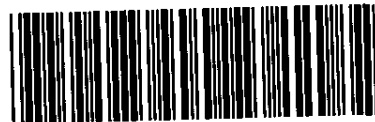


Registration number: 14146708

VIRTUS EMEA Holdco Limited

**Annual report and financial statements
For the year ended 31 December 2023**

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VIRTUS EMEA Holdco Limited

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VIRTUS EMEA Holdco Limited

Company information

Directors Neil Cresswell
Jonathan Allen King
Nelson Lim Yueh Hua
Bruno Lopez
Daryl Robert Leslie Seaton

Registration number 14146708

Registered office 4th Floor
20 Balderton Street
London
United Kingdom
W1K 6TL

VIRTUS EMEA Holdco Limited

Directors' report for the year ended 31 December 2023

The directors present their report together with the financial statements of VIRTUS EMEA Holdco Limited (the "Company") for the year ended 31 December 2023.

The comparative period is from 1 June 2022 to 31 December 2022.

Principal activities and future developments

The Company is part of the VIRTUS Group (the "Group" or "VIRTUS"), headed by STT VIRTUS Holdco Limited.

The Company acts as a holding company of data centre owning and operating entities within the Group.

VIRTUS designs, builds, operates and maintains carrier neutral data centres in the United Kingdom. The principal business of the Company is the provision of co-location services to customers within these facilities.

No future changes to the Company's activities are anticipated.

During 2023, VIRTUS progressed its plans for establishing a presence in the EMEA region and it expects to continue to do so in 2024 and beyond. In May 2023, the business announced plans for the construction of its BERLIN1 site and this was followed in September 2023, by announcement of a further large campus development project at Wustermark, west of Berlin. It is expected that these new sites will support provision of a range of hosting and cloud computing services to hyperscale, enterprise and government customers.

Directors

The directors who served the Company during the year and to the date of the financial statements being approved, unless otherwise stated, were as follows:

Neil Cresswell
Jonathan Allen King
Nelson Lim Yueh Hua
Bruno Lopez
Daryl Robert Leslie Seaton

Results and dividends

The loss after tax for the year ended 31 December 2023 is £1.0m (for the period 1 June 2022 to 31 December 2022: £0.5m).

No dividend was paid or declared during the year (for the period 1 June 2022 to 31 December 2022: £nil).

Political and charitable contributions

The Company did not make any political or charitable donations, nor incurred any political expenditure during the year (for the period 1 June 2022 to 31 December 2022: £nil).

Going concern

At 31 December 2023, the Company is in a net liability position of £1.5m (2022: £0.5m). After excluding current assets not expected to be realised within one year as of 31 December 2023 the Company has net current liabilities of £54.5m (2022: £0.5m). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors of the Group have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period.

VIRTUS EMEA Holdco Limited

Directors' report (continued) for the year ended 31 December 2023

Going concern (continued)

The Company may however need to rely on financial support from a parent company within the Group, namely STT VIRTUS Holdco Limited. STT VIRTUS Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. The directors note that this intention is aligned with the expansion strategy of the Group. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group and the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Financial instruments and risks

The financial risks of the Company are integrated with the financial risks of the Group and are not managed separately. Financial risks facing the Group are monitored through a process of regular assessment and review by the Management Team of an Enterprise Risk Management ("ERM") which is then presented to the Audit and Risk Management Committee ("ARMC"). Key financial risks and their mitigants are set out below:

- Interest rate risk is managed through hedging via interest rate caps, interest rate floors and interest rate swaps on our external debt. As a result of this, the Group has materially mitigated exposure to interest rate fluctuations on its long-term borrowing.
- Liquidity risk is managed through detailed cash-flow management and forecasting undertaken by the directors to ensure the Group has access to adequate financial resources to meet its ongoing needs.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Group and are not managed separately. Key risks faced by the Group are monitored through a process of regular assessment and review by the Group's Management Team, incorporated in the ERM and presented to the ARMC.

- The mid- to long-term outlook for the local and global economy remains uncertain given the trend in higher general inflation, energy and other living costs and costs of borrowing during the past 12 months. These factors could present risks to the Group's future business performance. While customer demand might be impacted by any of these factors, this risk is mitigated by the critical nature of our services, as well as the proportion of well-established global cloud services providers in our customer portfolio.
- External and contingent liabilities of the business are managed through insurance where appropriate

The Board continue to assess new investment opportunities and growth plans with these risks in mind.

