW of Planned IT Capacity⁸ across Australia & North America, with target development returns of 10%+ yield on cost
 - Best in class global management team assembled across Australia and North America with average >20 years' experience and extensive operational and development track record
 - DigiCo REIT fees payable to HMC expected to be broadly consistent with the fee constructs of HDN & HCW. HMC Capital will invest a minimum of \$500m (~19%) in DigiCo REIT
 - Following the recent successful \$300m equity raising & \$150m upsize in HMC's corporate credit facility, HMC has sufficient asset level financing and balance sheet liquidity to underwrite the acquisition of the proposed DigiCo seed assets. In the event that the DigiCo REIT IPO is delayed, HMC has the ability to defer settlement of the isseek acquisition until 31 March 2025 and to not proceed or defer settlement of the US acquisitions

¹ HMC may nominate another entity (such as DigiCo REIT) to acquire isseek.

² Once it is established, it is proposed that DigiCo REIT will be a stapled entity consisting of a company and a registered managed investment scheme. Shares in the company will be stapled to units in the managed investment scheme on a one for one basis to form stapled securities.

³ isseek CY25 Forecast EBITDA of \$21m.

⁴ It is currently intended that the following escrow arrangements will apply. Voluntary escrow applies to the major shareholder of isseek (while this may change, 25% of their acquisition scrip is expected to be escrowed until 3 months after completion of the DigiCo REIT IPO (the **Completion Date**) with the remainder escrowed until release of financial results of DigiCo REIT for the period ending 30 June 2025. For isseek management, while this may change, 25% of their acquisition scrip consideration will be escrowed until release of financial results of DigiCo REIT for the period ending 30 June 2025, with the remaining escrowed until release of financial results of DigiCo REIT for the period ending 30 June 2026.

⁵ Installed IT Capacity refers to total IT Capacity that is installed and operational as at the Completion Date (where **IT Capacity** refers to the amount of electric power that is reserved solely for the IT equipment in a data centre, and does not include any power that is used for cooling, security or other equipment (which is also known as critical load)). Future Expansion IT Capacity refers to the additional maximum IT Capacity able to be developed based on HMC's management estimates and having regard to due diligence undertaken and assessment of industry factors such as secured power supply, physical area and feasibility studies, as at the Completion Date.

⁶ Enterprise Value / Pro Forma Adjusted EBITDA including assets under exclusive due diligence.

⁷ Based on the forecast Distribution per security (annualised) for the period from the Completion Date to 30 June 2025.

⁸ Planned IT Capacity refers to the total of Installed IT Capacity (see footnote 5) and Future Expansion IT Capacity (see footnote 5) as at the Completion Date.

For further information on the DigiCo platform, please refer to the attached presentation. HMC is releasing the presentation to ensure that it complies with its continuous disclosure obligations.

HMC Managing Director and CEO, David Di Pilla, said “*iseek is a leading colocation data centre platform with a high quality and diverse customer base across government, hyperscale and enterprise customers. This acquisition is also highly complementary to our recent acquisition of Global Switch Australia with a number of benefits including enhanced geographic and customer diversification. The DigiCo platform will have over 100 dedicated people across iseeek, Global Switch Australia and StratCap, and represents the beginning of our strategy to build a world-class operating platform providing investors with exposure to institutional grade digital infrastructure assets in both Australia and North America.*”

iseek Chief Executive Officer, Scott Hicks, and Founder & Executive Director, Jason Gomersall, said “*We are excited to be partnering with HMC Capital’s DigiCo platform to accelerate iseeek’s next phase of growth. A significant portion of the acquisition proceeds will be taken in scrip in the DigiCo Infrastructure REIT IPO which is a testament to our strong conviction in the REIT’s investment strategy and growth runway.*”

iseek ACQUISITION

iseek comprises a portfolio of seven co-location data centres principally located across Queensland, South Australia and New South Wales in Australia. Key highlights and portfolio details include:

- Leading position in attractive high-growth secondary markets, including Brisbane and Adelaide, which are expected to benefit from significant hyperscale edge deployments over the medium-term
- Long-term customer relationships in place across government, enterprise and hyperscale tenants, with the government representing iseeek’s largest customer
- Clear visibility on near-term lease-up opportunities across existing facilities, driven by strong sales pipeline, continued demand from submarkets and under-utilisation of capacity
- Long-term campus expansion optionality in place with strategic asset footprint and positioning providing development upside
- Attractive economics underpinned by co-location focused offering with complementary services including private cloud and connectivity solutions

No. of data centres	7
Locations	Brisbane, Sydney, Adelaide & Townsville
No. of customers	500+
CY25 Forecast EBITDA ⁹	\$21m (representing an acquisition multiple of 19.0x EV/EBITDA)
Installed IT capacity ¹⁰	6.1 MW
Contracted IT capacity ¹¹	3.2 MW
Planned IT capacity ¹²	33.7 MW
Contracted utilisation ¹³	52%
Weighted average contract term ¹⁴	47+ months
Weighted average facility age	~9 years

⁹ CY25 forecast EBITDA includes a combination of contracted earnings and pipeline conversion.