Directors' indemnity

The directors are indemnified under the Company's Articles of Association and the directors benefit from a directors' and officers' insurance policy which covers liabilities incurred by the director in the lawful execution and discharge of their duties.

VIRTUS EMEA Holdco Limited

Directors' report (continued) for the year ended 31 December 2023

Directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant and reliable;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Audit exemption

The Company has taken advantage of the audit exemption under section 479A of the Companies Act 2006 relating to subsidiary companies. Under the provisions of section 479 A of the Companies Act 2006, VIRTUS Holdco Limited, has provided a parental guarantee covering all outstanding liabilities to which the Company is subject as at 31 December 2023.

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a Strategic report.

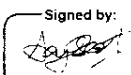
VIRTUS EMEA Holdco Limited

**Directors' report (continued)
for the year ended 31 December 2023**

Subsequent events

There have been no material adjusting or disclosable events since the financial year end.

This report was approved by the Board on 24 September 2024 and signed on its behalf by:

Signed by:

.....
D R L Seaton
Director

VIRTUS EMEA Holdco Limited

**Statement of Profit and loss and other comprehensive income
for the year ended 31 December 2023**

			1 June 2022 to 31 December 2022
	Note	2023 £'000	£'000
Other operating expenses		(1,999)	(482)
Operating loss	4	(1,999)	(482)
Finance income	6	947	-
Loss before tax		(1,052)	(482)
Taxation	7	-	-
Loss for the year/period		(1,052)	(482)
Total comprehensive loss for the year/period		(1,052)	(482)

All the activities of the Company are from continuing operations.

There is no comprehensive income attributable to the shareholders of the Company other than the loss for the year.

The notes on pages 10 to 27 form an integral part of these financial statements.

VIRTUS EMEA Holdco Limited**Balance sheet
As at 31 December 2023****Registration number: 14146708**

	Note	2023 £'000	2022 £'000
Fixed assets			
Investment in subsidiaries	8	45	-
Current assets			
Debtors (including £52.9m (2022: £0.1m) due after more than one year)	9	53,141	147
Cash at bank and in hand	10	136	-
		<u>53,277</u>	<u>147</u>
Creditors: amounts falling due within one year	11	(54,856)	(629)
Net current liabilities		<u>(1,579)</u>	<u>(482)</u>
Total assets less current liabilities		<u>(1,534)</u>	<u>(482)</u>
Net liabilities		<u>(1,534)</u>	<u>(482)</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account	12	(1,534)	(482)
Total shareholder's deficit		<u>(1,534)</u>	<u>(482)</u>

For the year ending 31 December 2023, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to small companies regime.

VIRTUS EMEA Holdco Limited

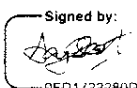
Balance sheet (continued)
As at 31 December 2023

Registration number: 14146708

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 6 to 27 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Signed by:

9FD1/22280DD42A.....
D R L Seaton
Director

Date: 24 September 2024

The notes on pages 10 to 27 form an integral part of these financial statements.

VIRTUS EMEA Holdco Limited

**Statement of changes in equity
for the year ended 31 December 2023**

	Called up share capital £'000	Profit and loss account £'000	Total shareholder's deficit £'000
Balance at 1 June 2022	-	-	-
Loss for the period	-	(482)	(482)
Balance at 31 December 2022 and at 1 January 2023	-	(482)	(482)
Loss for the year	-	(1,052)	(1,052)
Balance at 31 December 2023	-	(1,534)	(1,534)

The notes on pages 10 to 27 form an integral part of these financial statements.

VIRTUS EMEA Holdco Limited

Notes to the financial statements for the year ended 31 December 2023

1. General information

VIRTUS EMEA Holdco Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in England and Wales. The registration number is 14146708 and the registered office is 4th Floor, 20 Balderton Street, London, W1K 6TL.

The principal activity of the Company is described in the Directors' report on page 2.

2. Accounting policies

2.1 Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The principal accounting policies adopted in the preparation of the financial statements are set out below.

Disclosure exemptions adopted

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted International Accounting Standards) ("UK-adopted IFRS") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are stated at fair value.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 110 paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customer.
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.2 Basis of preparation of financial statements (continued)

Disclosure exemptions adopted (continued)

- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- Paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.

2.3 Exemption from preparing group accounts

The Company is a subsidiary of VIRTUS Holdco Limited and is included in the consolidated financial statements of VIRTUS Holdco Limited, which are publicly available. Therefore, the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the parent's registered office is 4th Floor, 20 Balderton Street, London, W1K 6TL. These financial statements are separate financial statements.

These financial statements therefore present information about the Company as an individual undertaking and not about its group.

2.4 Functional and presentation currency

The financial statements are presented in Pounds sterling (£), which is also the Company's functional currency.

Amounts are rounded to the nearest thousand, unless otherwise stated.

2.5 Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance sheet date are translated to the functional currency at the foreign exchange rate in effect at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit and loss and other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate in effect at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at foreign exchange rates in effect at the dates the fair values are determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency of pounds sterling, at foreign exchange rates in effect at the Balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates in effect at the dates of the transactions.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.5 Foreign currency transactions and balances (continued)

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the foreign currency translation reserve (FCTR) or non-controlling interest, as appropriate. When a foreign operation is disposed of, such that control, joint control or significant influence (as the case may be) is lost, the entire accumulated amount in the FCTR, net of amounts previously attributed to non-controlling interests, is recycled to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to profit or loss.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve.

2.6 Going concern

At 31 December 2023, the Company is in a net liability position of £1.5m (2022: £0.5m). After excluding current assets not expected to be realised within one year as of 31 December 2023 the Company has net current liabilities of £54.5m (2022: £0.5m). The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors of the Group have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds to meet its liabilities as they fall due for that period.

The Company may however need to rely on financial support from a parent company within the Group, namely STT VIRTUS Holdco Limited. STT VIRTUS Holdco Limited has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts. The directors note that this intention is aligned with the expansion strategy of the Group. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the Group and the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.7 Investments in subsidiaries

Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of the elements of control.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.7 Investments in subsidiaries (continued)

Investments in subsidiaries are held at cost less impairment, if any. Carrying values of subsidiaries are assessed against the higher of their value in use, or fair values less cost to sell. Where the carrying value is determined to be higher than the appropriate valuation an impairment is recognised to reduce carrying value.

2.8 Financial instruments

Financial assets

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment' or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes some derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Classification and subsequent measurement (continued)

Financial assets at amortised cost (continued)

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Subsequent measurement of gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Subsequent measurement of gains and losses (continued)

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities and equity

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Impairment

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and contract assets.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Impairment (continued)

Simplified approach

The Company applies the simplified approach to provide for ECLs for trade receivables and contract assets.

The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 360 days past due
- the Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Impairment (continued)

Credit-impaired financial assets (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 360 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the Balance sheet

- Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cashflows to repay the amounts subject to write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Company classifies its financial liabilities into one category based on the purpose for which the liability was acquired.

VIRTUS EMEA Holdco Limited

**Notes to the financial statements (continued)
for the year ended 31 December 2023**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Financial liabilities (continued)

Financial liabilities at amortised cost

Financial liabilities at amortised cost include the following items:

- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in the other comprehensive income.

Modification

When the contractual cash flows of a financial liability are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the gross carrying amount of the financial liability is recalculated and a modification gain or loss is recognised in profit or loss. For floating rate financial liabilities, the gross carrying amount is recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial liability's revised effective interest rate. Any costs or fees incurred are expensed on modification of the financial liability.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the Balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.9 Impairment of non-financial assets (excluding deferred tax assets)

Non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Where the carrying value of an asset exceeds its recoverable amount, (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment charges are included in the Statement of Profit and loss and other comprehensive income, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. However, an impairment loss in respect of goodwill is not reversed.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.10 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. The Company's ordinary shares are classified as equity instruments.

2.11 Finance income

Finance income

Finance income is recognised as interest accrues on cash balances held by the Company. Where any interest is charged to a customer on any overdue receivables, this would also be recognised within finance income. Interest income is recognised using the effective interest method.

The 'effective Interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit impaired, then the calculation of interest income reverts to the gross basis.

2.11 Employee benefits

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss in the periods during which services are rendered by employees.

Other long-term employee benefits

Other long-term employee benefits are measured on a discounted basis and are expensed as the related employee service is provided. The present value of the amount payable to employees is calculated using the projected unit credit method and recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each Balance sheet date and at the settlement date. Any changes in the present value of the liability, including unwind of the discounting, are recognised as staff costs in profit or loss.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.12 Employee benefits (continued)

Share based payment arrangements

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Company.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each Balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as staff costs expense in profit or loss.

Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in OCI.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance sheet date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax assets and liabilities are offset only if certain criteria are met.

VIRTUS EMEA Holdco Limited

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Accounting policies (continued)

2.8 Taxation (continued)

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Balance sheet date.

Deferred tax assets are recognised for the unused tax losses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for individual subsidiaries of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset only if certain criteria are met.

2.14 UK-adopted IFRS not yet applied

The following UK-adopted IFRSs have been issued but have not been applied by the Company in these financial statements. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective 1 January 2024).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and non-current liabilities with Covenants (effective 1 January 2024).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (effective 1 January 2024).

3. Critical accounting estimates, judgements and assumptions

No critical accounting estimates, judgement or assumptions have been required to be made by the directors during the period.

VIRTUS EMEA Holdco Limited**Notes to the financial statements (continued)
for the year ended 31 December 2023****4. Operating loss**

Operating loss for the year/period is stated after charging:

	2023 £'000	1 June 2022 to 31 December 2022 £'000
Allowance for impairment of receivables (note 9)	53	-
Foreign exchange differences	237	-
Employee benefit expenses (note 5)	688	333
Auditor's remuneration	-	13
	<u>688</u>	<u>333</u>

Auditor's remuneration for the prior period was borne and paid by the parent entity. All auditor's remuneration in the prior period related to provision of audit services.

5. Employee benefit expenses

The Company had 7 employees including director during the year (2022: 1).

The directors are paid by other group entities. As no significant time was spent by the directors on the Company's affairs, no remuneration has been allocated to the Company.

	2023 £'000	1 June 2022 to 31 December 2022 £'000
Wages and salaries	526	282
Social security and insurance costs	72	11
Pension	22	-
Other	68	40
	<u>688</u>	<u>333</u>

	2023 No.	Restated* 1 June 2022 to 31 December 2022 No.
Directors who are members of pension schemes	2	2

* The number of directors who were a member of pension scheme for the prior year has now been restated but that does not have any impact on the Balance sheet or Statement of Profit and loss and other comprehensive income.

VIRTUS EMEA Holdco Limited**Notes to the financial statements (continued)
for the year ended 31 December 2023****6. Finance income**

	2023 £'000	1 June 2022 to 31 December 2022 £'000
Finance income		
Interest income from group companies	945	-
Interest on bank deposits	2	-
Total finance income	<u>947</u>	<u>-</u>

7. Taxation

	2023 £'000	1 June 2022 to 31 December 2022 £'000
Current tax		
UK corporation tax	<u>-</u>	<u>-</u>

The reasons for the difference between the actual tax charge for the year and the amount calculated using the average standard rate of corporation tax in the United Kingdom of 23.52% (2022: 19.0%) applied to profits or losses is as follows:

	2023 £'000	1 June 2022 to 31 December 2022 £'000
Loss before tax	<u>(1,052)</u>	<u>(482)</u>
Loss at the standard rate of corporation tax in the UK of 23.52% (2022: 19%)	(247)	(92)
Effects of:		
Non-deductible tax expenses	12	7
Group tax relief surrendered	235	85
Taxation	<u>-</u>	<u>-</u>

VIRTUS EMEA Holdco Limited**Notes to the financial statements (continued)
for the year ended 31 December 2023****7. Taxation (continued)****Factors that may affect future tax charges**

The UK Government announced in its budget on 3 March 2021, a rise in the rate of Corporation Tax from 19% to 25% from 1 April 2023 and so an average tax rate of 23.52% (2022: 19%) is applied for the year ended 31 December 2023.

There is no impact of this rate change on the Company's deferred tax position as the Company had no deferred tax balances, recognised or unrecognised, at the Balance sheet date.

8. Investment in subsidiaries

	2023 £'000
Cost	
Additions	45
As at 31 December	45
Impairment	
As at 31 December	-
Net book value	
At 31 December 2023	45
At 31 December 2022	-

On 13 April 2023, the Company made an investment in VIRTUS Germany Holdco GmbH and VIRTUS Berlin 1 GmbH, companies registered in Germany. The Company had no investments in 2022.