¹⁰ See footnote 5 for the meaning of Installed IT Capacity.

¹¹ Contracted IT Capacity refers to the total sold IT Capacity that is under contract as at the Completion Date, including contracts for which the commencement date is post-Completion Date.

¹² See footnote 8 for the meaning of Planned IT Capacity.

¹³ Contracted Utilisation refers to the percentage of IT Capacity that has been allocated to clients under contractual agreements as at the Completion Date, calculated by dividing Contracted IT Capacity (see footnote 11) by Installed IT Capacity (see footnote 5).

¹⁴ Inclusive of extension options, weighted by monthly contract value (MCV).

DigiCo REIT BOARD AND GOVERNANCE UPDATE

The proposed board and governance framework for ASX-Listed DigiCo REIT has now been finalised. The proposed DigiCo StapleCo board will be comprised of highly credentialed individuals with complementary backgrounds, skill sets and experiences and will include:

- Joseph Carrozzi AM (Independent Chairman)
- The Hon. Mark Arbib (Independent Non-Executive Director)
- David Di Pilla (Non-Executive Director & HMC Capital representative)
- Rachel Grimes AM (Independent Non-Executive Director and Chair of the Audit & Risk Committee)
- Stephanie Lai (Independent Non-Executive Director)
- Chris Maher (Non-Executive Director & HMC Capital representative)
- The Hon. Kelly O'Dwyer (Non-Executive Director & HMC Capital representative)

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About HMC Capital

HMC Capital is a leading ASX-listed diversified alternative asset manager focused on real estate, private equity, energy transition, digital infrastructure and private credit. We manage approximately ~\$16bn on behalf of institutional, high net worth and retail investors. We have a highly experienced and aligned team with deep investment and operational expertise. Our point of difference is our ability to execute large, complex transactions. This has underpinned our rapid FUM growth and track record of generating outsized returns for our investors.

Important Notice

DIGICO REIT IPO

To the extent that this announcement relates to DigiCo REIT, it is provided by HMC as corporate authorised representative of the holder of HMC Capital AFSL 1 Pty Ltd AFSL 291466.

This announcement refers to the DigiCo REIT IPO. Once it is established, it is proposed that DigiCo REIT will be a stapled entity consisting of a company and a registered managed investment scheme. Shares in the company will be stapled to units in the managed investment scheme on a one for one basis to form stapled securities (**Stapled Securities**). The issuer of the shares in DigiCo REIT is intended to be HMC Digital Infrastructure Ltd (ACN 682 024 924). The issuer of the units in DigiCo REIT (which has not yet been established as a managed investment scheme for the purposes of the Corporations Act) will be Equity Trustees Limited. The target market for the Stapled Securities is consumers seeking income and capital growth who have a very high risk and return profile, who have a minimum investment timeframe of 5 years and who are seeking to allocate less than 10% of their total investable assets in Stapled Securities. A disclosure document, comprising a prospectus under Chapter 6D of the Corporations Act and a product disclosure statement under Part 7.9 of the Corporations Act (**PDS**) (the prospectus and PDS together the **Disclosure Document**) will be made available on the website of the responsible entity of DigiCo REIT when the Stapled Securities become available for issue and distribution. The Disclosure Document is expected to be made available in December 2024 at www.asx.com.au. Investors should consider the Disclosure Document in deciding whether or not to acquire, or continue to hold, the Stapled Securities.

FORWARD-LOOKING STATEMENTS This announcement contains certain “forward-looking statements”. The words “expect”, “anticipate”, “estimate”, “intend”, “believe”, “guidance”, “should”, “could”, “may”, “will”, “predict”, “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance of HMC and DigiCo REIT are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of HMC, its directors and management. This includes statements about the assets to be included within the DigiCo REIT (which assumes successful completion of various acquisition agreements) and market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of HMC’s business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of HMC, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this announcement. The forward-looking statements are based on information available to HMC as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), none of HMC, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

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