The Company has direct and indirect investments in following companies from April 2023 onwards:

Direct investment

Name	Country of incorporation and principal place of business	Proportion of ownership of interest at 31 December 2023	Nature of business
VIRTUS Germany Holdco GmbH	Germany	100%	Immediate holding Company

The registered address of the subsidiaries incorporated in Germany is C/O Investa Holding GmbH, Dusseldorfer St 15, 65760 Eschborn Germany.

VIRTUS EMEA Holdco Limited**Notes to the financial statements (continued)
for the year ended 31 December 2023****8. Investment in subsidiaries (continued)****Indirect investments**

Name	Country of incorporation and principal place of business	Proportion of ownership of interest at 31 December 2023	Nature of business
VIRTUS Berlin 1 GmbH	Germany	100%	SVP holding net assets of future Berlin 1 data
VIRTUS Wustemark 1 GmbH	Germany	100%	SVP holding net assets of future VIRTUS Wustemark 1 GmbH
VIRTUS Wustemark 2 GmbH	Germany	100%	SVP holding net assets of future VIRTUS Wustemark 2 GmbH
Wustemark Netz GmbH	Germany	100%	SVP to operate a closed distribution

The registered address of the subsidiaries incorporated in Germany is C/O Investa Holding GmbH, Dusseldorfer St 15, 65760 Eschborn Germany.

9. Debtors

	2023 £'000	2022 £'000
Amounts owed by group undertakings	52,981	-
Prepayments and accrued income	160	147
	<u>53,141</u>	<u>147</u>
	2023 £'000	2022 £'000
Due within one year	160	-
Due after more than one year	52,981	147
	<u>53,141</u>	<u>147</u>

Amounts owed by group undertakings are unsecured, subject to interest rate of 5% and are repayable on demand. The amounts are stated after provisions for impairment of £53k (2022: £nil).

10. Cash at bank and in hand

	2023 £'000	2022 £'000
Cash at bank and in hand	<u>136</u>	<u>-</u>

VIRTUS EMEA Holdco Limited**Notes to the financial statements (continued)
for the year ended 31 December 2023****11. Creditors: amounts falling due within one year**

	2023 £'000	2022 £'000
Trade creditors	42	29
Amounts owed to group undertakings	54,355	517
Accruals and deferred income	409	83
Other creditors	50	-
	<u>54,856</u>	<u>629</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Assets pledged as security

The Company is a fully owned subsidiary of the VIRTUS Data Centres Properties Limited group, which is a fully owned subsidiary of the Group headed by STT VIRTUS Holdco Limited. The borrowings of the Company are secured by a fixed charge over a pool of assets of the VIRTUS Data Centres Properties Limited group, as such the total assets of the Company are subject to this charge.

The Company has been compliant with all of the financial covenants of the above facilities as applicable throughout the period covered by these financial statements.

12. Capital and reserves**Share capital**

	2023 No.	2023 £	2022 No.	2022 £
Authorised				
Ordinary shares of 100p each	Unlimited	Unlimited	Unlimited	Unlimited
	2023 No.	2023 £'000	2022 No.	2022 £'000
Issued and fully paid				
Ordinary shares of 100p each at 1 January and 31 December	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

During the prior period, the Company issued 2 ordinary shares of nominal value £1.00 each and each share has been credited as fully paid for the aggregate consideration of £2.

Profit and loss account

Profit and loss account consists of cumulative profit and loss net of distributions to owners.

VIRTUS EMEA Holdco Limited**Notes to the financial statements (continued)
for the year ended 31 December 2023****13. Capital commitment**

	2023	2022
	£'000	£'000
Capital expenditure contracted but not provided for in the financial statements	39	-

The capital expenditure contracted by the Company relates largely to the design and construction of its data centre.

14. Immediate parent company and control

The immediate parent company is VIRTUS Holdco Limited which is registered in England and Wales. The ultimate parent company and controlling party is Temasek Holdings (Private) Limited, which is incorporated in the Republic of Singapore.

The largest group of undertakings for which group accounts are prepared and of which the Company is part is the Group headed by Temasek Holdings (Private) Limited. Group financial statements for Temasek Holdings (Private) Limited are not available to the public. Summary financial statements are available from: www.temasek.com.sg/en/our-financials/group-financials.html.

The smallest such group is the Group headed by VIRTUS Holdco Limited. Copies of these group accounts can be obtained from 4th Floor, 20 Balderton Street, London, W1K 6TL.

15. Subsequent events

There have been no material adjusting or disclosable events since the financial year end.